

## RESOURCE CONSERVATION

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# 2020 SUSTAINABILITY FACTBOOK

BMW Brilliance Automotive Ltd.







**"At BMW Brilliance,  
we are proud to play a role in  
shaping the future of mobility—a  
green, low-carbon, sustainable  
individual mobility ecosystem."**

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





## RETHINK, RESPOND, REINFORCE

2020 was a year that changed everything: from the COVID-19 pandemic to global effects of, and responses to, climate change – last year shifted the trajectory of the world. The unprecedented challenges we faced, and the ways our company responded to those challenges, have led us to view our approach to corporate responsibility in new ways.

We have refined our sustainability directions to three areas: climate change actions; accountable, circular, and resilient value chain; and responsible corporate citizenship. By focusing our efforts on these three strategic directions, we can use our business to help address the most pressing problems facing our industry, our society, and the world as a whole.

With a dedicated workforce, like-minded partners, and innovative technologies, our company will stride towards our vision of becoming the leading sustainable provider of premium individual mobility in China's automotive industry.



## 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 inspired by the potential of doing business in a sustainable manner and guided by our aspiration to be the leading sustainable provider of premium individual mobility across the entire value chain of China's automotive industry.

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

### AN OVERVIEW OF BMW BRILLIANCE IN 2020

**600,554**

Vehicles produced

**20,739**

Total workforce at year end

**605,050**

Vehicles wholesaled

**666**

Authorised dealer outlets





## OUR SUSTAINABILITY MILESTONES

The BMW Group has made sustainability central to the company's strategic direction, and BMW Brilliance aligns our goals and values with them.

2014

Joined UN Global Compact as the 1st automotive joint venture in China.

Published our 1st sustainability report.

2017

Defined BMW Brilliance corporate sustainability, aspiration, principles and strategic frameworks.

Among the first companies to earn the "National Green Plant" title.

2019

100%

Renewable electricity used for production.

Ranked #1 in the first Automotive Enterprise Green Development Index.

2020

Refined three sustainability strategic directions.

Unveiled the BMW iX3 BEV model SOP.

## TOWARDS THE FUTURE

Create new sustainability value system.

Set sustainability targets and holistically integrate into corporate governance.

***A truly responsible and sustainable business must have a higher purpose than simply achieving profit—it must work to improve the world.***



# 1 FUNDAMENTALS

- SUSTAINABILITY MANAGEMENT
- STAKEHOLDER ENGAGEMENT
- COMPLIANCE MANAGEMENT



## FROM GOOD TO GREAT

OUR ASPIRATION IS TO BE THE LEADING SUSTAINABLE PROVIDER OF PREMIUM INDIVIDUAL MOBILITY AND TO SUSTAIN RESPONSIBILITY ACROSS THE ENTIRE VALUE CHAIN OF CHINA'S AUTOMOTIVE INDUSTRY.



## RETHINKING SUSTAINABILITY DIRECTIONS

In response to internal and external changes, the BMW Group Sustainability goals, a world changed by the COVID-19 pandemic, and increased stakeholder expectations, we refined our three sustainability strategic directions in 2020.

By focusing our efforts on these three strategic directions, we can use our business to help address the most pressing problems facing our industry, our society, and the world as a whole.



## OUR THREE SUSTAINABILITY STRATEGIC DIRECTIONS

1

### CLIMATE CHANGE ACTIONS

Take actions to reduce absolute and intensity of CO<sub>2</sub> emissions across value chain.

2

### ACCOUNTABLE, CIRCULAR & RESILIENT VALUE CHAIN

Optimise our operations for top quality, circularity, minimal EHS impact, and responsible, resilient value chain.

3

### RESPONSIBLE CORPORATE CITIZENSHIP

Lead our industry by modelling an inclusive, diverse culture that supports our workforce and our communities.



