



Sheer
Driving Pleasure

2018 SUSTAINABILITY FACTBOOK.

BMW BRILLIANCE AUTOMOTIVE LTD.



BMW BRILLIANCE AT A GLANCE

BMW Brilliance was founded in 2003 as a Joint Venture of the parent companies Bayerische Motoren Werke Aktiengesellschaft (BMW) and Brilliance China Automotive Holdings Limited.

We are committed to the principles of the United Nations Global Compact, which we joined in 2014 to systematically pursue sustainable development in China.



We currently operate 2 complete vehicle plants and 1 powertrain plant in Shenyang, 1 branch office in Beijing and 5 regional offices in Beijing, Shanghai, Hangzhou, Chengdu, Guangzhou. Our 18,925 employees are the lifeblood of this company.

We sold 465,192 vehicles and continue to deliver a steady and strong sales growth of 20.3%. Our electric vehicles sales volume increased by 9 times compared to 2017. We have 625 authorised dealer outlets nationwide.



OUR COMMITMENT



“Our brand-new sustainability strategy is our manifesto for the future – it embodies our corporate values and defines our commitment to innovation and continued excellence as a provider of premium vehicles and mobility services.”

Dr. Johann Wieland
President and CEO
BMW Brilliance
Automotive Ltd.

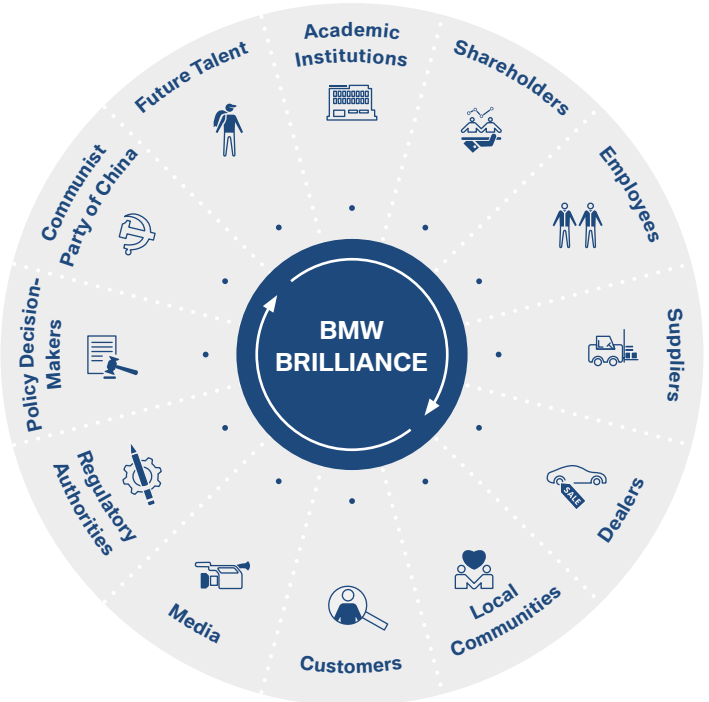
→ **FACT 001**

In October 2018, BMW Group strengthened commitment to China with the extension of the existing Joint Venture contract until 2040, with significant investment in new automotive plant and large-scale expansion of existing plant structure.



STAKEHOLDER ENGAGEMENT

BMW Brilliance creates economic and social value by engaging with multiple stakeholders in the process of building sustainable and lasting growth. Interacting with stakeholders helps us to establish mutual trust, contribute to understanding and awareness about sustainability issues, and promote collaboration and innovation.



BMW Brilliance stakeholder map.

OUR ASPIRATION

To be the leading sustainable provider of premium individual mobility across the entire value chain of China's automotive industry.

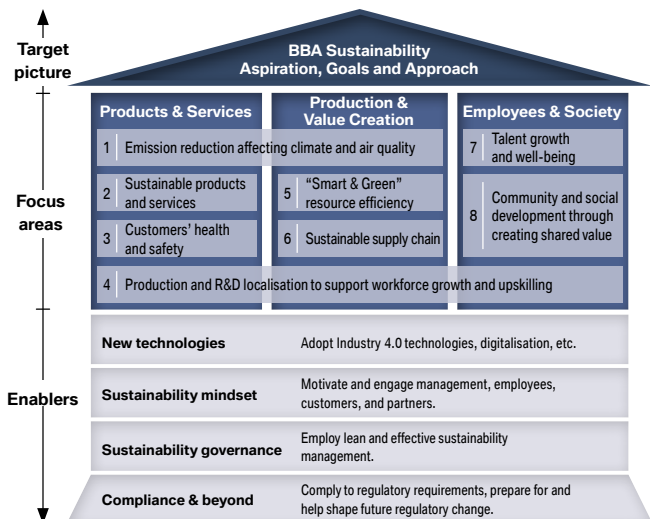


We relate the United Nation's Sustainable Development Goals (SDGs) to our business. Goals which we can add the most value are engrained within our sustainability strategy.

