

**Bayerische Motoren Werke AG (BMW)**  
AUT Automobiles

Company	
Country	Germany
Number of Employees	105'798
Web	www.bmwgroup.com

Share	
Market cap (mil)	26'021
Currency	EUR
High 52 week	46.5
Low 52 week	34.5
Last Price	39.8

Key Data	2005	2006E
Sales (mil)	46'656	48'913
EPS	3.99	4.04
P/E Ratio	9.97	9.85

Source: Bloomberg / August 21, 2006

Sales in	
Alcohol	No
Armaments	No
Firearms	No
Tobacco	No
Gambling	No

Source: ISS, SAM Research

**Company Description**

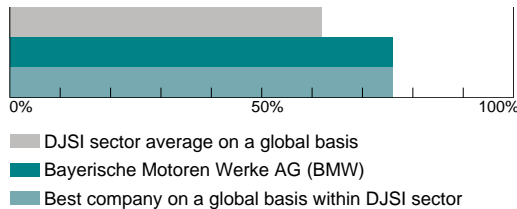
Bayerische Motoren Werke (BMW) is one of the only manufacturers of automobiles and motorcycles worldwide that concentrates entirely on premium standards and outstanding quality for all its brands and across all relevant segments. This results in a very reasonable profitability not comparable to most mass-market producers. The company's brand range also includes MINI and Rolls-Royce. BMW's most popular automobiles are sedans and its most successful range is the BMW 3 Series. The company has worldwide subsidiaries and manufacturing plants.

**Sustainability Performance**

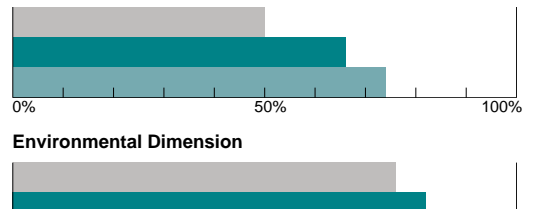
The well-balanced capabilities of BMW in mitigating the challenges in the economic, environmental, and social dimension, position the company as the leader of its industry for the second consecutive year. The backbone of this achievement is a strong management team, a state-of-the-art production process (e.g. Leipzig plant, which offers full flexibility of volumes), high product quality and a very successful positioning of the brand. BMW's good score in the social part of our assessment can be ascribed to a long-standing working culture that is shaped by advanced working time models. Although the focus on the premium segment as well as the continuing demand for high performance cars results in rather high carbon dioxide emission of the fleet, the company is fully committed to reduce its environmental footprint (e.g. alliance with GM and Daimler-Chrysler for hybrid drive development).

**Sustainability Scores**

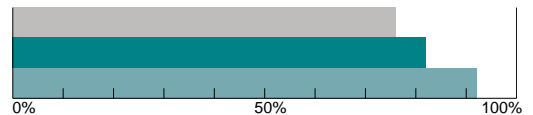
**Total Score**



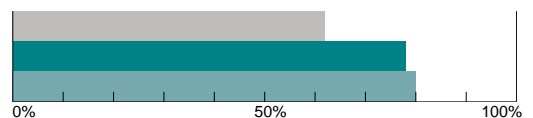
**Economic Dimension**



**Environmental Dimension**



**Social Dimension**



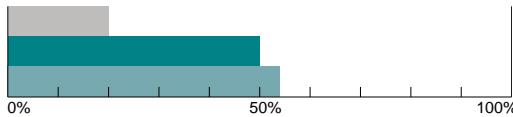
**Industry Driving Forces**

The main challenge for the automotive sector is to define and execute a clear market positioning strategy in an environment of overcapacities, cut-throat competition and product price deflation. Key success factors are high operational efficiency and first-class product quality, which is strongly linked with the brand image. As the products are a significant contributor to anthropogenic greenhouse gas emissions, the sector is subject to stringent regulations in most countries. The sector's reliance on oil adds up to the challenge as governments worldwide seek to diversify their energy sources. To address these issues, carmakers need to improve fuel economy and lower the carbon intensity of their product portfolio by introducing alternative propulsion systems. Additional long-term challenges arise from life-cycle-management of the products, i.e. the ability to take back and recycle the vehicles, as well as integrating the suppliers in the production chain.

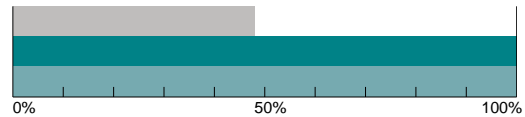
**Company Performance for selected Criteria**

**Economic**

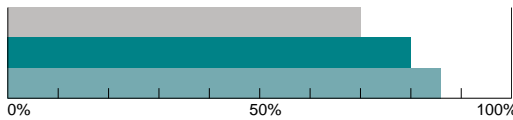
**Brand Management**



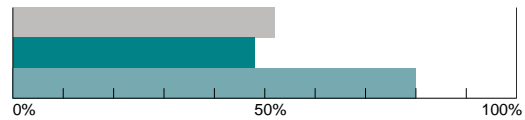
**Product Quality**



**Corporate Governance**

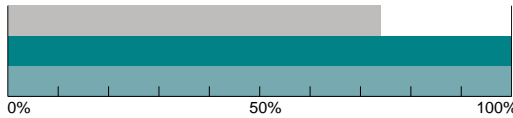


**Risk & Crisis Management**

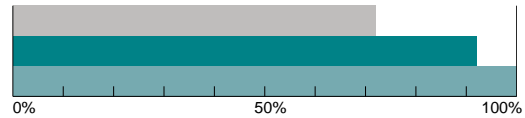


**Environmental**

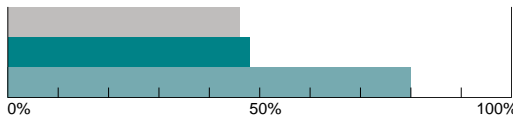
**Closed Loops**



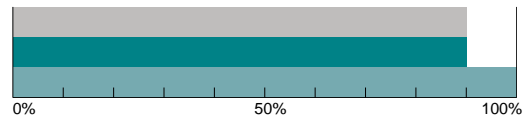
**Environmental Performance (Eco-Efficiency)**



**Low Carbon Strategy**

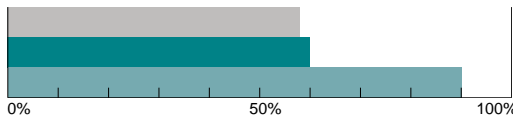


**Environmental Reporting**

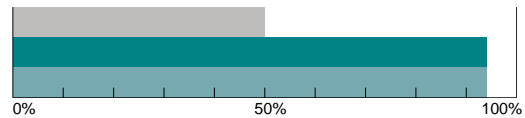


**Social**

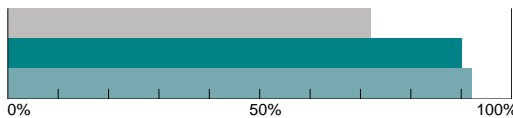
**Standards for Suppliers**



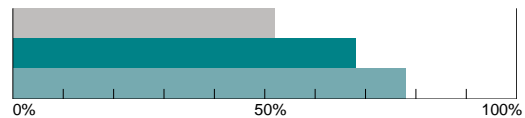
**Human Capital Development**



**Labor Practice Indicators**



**Talent Attraction & Retention**



- DJSI sector average on a global basis
- Bayerische Motoren Werke AG (BMW)
- Best company on a global basis within DJSI sector

For information on assessment criteria, visit [www.sustainability-indexes.com](http://www.sustainability-indexes.com)

"Corporate Sustainability is a business approach to create long term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments."



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