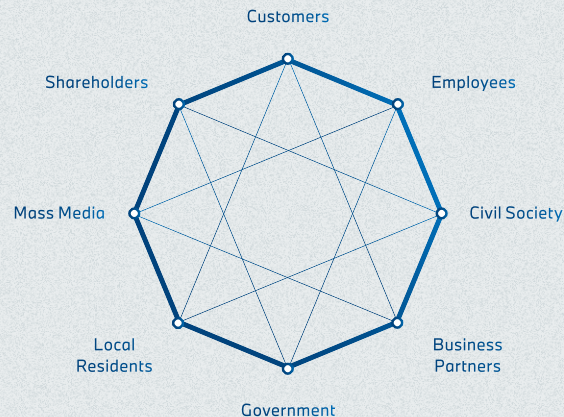
## SUSTAINABILITY GOVERNANCE

In 2020, the Board of Management approved the implementation of the BMW Brilliance Corporate Sustainability Execution Committee, which meets monthly to ensure transparency and common understanding on overall sustainability progress, synergise resources across departments to accelerate implementation, and share external insights, trends, and best practices to drive sustainability innovation.



Sustainability governance at BMW Brilliance

## STAKEHOLDER MAPPING



BMW Brilliance has always sought to ensure we live up to our stakeholders' expectations.

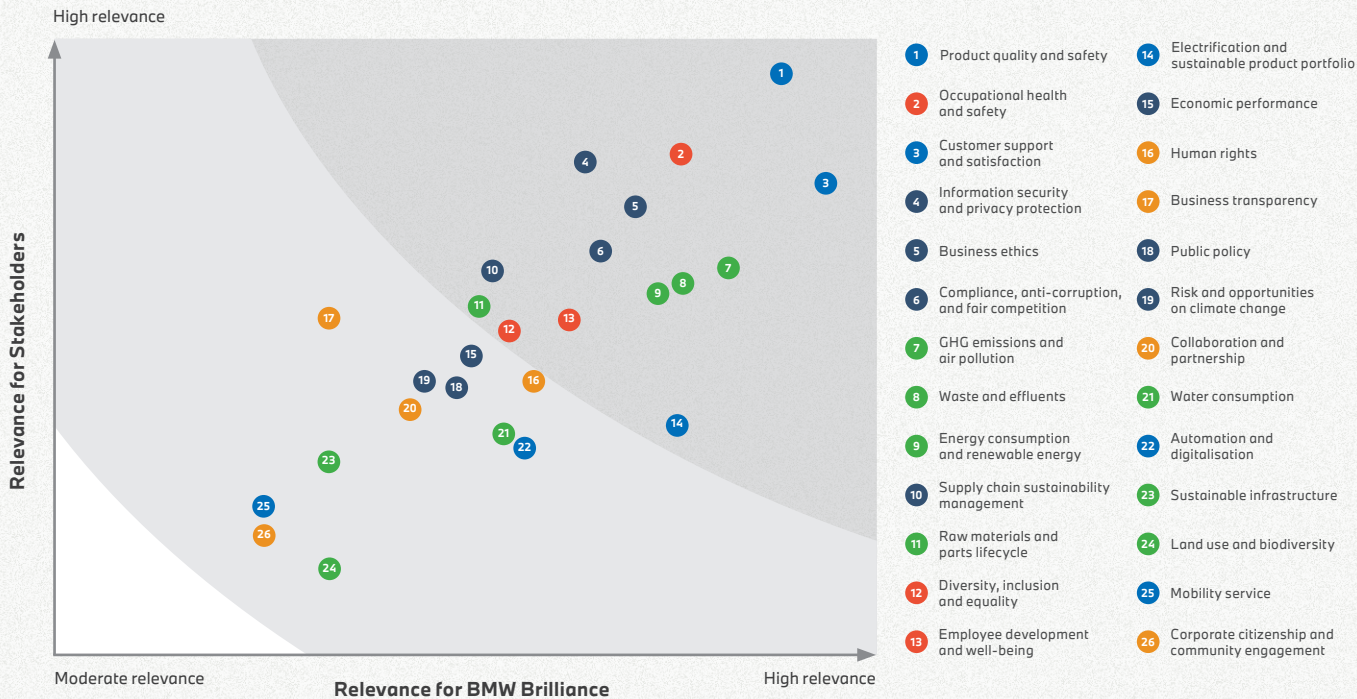
We incorporate sustainability issues into our interactions with the stakeholder groups, with topics and formats that are tailored to each group.



## REFRESHED MATERIALITY MATRIX

In 2020, we conducted a new materiality assessment to determine up-to-date sustainability priority issues that matter the most to our business and stakeholders, and shape our strategic directions for the crucial years to come.