STRATEGY FRAMEWORK

Our “sustainability framework” is made up of 8 focus areas that cover the 3 pillars of our value chain:

- Products & Services,
- Production & Value Creation,
- Employees & Society.



At its foundation are 4 enablers that have the ability to influence, shift, disrupt or empower our business.

DIGITALISATION & INNOVATION

Digitalisation is an essential part of BMW Brilliance's strategy to create smart solutions, optimise business processes and ensure our long-term competitiveness across the value chain.



→ **FACT 002**

In 2018, we launched the DIGITAL.me programme to bring digital technology to our associates, business partners and customers and guide our digital transformation. We enable our IT teams by supporting digital concept development, a culture of innovation and process organisation, which we refer to as AGILE, MAKE, DEVOPS.

→ **FACT 003**

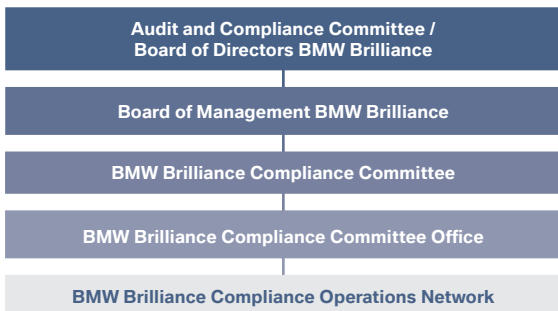
We deployed a huge amount of digital tools to support our business activities from sales, production, logistics, human resources till finance, dealer and customer interactions.

→ **FACT 004**

Our new JOY Learning platform combines online courses with personal training evaluations, supporting online learning for 56,000 dealership employees, as well as generating data for analysis on where we can help our dealers improve.



COMPLIANCE



BMW Brilliance compliance management system.

→ **FACT 005**

In 2018, we expanded our compliance management structure and system to include our indirect purchasing suppliers, with an integrated due diligence process that covers governance from anti-monopoly and cybersecurity to environmental, health and safety laws and regulations.



SUSTAINABILITY MINDSET

→ FACT 006

In October 2018, we held a 3-day Sustainability Mindset Fostering Event for employees at Dadong, Tiexi and Powertrain plants, introducing BMW Brilliance's sustainability strategy and lighthouse initiatives, raising awareness and advocating behavior change on sustainability issues.

GOVERNANCE

→ FACT 007

Senior leadership were engaged during the materiality refresh exercise. Analysis was shared and aligned with the Board of Management, who was directly involved to provide input and direction on sustainability integration into business activities.

→ PRODUCTS & SERVICES

We take into consideration the impacts of the rapidly changing world around us. We recognise that lifestyles, aspirations, and global trends are shifting, and that together we face major challenges which emerging technologies such as electromobility can help to address.





CO₂ emissions

Product safety and
quality

E-mobility
ecosystem

Customers and
dealers

BMW Brilliance produced a total of

490,151

vehicles

for the Chinese market in 2018.

In January of 2018, BMW Brilliance
celebrated the roll off of our

2,000,000th

car

from the production line
in Dadong plant.



→ **FACT 009**

In 2018, our electric vehicles sales
volume increased by

9x,

reached a total of

21,438

vehicles.

Products
and
services

→ **FACT 010**

→ CO₂ emissions

Product safety and
quality

E-mobility
ecosystem

Customers and
dealers

With efficient dynamics and
significant electric vehicle production
volume increase, our Corporate Average
Fuel Consumption reached

5.84L/100km,

decreased by

5.3%

compared to 2017.



BMW Brilliance remains the
top-ranked Joint Venture in China
for our corporate fuel
consumption achievement rate.

→ **FACT 011**

Average fleet CO₂ emissions of BMW Brilliance automobiles reduced by 5.4% from 146.9 g/km to 139 g/km in 2018, due to significant fuel economy improvements and increased share of electric vehicle models.



