

ENGAGEMENT FACTSHEET

BMW AG

ENGAGEMENT RATIONAL

The automotive industry faces increasing transformation pressure from stricter vehicle emissions standards, changing consumer preferences, and product innovation pressures.

BACKGROUND

The EU aims to have a carbon neutral economy by 2050. Automotive is one of the sectors that will need to transform. BMW could face fines unless it reduces its average EU fleet emissions in line with regulation. Although the company has been able to reduce fleet emissions, historically the pace of these reductions has not been sufficient. The company has improved its targets on Scope 1 and 2 emissions and emission reductions in recent years.

THEME FOR ENGAGEMENT

- x Climate action
- x Responsible consumption and production

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ENGAGEMENT OBJECTIVES

- x Ensure that BMW continues its efforts to further reduce its emissions, particularly Scope 3, and to bring it in line with the goals of the Paris Agreement.

MILESTONE



DEVELOPMENT



ENGAGEMENT RESULTS

- x We have had several discussions with BMW related to this topic.
- x In 2020, BMW came out with an updated sustainability strategy. The company has set new targets for further reductions of its fleet's CO₂e emissions. The company is also targeting CO₂e emissions in the supply chain and will increase efforts for more recycling of materials.
- x Having already lowered 'emissions per vehicle produced' by more than 70 percent since 2006, the BMW Group now aims to reduce its emissions (Scope 1 + 2) by a further 80 percent from 2019 levels by 2030. CO₂ emissions will then be less than 10 percent of what they were in 2006. The main lever for this is production, which generates around 90 percent of the company's Scope 1 and Scope 2 emissions.
- x The Climate Action 100+ (Kempen is involved as an investor) assessment shows that BMW meets most criteria regarding Scope 1 & 2 reduction.

NEXT STEPS

- x We will continue to monitor how the company will progress to be in line with the goals of the Paris Agreement.
- x We will focus on the Climate Action 100+ indicators where BMW does not meet (all) criteria, e.g., Scope 3 reduction ambitions and capital allocation alignment.



COMPANY

BMW AG manufactures and sells luxury cars and motorcycles worldwide.

COUNTRY

Germany

SECTOR

Automobiles

MARKET CAP

Large cap

ISSUE

CO₂e footprint

MATERIALITY

Given the need to reach carbon neutrality by 2050, automobile manufacturers will have to reduce their CO₂e footprint of their fleet. Several countries have already announced intentions to ban the sales of ICE vehicles by 2030.

MSCI ESG RESEARCH

ESG Rating: A