- Product Responsibility
- Corporate Governance
- Environmental Protection
- Work Environment and Culture
- Society and Human Rights





## COMPLIANCE MANAGEMENT

In 2020, we launched "WeCompliance" account at our mobile application, as part of the transformation of the core compliance processes from offline to online, to communicate the Tone from the Top, compliance news clipping, case study, regulatory and enforcement updates to employees in a timely manner.

A record of 20 courseware was developed in 2020, covering a variety range of compliance topics in general compliance, anti-monopoly, conflict of interests, safety and security, cybersecurity, data privacy, export control, information protection, etc.

Such digital transformation has enabled us to achieve:

# 190,000+

Views in "WeCompliance" in 2020.

# 38,000+

Web-based compliance training participants in 2020.

# 11,000+

Online Compliance Quiz participants in 2020.

In 2020, we have optimised our internal Social Credit System management mechanism by implementing pro-active credit supervision, aiming to detect and prevent at the earliest stages any bad entries that may affect BMW Brilliance's social credit status.

By the end of 2020, BMW Brilliance received several top-ranking honours at different business areas:



### A Level

State Taxation  
Administration



### Advanced AEO

General Administration  
of Customs



### Honest Entity

Ministry of Ecology and  
Environment



### A Level

State Administration of  
Foreign Exchange



### A Level

China Quality  
Certification Centre



### A Level

Ministry of Human Resources  
and Social Security



## 2 CLIMATE CHANGE ACTIONS

- CLIMATE-FRIENDLY PRODUCT AND SERVICES
- GREEN PRODUCTION
- SUPPLY CHAIN CLIMATE CHANGE ACTIONS
- GREEN LOGISTICS

TAKING PROACTIVE CLIMATE CHANGE ACTIONS  
ACROSS VALUE CHAIN IS CRUCIAL TO OUR FUTURE.





## THE BMW GROUP'S 2030 CLIMATE COMMITMENT

Sustainability is central to the strategic direction of the BMW Group, and reducing the CO<sub>2</sub> footprint across the entire value chain is a major component of the BMW Group's Sustainability 2030 strategy.

By 2030, the BMW Group commits to:

Lowering lifecycle CO<sub>2</sub>  
emissions per vehicle by at least

**1/3**

compared to 2019.

Reducing production CO<sub>2</sub>  
emissions per vehicle by

**80%**

compared to 2019.

Reducing use-phase CO<sub>2</sub>  
emissions per vehicle by more than

**40%**

compared to 2019.

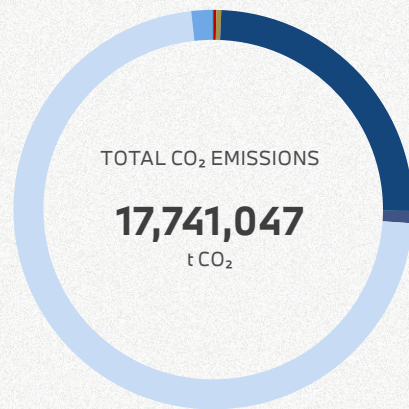
Reducing supply chain CO<sub>2</sub>  
emissions per vehicle by at least

**20%**

compared to 2019.

BMW Brilliance plays a pivotal role in delivering this target.

## BMW BRILLIANCE CO<sub>2</sub> FOOTPRINT IN 2020



|  | In t CO <sub>2</sub> |
|--|----------------------|
| Scope 1 emissions                              | 43,614               |
| Scope 2 emissions                              | 71,275               |
| Scope 3 emissions - upstream chain             | 4,339,177            |
| Scope 3 emissions - logistics                  | 175,113              |
| Scope 3 emissions - utilisation phase          | 12,799,547           |
| Scope 3 emissions - disposal                   | 300,866              |
| Scope 3 emissions - business trips             | 2,105                |
| Scope 3 emissions - employees commuter traffic | 9,351                |

\* For detail description of each emission scope, please refer to the BMW Brilliance 2020 Sustainability Report.



FACT 009

## WORLD PREMIERE OF THE FIRST-EVER ALL-ELECTRIC BMW iX3

The first-ever, all-electric BMW iX3 rolled off the production line in September in Shenyang, and was released to the global market at the end of 2020. It was a milestone signalling the electrification of the BMW brand.