→ **FACT 012**

Reduction of CO₂ emissions is also contributed by our work to increase the recyclability and remanufacturing of spare parts.

Products
and
services

→ CO₂ emissions

Product safety and
quality

E-mobility
ecosystem

Customers and
dealers



→ **FACT 013**

In 2018, we recycled more than

217,500

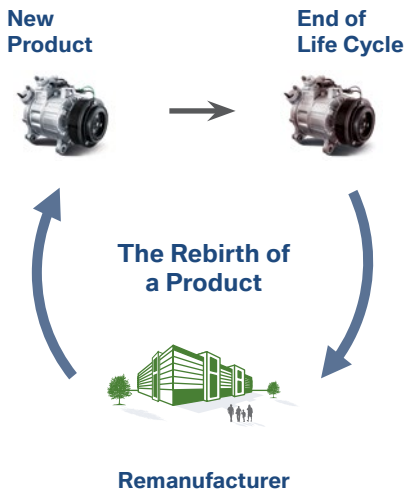
spare parts,

weighing a total of >800,000 kg
for remanufacturing.

We are steadily increasing our capacity
in remanufacturing and establishing
a complete reverse logistics system for
core recycling.

→ **FACT 014**

BMW Brilliance offered parts remanufacturing in China, which can create 50% cost savings, 60% energy savings, and 70% material savings compared with manufacturing new materials, and can significantly reduce emissions of air pollutants and CO₂.



50 %
Cost Savings

60 %
Energy Savings

70 %
Materials Savings

→ **FACT 015**

In January of 2018, the BMW 5 series won the J.D. Power VDS Award.

In September of 2018, the BMW 1 series, BMW 3 series and BMW 5 claimed the top spot for A-class Luxury Sedan, B-class Luxury Sedan and C-class Luxury Sedan.



BMW 1 Series
Sedan



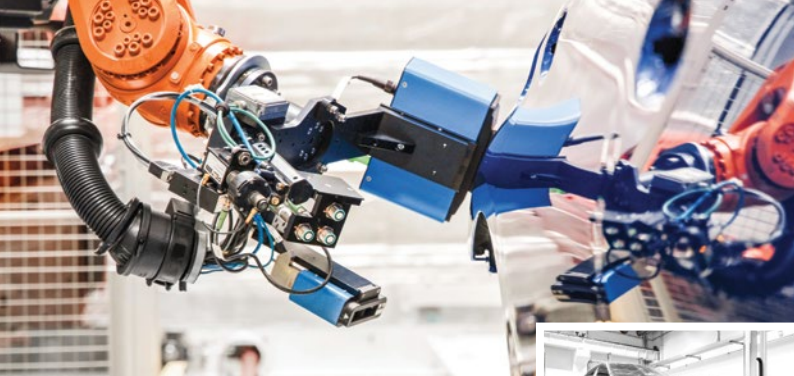
BMW 3 Series
Long Wheelbase and
standard version



BMW 5 Series
Long Wheelbase

→ **FACT 016**

We document all chemical substances used, first as part of a safety inspection, then for specific application through our central recording system. This provides detailed specifications and tips on handling these products as well as on storage, transport, and first aid.



→ **FACT 017**

We are aligned with the BMW Group in monitoring vehicles and components to ensure compliance with EU end-of-life vehicles (ELV) Directives.

Products
and
services

CO₂ emissions

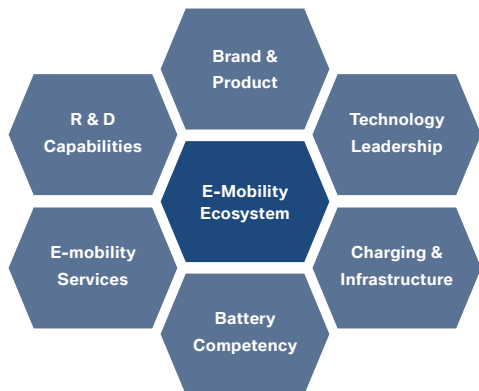
Product safety and
quality

→ E-mobility
ecosystem

Customers and
dealers

→ **FACT 018**

BMW Brilliance is creating an E-Mobility ecosystem, complete with new products and services supported by our technology leadership and R&D capabilities, and supports for the infrastructure and service providers that enable electric vehicle mobility.





→ **FACT 019**

We are building a second, much larger High Voltage Battery Centre (HVB) in Shenyang, and will soon have the capabilities to produce the next generation BMW batteries and electric drive-train.



