

Bayerische Motoren Werke AG (BMW)
Automobiles

Company	
Country	Germany
Number of Employees	104'300
Web	www.bmwgroup.com

Share	
Market cap (mil)	24'476
Currency	EUR
High 52 week	40.0
Low 52 week	29.7
Last Price	36.8

Key Data	2004	2005E
Sales (mil)	41'525	44'335
EPS	2.89	3.29
P/E Ratio	10.83	11.17

Source: Bloomberg / August 18, 2005

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

Source: IRRIC, SAM Research

Company Description

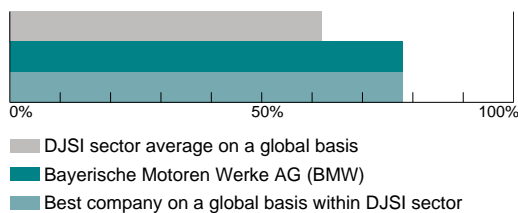
Bayerische Motoren Werke (BMW) is one of the few manufacturers of automobiles and motorcycles worldwide that concentrates entirely on premium standards and outstanding quality for all its brands and across all relevant segments. This results in a very reasonable profitability not comparable to most mass-market 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 manufacturing plants in Germany, Austria, the UK, the USA, and in South Africa, as well as assembly plants in Thailand, Malaysia, Indonesia, Egypt and Russia.

Sustainability Performance

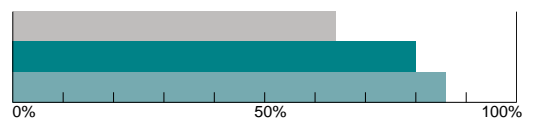
The successful execution of BMW's corporate strategy positions the company as the leader of its industry. BMW's capabilities in mitigating the challenges in the economic dimension are among the best in the sector. The backbone of the convincing strategy is a good and consistent management team, a state-of-the-art production process and supply chain management, high product quality and above all a very successful positioning of the brand which enables the company to earn a premium. Additionally, the group has a very advanced risk management system, e.g. the operating risk is reduced by the high degree of flexibility of BMW's production network and working time models. The corporate human resources policy, for example the compensation scheme that includes performance as an important component, gives a good indication of BMW's advanced employment culture. Due to the focus on the premium segment, the current carbon intensity of the product portfolio is above-average. However, the company has a strong commitment to reduce the carbon dioxide emissions of its car fleet over the years to come.

Sustainability Scores

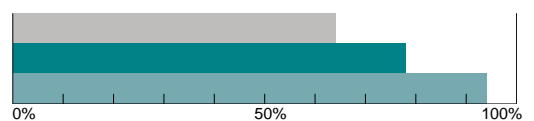
Total Score



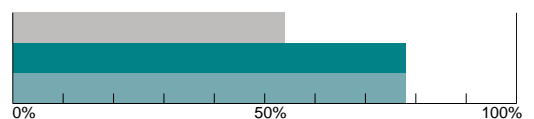
Economic Dimension



Environmental Dimension



Social Dimension



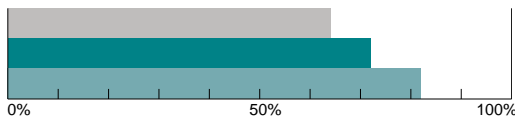
Industry Driving Forces

The main challenge for the automotive industry 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 thereby 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 industry is subject to stringent regulations in most countries. The industry'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 the 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.

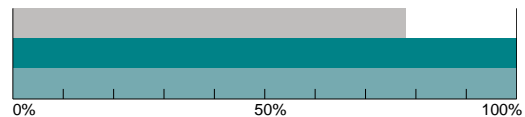
Company Performance for selected Criteria

Economic

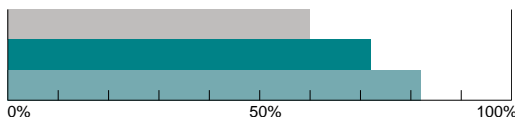
Codes of Conduct/Compliance/Corruption & Bribery



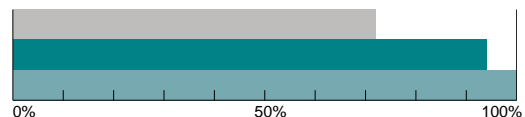
Risk & Crisis Management



Corporate Governance

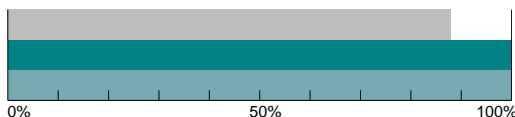


Brand Management

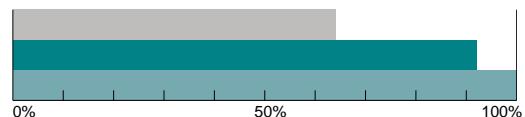


Environmental

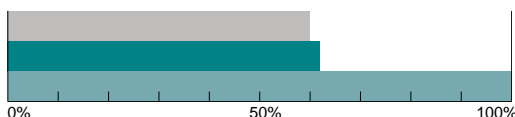
Environmental Policy/Management



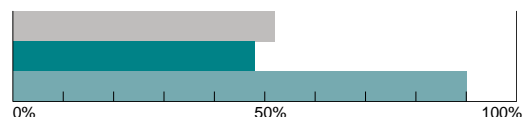
Product Stewardship



Environmental Performance (Eco-Efficiency)

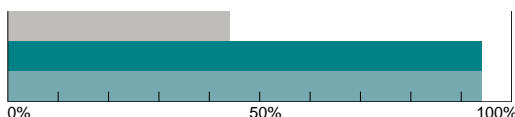


Advanced Environmental Management System

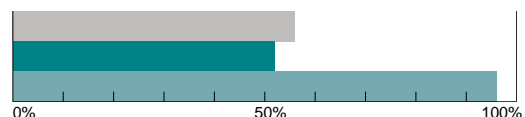


Social

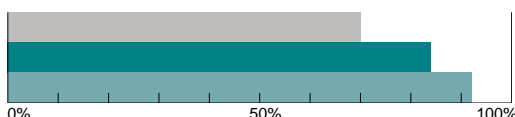
Human Capital Development



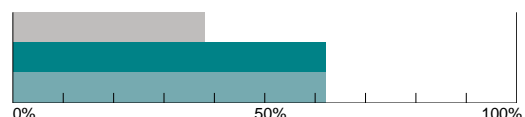
Global Sourcing



Labor Practice Indicators



Occupational Health & Safety



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

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