FACT 010

## OPENING OF THE NEW HVB CENTRE PHASE II

The BMW iX3's ground-breaking new battery was manufactured and made possible by our new High Voltage Battery (HVB) Centre II, which opened in September 2020 and is the first location worldwide to produce fifth-generation BMW high-voltage batteries.

## KEY SUSTAINABLE FEATURES OF THE BMW iX3

### 500 KM E-RANGE

The BMW iX3 is the first model to offer the fifth generation of BMW eDrive technology, and offers up to 500 km of e-range driving, high energy efficiency, and intelligent mobility.

### AERODYNAMIC DESIGN

The aerodynamic wheels weigh 15% less than its predecessors and reduce its drag coefficient by around 5%, contributing to improved handling and greater overall efficiency.

### RARE EARTH MATERIAL-FREE

We eliminate the use of fixed permanent magnets in iX3 drive unit, which helps avoid using rare earth materials in the manufacture of the electric motor.







FACT 011

### THE BMW 5 SERIES PLUG-IN HYBRID E-RANGE EXTENSION

The new BMW 5 series plug-in hybrid with e-range extension incorporates our innovative battery technology, is capable of traveling 95 km per charge in pure electric mode, which is a

**42%**

increase over the previous generation.

The combined fuel consumption per 100 km is further decreased to

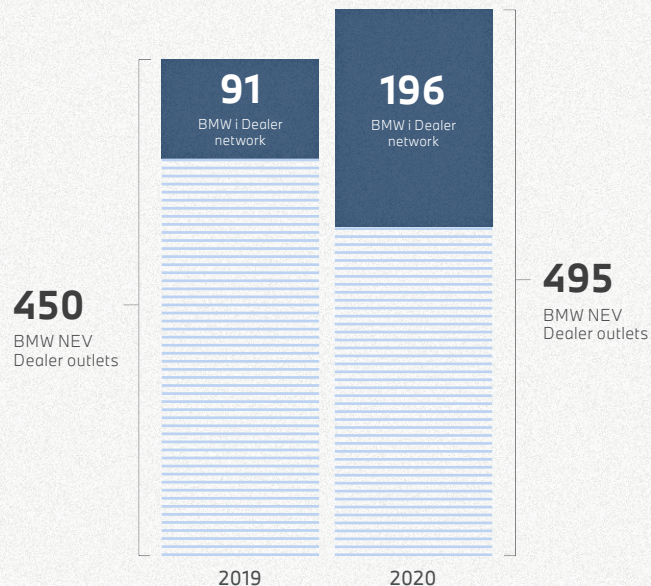
**1.5**

L/100km.

FACT 012

### EXPANSION AND TRANSFORMATION OF BMW NEV DEALER NETWORK

In 2020, our NEV dealer network grew to 495, and we are also transforming our BMW i dealer network to support this E-mobility transformation, with 196 dealers providing BMW i products at the end of 2020, up from 91 in 2019.





FACT 013

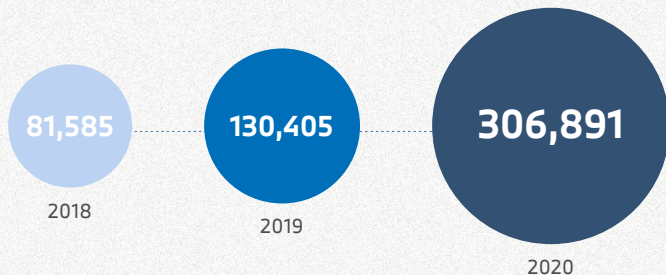
## DELIVERING A WORRY-FREE E-MOBILITY EXPERIENCE

As of 2020 year-end, we have integrated more than 300,000 public pillars in a unified network built in partnership with charging point operators – including more than 100,000 fast-charging DC pillars – in over 300 cities across the country.

This extensive network of charging facilities enables long-distance EV travel that spans more than 50,000 km of national highways.

### BMW public charging pillars provided in over 300 cities across China

in number



FACT 014

## THE FIRST 3-IN-1 SUPER CHARGING STATION

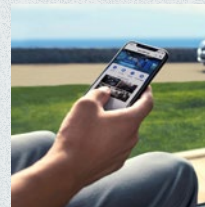
In 2020, BMW signed a strategic cooperation agreement with State Grid EV Service (SGEVS) to work hand-in-hand on the research and innovation of charging technologies.