→ **FACT 020**

We have set up a Battery Coding and Tracing (BCT) Platform to ensure traceability of our high voltage batteries from production through sales, maintenance and repair, and collection for recycling, ensuring that we track and recycle the batteries we produce.

Products
and
services

CO₂ emissions

Product safety and
quality

→ E-mobility
ecosystem

Customers and
dealers

→ **FACT 021**

The BMW 530Le is the first vehicle in our product fleet to incorporate our new battery technology, marking a new era for our new energy vehicles.





→ **FACT 022**

The

BMW iX3

with the application of next generation
BMW batteries and electric drive-train
technology, will be produced exclusively in
Shenyang and exported globally from 2020.

Products
and
services

→ **FACT 023**

CO₂ emissions

Product safety and
quality

→ E-mobility
ecosystem

Customers and
dealers

By the end of 2018, BMW's public charging
network had expanded to more than

150

cities in China, with more than

80,000

charging pillars available.

→ **FACT 024**

Customers can now obtain real-time information about charging pillar locations and charging services through our ChargeNow™ Wechat platform or BMW Connected mobile app, which also enables mobile payment for charging services.

→ **FACT 025**

All public ChargeNow™ charging pillars can be used by customers of other brands with vehicles that conform to the China GB standard by downloading an app or purchasing a charging card from our local partners.

In Chengdu, we are using wireless inductive charging with EVCARD to create a wireless charging fleet.



Products
and
services

CO₂ emissions

Product safety and
quality

E-mobility
ecosystem

→ Customers and
dealers



→ **FACT 026**

We integrate our multiple communication channels and web-based platform, such as our Online Genius, Direct Communication Circle and 360-degree customer view tool, to make proactive, needs-based suggestions to our customers, to optimise our customer interaction and support for higher customer satisfaction.

→ **FACT 027**



We empower our dealers to provide digitalised CRM services, for example the Dealer Mobile Office solution which replaces paper-based customer registration, test drive and CRM processes by utilising customer's smartphone, to improve customer satisfaction.

→ **FACT 028**

In 2018, BMW Brilliance had

625

authorised dealer outlets
nationwide, in which

336

are part of our growing electric
vehicle dealership network that
will expand to over 400 in 2019.