We introduced the first three-in-one charging station at a BMW dealer, which brings solar power generation, energy storage, and NEV charging together in one place.

FACT 015

## MAKE CHARGING A GOOD EXPERIENCE

From September 2020, we launched new charging digital services on the My BMW app and on WeChat, including the public charging services covering the find, use, and pay customer journey, the private wallbox control functions, and the reservation services for branded charging stations.







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FACT 016

## FOSTER A SUSTAINABLE MINDSET AND BEHAVIOUR CHANGE AMONG OUR NEV CUSTOMERS

By the end of 2020, there were

# 85,000+

BMW NEV customers in China,

who are our ambassadors to promote  
green and sustainable lifestyle.

We hosted a number of sustainability-themed activities  
for our NEV customers, including the BMW NEV Wee-  
kend Getaway trip, and NEV test-drives and cruising.

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FACT 017

## PROMOTE SUSTAINABILITY TOGETHER WITH DEALER PARTNERS

We encourage and support dealers to adopt green  
building design and low-carbon operations. For  
instance, Hangzhou Jinchang Chenbao dealership  
installed a 27-kW solar photovoltaic system on the  
rooftop, which generates estimated coal savings of  
7.85 t and CO<sub>2</sub> emission reduction of 20.88 t per year.





FACT 018

## PROGRESSING TOWARDS THE BMW GROUP'S 2030 GOAL ON ENERGY EFFICIENCY

BMW Brilliance is hard at work aligning with the BMW Group's 2030 goal of reducing energy consumption per vehicle produced by 25% compared to 2016 levels, following a three-pronged approach:



Optimising  
energy  
infrastructure



Improving  
energy  
management  
systems



Revamping  
production  
processes

FACT 019

## PROMOTING INNOVATION THROUGH THE "STEAM" PLATFORM

In 2020, our associates submitted 21 energy efficiency improvements to the Standard Tool for Efficiency Applications and Measures (STEAM) platform, which will result in a combined savings of

**6,649** MWh

of energy use per year.



FACT 020

CO<sub>2</sub> emissions per vehicle  
produced  
in t/vehicle

**0.18**<sup>\*</sup>  
2020 ↘

0.20  
2019

0.63  
2018

Energy consumption per vehicle  
produced  
in MWh/vehicle

**1.51**  
2020 ↘

1.63  
2019

1.65  
2018

<sup>\*</sup> In which Scope 2 emissions are calculated by market-based methodology in accordance with GHG Protocol Scope 2 Guidance.



## FROM 100% RENEWABLE ELECTRICITY TO CARBON-NEUTRAL PRODUCTION

Since the end of 2019,  
we have switched to 100% renewable electricity  
at our Shenyang production base.

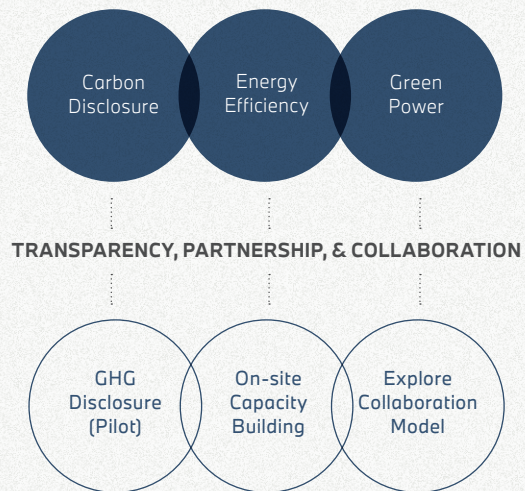
Our next goal,  
is to achieve carbon-neutral production,  
as part of the BMW Group's climate commitment.