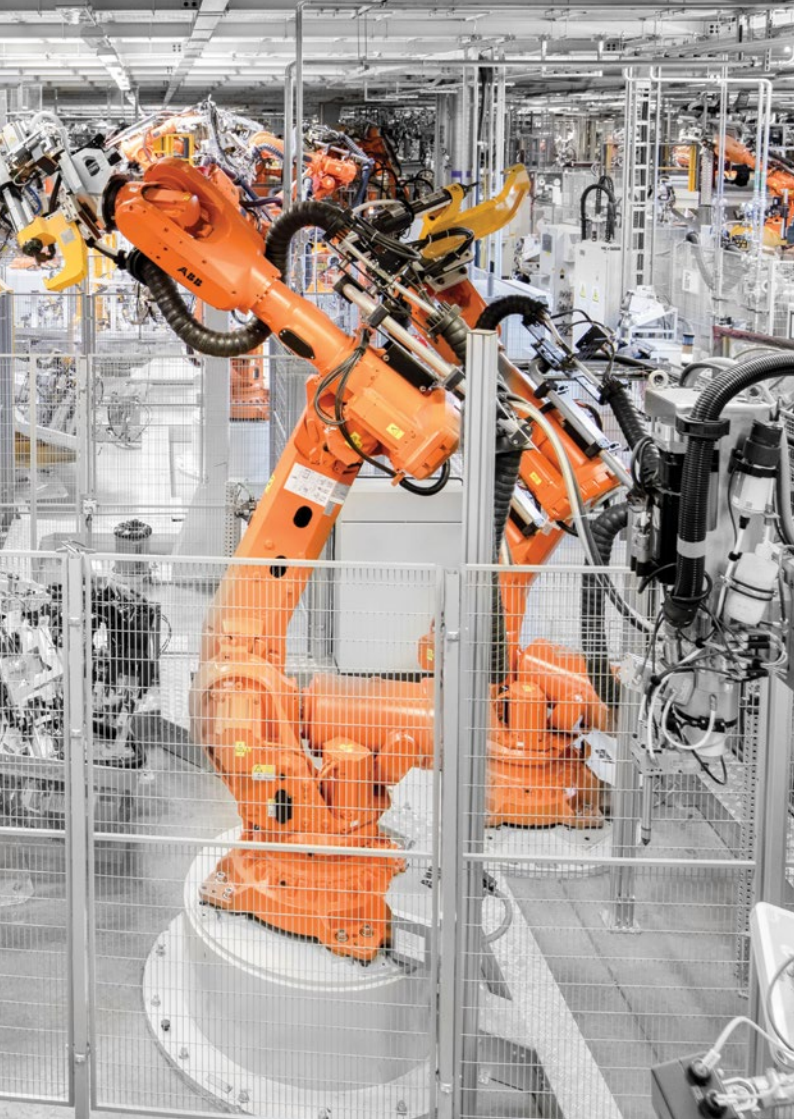
→ **FACT 029**

BMW Brilliance issued Sustainable Environment, Health and Safety (EHS) Guidebooks to our dealers to support their environmental, health and safety management and ensure compliance to meet regulatory requirements.

→ PRODUCTION & VALUE CREATION

We have created agile and flexible vehicle platforms, efficient and resource-friendly production processes and supply chain, intelligent and green logistics, which all contribute significantly to reduce resource consumption for every single vehicle we produce, to lead in green and smart manufacturing.







→ **FACT 030**

Our strategy integrates sustainability at production, utilising EFQM as a philosophy and methodology to drive improvement throughout our production and environmental management.

Sustainability is now fully integrated into daily operations management and is one of the 5 key steering aspects to evaluate the progress and success of our business initiatives.

→ **FACT 031**

The 3 strategic goals of the production system identified through the strategy process are: Local Strengths, Flexible Response, and Good Neighbour.



→ **FACT 032**

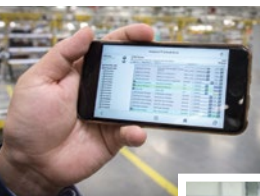
At both Dadong and Tiexi plants, we have developed production lines that are highly flexible and capable of producing traditional combustion engine vehicles and electric vehicles on the same assembly line. This avoids redundant investment in plants and production equipment, so that we can react quickly and appropriately to customer demands.

Production
and value
creation

- Green and smart
production
- Sustainable
supplier
management

→ **FACT 033**

We are collaborating with local network providers and the local government to explore 5G technologies. The emergence of 5G network creates new opportunities for BMW Brilliance to utilise real-time connections and big data analysis.



→ **FACT 034**

To support employee involvement in our “Green Plant, Green Future” initiative, we developed a technology platform used at all our plants that enables associates to submit their ideas.

A total of

22,000

improvement suggestions

were made in 2018 that overall created significant changes in process, well-being, and environmental management.

→ **FACT 035**

The Green Plant Certificate for all BMW Brilliance plants in Shenyang was renewed in May 2018, meeting national requirements that have become even more stringent.

→ **FACT 036**

BMW Brilliance achieved the latest ISO 14001:2015 Environmental Management System Certification for all our operating plant locations in Shenyang.

We also achieved the certification of the ISO 50001 Standard on Energy Management Systems. An energy consumption baseline was established for all BMW Brilliance facilities in Shenyang. More than 30 internal energy auditors were trained and qualified.





→ **FACT 037**

In 2018, we increased our own renewable electricity generation capacities, along with wind power purchased from wind farm, and achieved

43%

CO₂ free electricity consumption at production.

Our target is 90% in 2019.

→ **FACT 038**

Our solar power project at the Tiexi plant and Powertrain plant became operational in 2018 with an expected contribution of approximately 17,000 MWh in 2019.

Production
and value
creation

→ **FACT 039**

→ Green and smart
production
Sustainable
supplier
management

BMW Brilliance reduced the
CO₂ emissions per vehicle produced
at all plants by 10% from 2017,
and achieved

0.63

t/vehicle.

→ **FACT 040**

From 2017, we improved our
energy efficiency at production and
achieved a 9.8% reduction in
energy consumption per vehicle
produced, and reached

1.65

MWh/vehicle.





→ **FACT 041**

Although our production capacity increased along with our facilities, we achieved a 7.8% decrease in water consumption per vehicle produced in 2018, down to

2.47
m³/vehicle.

→ **FACT 042**

In 2018, we continued to explore new water-saving initiatives for our production plants and offices, such as the integration of treated water from our wastewater recycling system for cooling in the paint shop.

Production
and value
creation

→ Green and smart
production

Sustainable
supplier
management

→ **FACT 043**

We use digitalisation as a tool for enhancing inbound logistics performance, optimising process from loading to transportation. We track CO₂ emissions per car on regular basis to monitor our performance.

→ **FACT 044**

We optimise the handling steps at the warehouse while finding ways to reuse equipment and materials through flexible production lines, and use NB-IoT technology for in-plant traffic control to increase efficiency and transparency for the last kilometer of inbound logistics.





→ **FACT 045**

By significantly increasing the use of shipping and railway transportation, we have reduced CO₂ emissions per vehicle by 43% in finished vehicle logistics since 2014.

We launched 2 new decentralised distribution areas (DDAs) in Ningbo and Zhengzhou to cut down on shuttling distance and reduce operational risks.

Production
and value
creation

→ **FACT 046**

Green and smart
production

→ Sustainable
supplier
management

By year-end 2018, BMW Brilliance's
local content suppliers in
China reached

378,

representing a total
purchasing volume of

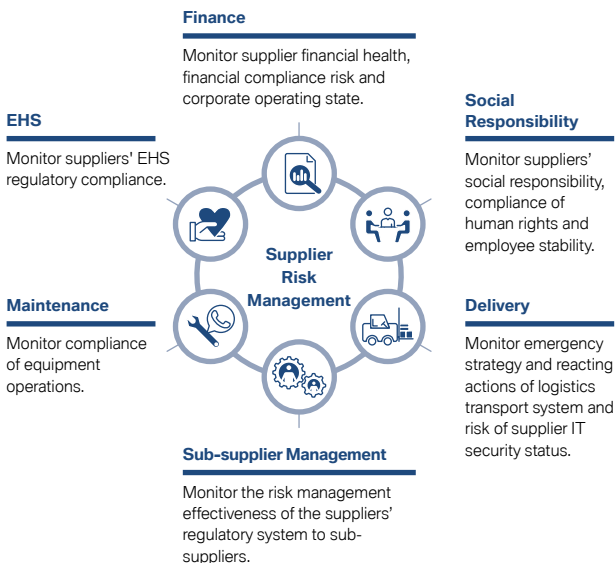
43.1

billion RMB.

→ **FACT 047**

BMW Brilliance develops the Sustainable Risk Management (SRM) framework that emphasises supply chain value creation for win-win results.

It sets our foundation for supplier sustainable development and risk mitigation, reinforces social responsibility through evaluations of new, existing and high-risk suppliers, and deepens sub-supplier management to reverberate expectations beyond Tier 1.



Production
and value
creation

Green and smart
production

→ Sustainable
supplier
management



→ **FACT 048**

By the end of 2018,

97%

of our nominated suppliers
underwent the Supplier
Risk Management
screening process.





→ **FACT 049**

BMW Brilliance took a step further to intensify our EHS risk management. Through the integration of the new EHS Protection Agency (EPA) initiative, we deepened our risk control down the supply chain to our N-Tier suppliers.

Our on-site audits now cover both Tier 1 and N-tier suppliers to identify potential environmental, health & safety risks, and support them to make improvements.

I ♥ BMW



感谢有你，激情共进
ALL FOR PASSION
ALL WITH APPRECIATION



华晨宝马15周年

BMW BRILLIANCE 15TH ANNIVERSARY

→ EMPLOYEES & SOCIETY

At BMW Brilliance, guided by our Core Values we are committed to creating shared value in alignment with local, national and global commitments. We strive to positively impact our employees and our communities, to cultivate individual growth and promote unique experiences for collective progress.

1 NO POVERTY



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS



Employees
and
society

→ Long-term
employee
development

Health and
wellbeing

Corporate social
responsibility



→ **FACT 050**

2018 marked our 15th anniversary as a Joint Venture of BMW Group and Brilliance Group. Over the past 15 years, BMW Brilliance participated in and promoted the rapid and extraordinary developing progress of China automotive market and industry.



→ **FACT 051**

We won 6 major human resources awards in 2018, including being named “Best Employer in China”, which are testament to our efforts.

→ FACT 052

BMW Brilliance began a strategic Human Resources transformation based on our Core Values in 2017, beginning with a launch and awareness-raising. In 2018, we used leadership messages and workshops for continuous promotion.

BMW CORE VALUES



STRATEGY
NUMBER ONE  NEXT

→ FACT 053

An employee recognition programme “Best YOU” was enhanced in 2018 with several award categories, including an award for “Best Team” to promote team spirit and cross-functional collaboration.

Employees
and
society

→ **FACT 054**



→ Long-term
employee
development

Health and
wellbeing

Corporate social
responsibility

At the end of 2018,
BMW Brilliance's total workforce reached

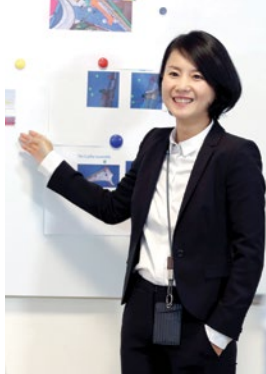
18,925,

increased by

9.6%

from 2017
(excluding employees who have
contracts with a third- party
labour-dispatch service provider).





→ **FACT 055**

We enable our employees to realise their full potential through leadership and training. Our leadership programmes – Young Leaders College, Leadership Magic Cube and Section Leader Training Programme are developing different talents to leaders to carry our leadership culture forward.

→ **FACT 056**

We also focus on developing the skills of our future talent. In 2018, we signed cooperation agreements with Dalian University of Technology and Shenyang University of Technology for the ProMotion China Ph.D. Programme, to cultivate applied talent in cutting-edge technologies to implement our development strategy of Industry 4.0.

Employees
and
society

Long-term
employee
development

→ Health and
wellbeing

Corporate social
responsibility

→ **FACT 057**

Through a series of improvement measures, strengthening of supervision, training and management, our Accident Frequency Rate* in 2018 was

0.28

per one million hours worked,

which was down by 34.8% compared to 2017.

* The scope only covers the production plants. It is calculated by the number of accidents with one day lost time or more divided by the total working hours (in million) of the year.

→ **FACT 058**



In 2018, our employee participation in safety trainings totaled at 46,711 times during 2018. We organised 15 emergency drills and more than 20 special inspections to improve employee participation in safety awareness and communicate management safety commitments.

→ **FACT 059**

We launched BAPA3.0, an office ergonomics evaluation project, expanding our ergonomics programme to office employees. By the end of 2018, nearly 1,400 office employees had completed a self-assessment and data analysis to inform planning and improvements of the work environment and office safety.



Employees
and
society

Long-term
employee
development

→ Health and
wellbeing

Corporate social
responsibility

→ **FACT 060**

Through our Health Management 2020 initiative, BMW Brilliance provided targeted trainings and activities on healthy habits, mental resilience and musculoskeletal disorders.

In 2018, we emphasised the protection and preservation of mental health. Over 349 employees attended 20 sessions of training on non-violent communication and positive discipline.





→ **FACT 061**

We had 15,054 employees participated in BMW Brilliance's annual health check programme, which provides a comprehensive health screening.

→ **FACT 062**

As a result of the annual check, we established a healthy eating campaign – “Burn what you eat”, that resulted in 956 employees participating in a WeChat group that provided consultation and online training.

Employees
and
society

→ **FACT 063**

Long-term
employee
development

Health and
wellbeing

→ Corporate social
responsibility

At BMW Brilliance, we promote progress on key social issues in China through innovative CSR programmes for increased road safety, the preservation of traditional Chinese culture, educational opportunities and skill-building for disadvantaged youth, and dual-education vocational trainings.

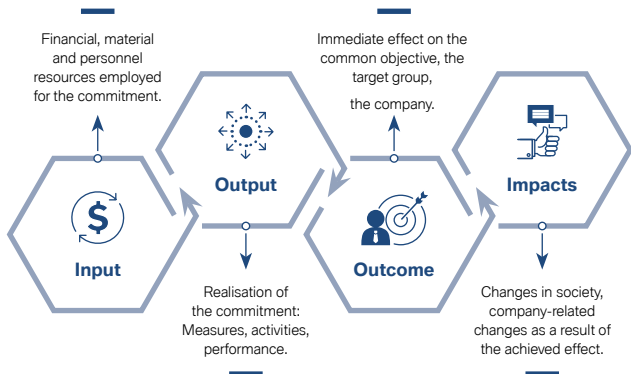
In 2018,
the number of beneficiaries of BMW CSR
activities reached

80,292.



→ **FACT 064**

At BMW Brilliance, we adopt the “Input, Output, Outcome and Impact” (IOOI) method for our CSR programmes as a systematic approach for monitoring the quantitative and qualitative impacts of our programmes. The method has been successfully rolled out across our flagship initiatives – BMW Children’s Traffic Safety Education, BMW China Culture Journey and BMW JOY Home.



IOOI Corporate Citizenship Activities Evaluation Process.

Employees
and
society

Long-term
employee
development

Health and
wellbeing

→ Corporate social
responsibility

→ **FACT 065**

In 2018, the BMW Children's Traffic Safety Education (CTSE) programme extended to public advocacy and our volunteers went to schools for the first time with the launch of BMW's Children Traffic Safety Ambassador Programme, which recruited 427 volunteers (including associates, dealers, customers and media) that went on to deliver 86 children's traffic safety experience courses.





→ **FACT 066**

In 2018, we gathered over 1,300 primary school students along with BMW associates, dealers and customers in Shenyang to hold the “Largest traffic conducting lesson”, a new Guinness World Record. The event drew the attention of schools, parents and the entire society about the importance of children’s traffic safety.

→ **FACT 067**

By the end of 2018, the BMW Children Traffic Safety Education programme’s reach expanded significantly, with more than 400 volunteers and more than 70,000 beneficiaries.

Employees
and
society

Long-term
employee
development

Health and
wellbeing

→ Corporate social
responsibility



→ **FACT 068**

Over the past 12 years,
BMW China Culture Journey has
made exploratory visits to

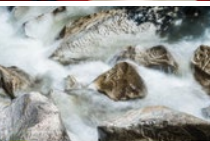
337

Intangible Cultural Heritage (ICH)
items across China.



→ **FACT 069**

In 2018, 10 new inheritors were selected to enroll in the Tsinghua BMW Intangible Cultural Heritage Safeguarding Centre for training, which enables participants to improvise their design thinking through professional design courses, combining intangible traditions with modern design.



1,500 participants attended 2 Intangible Cultural Heritage exhibitions in Beijing, promoting RMB 157,000 worth of sales.

→ **FACT 070**

In collaboration with travel website Mafengwo, we launched the BMW China Culture Journey Intangible Cultural Heritage Tour Guides for Sichuan, Hunan and Yushu, with more than 2 million downloads.

The Yushu Intangible Cultural Heritage Travel Guide was released in 2018 to promote tourism of the Tibetan Culture (Yushu) Ecological Protection Experimental Zone in Qinghai.

马蜂窝·攻略
BMW中国文化之旅玉树旅游攻略
发布于2018.08.22 · 207887 浏览

→ **FACT 071**

The BMW JOY Home programme, which trains principals and teachers to promote the concept that innovative sports improve the development of talents and their capabilities, and enhance the quality of education, has benefited 11,000 children and 500 teachers.

12 new JOY Homes were set up in 2018, bringing the total number to 68 schools in 29 provinces.



→ **FACT 072**

Since the formation of the BMW Warm Heart Customer Club in 2006 as the first and largest stakeholder volunteering platform in China's automotive industry, to date there are 19 clubs across China and over 38,500 members, hosting more than 800 public welfare events in different cities.



→ **FACT 073**

Through the BMW Education of Service Technology (BEST) programme, a model of dual-education vocational training, we have set up 15 training bases across 13 provinces in cooperation with over 400 dealers nationwide to date.

Of the 7,000 graduates, over 50% have joined BMW dealerships as a reliable force for high-quality aftersales services.

CONTACT

You can find further
information online at:
**[http://www.bmw-brilliance.cn/
cn/en/csr/download.html](http://www.bmw-brilliance.cn/cn/en/csr/download.html)**



BMW BRILLIANCE AUTOMOTIVE LTD.

14 Shanzuizi Road
Dadong District
Shenyang 110044
Liaoning Province, P.R. China



BMW BRILLIANCE AUTOMOTIVE LTD. BEIJING BRANCH:

25th Floor, Tower B, Gateway Plaza
18 Xiaguangli, North Road East Third Ring
Chaoyang District
Beijing 100027, P.R. China

DU XIAOXIAO

Tel.: +86 (10) 8400 3313
Xiaoxiao.Du@bmw-brilliance.cn

GUO JUNHAN

Tel.: +86 (10) 8400 3101
Junhan.Guo@bmw-brilliance.cn

RESOURCE CONSERVATION

The paper used for the Sustainability Factbook was produced in accordance with the FSC international standard: The pulp originate from responsibly managed forest.