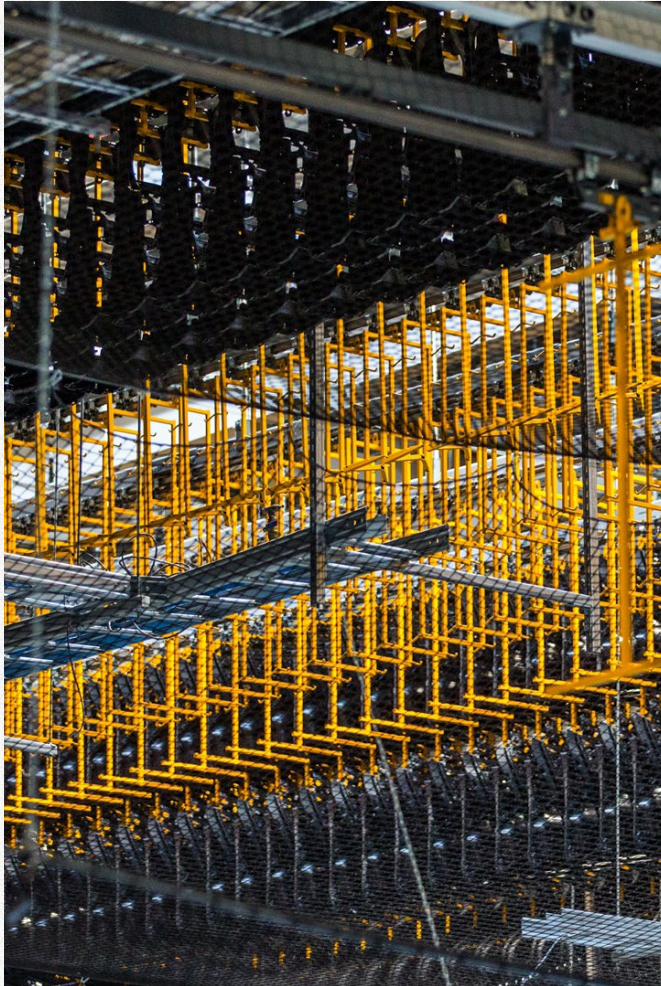
## LINES OF ACTION TOWARDS A LOW-CARBON SUPPLY CHAIN

BMW Brilliance has begun laying the foundations of  
our low-carbon supply chain transformation to support  
the BMW Group's 2030 target and the Chinese govern-  
ment's carbon-neutral commitment.

We have identified three initial approaches to accelerate  
our shift to a low-carbon supply chain:







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FACT 023

### **SUPPLY CHAIN CLIMATE CHANGE INITIATIVE: BUILDING A SOLID CORNERSTONE**

In 2020, we launched the

#### **— Supply Chain Climate Change Initiative —**

to identify CO<sub>2</sub> emissions hotspots across our Tier-1 to N-Tier supplier network, exploring carbon reduction opportunities, and strengthening our suppliers' awareness of and capability for CO<sub>2</sub> disclosures.

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FACT 024

### **SOURCING ALUMINIUM INGOT PRODUCED BY GREEN ELECTRICITY**

In 2020 nomination,  
our aluminium ingot supplier, which accounts for

**50%**

of BMW Brilliance's aluminium ingot, has completed its shift to be produced by renewable electricity for BMW Brilliance products. The supplier had successfully utilised renewable electricity in the upstream aluminium electrolysis and ingot production process.



## RAILWAY-TO-RAILWAY TO THE WEST

In July 2020, we successfully launched our railway-to-railway project, which now delivers finished vehicles from Xi'an's Xinzhu train station to Urumqi train station, bringing tangible CO<sub>2</sub> savings by eliminating the truck transport along the 2,000 km delivery route.

**2,000<sup>+</sup>** KM

haulage to Urumqi and Lhasa is now covered by our rail network.

## CONTINUOUS IMPROVEMENT IN CO<sub>2</sub> EMISSIONS FOR OUTBOUND LOGISTICS

By the end of 2020, we have reduced the CO<sub>2</sub> emissions per unit for outbound logistics by

**51.3%**

since 2014, as a result of our efforts to systematically shift from road transport to railway for finished vehicles.



## TO THE WORLD THROUGH DALIAN PORT

With the world premiere of the all-new BMW iX3 NEV in 2020, we have been prioritising the use of low-carbon transportation options as we begin exporting the innovative vehicle around the world.

We selected the port of Dalian as one of the key export partners, thanks to its proximity to our production base, so we can significantly reduce the transportation distance and CO<sub>2</sub> emissions from transportation.



FACT 028

## INNOVATION ON TRANSPORTATION VEHICLES



### EXPANDING THE USE OF E-TRUCKS

In 2020, we began collaborating with truck manufacturers and logistics service providers on a trial of battery-powered E-trucks in our Dadong Plant Dispatch Areas (PDAs).

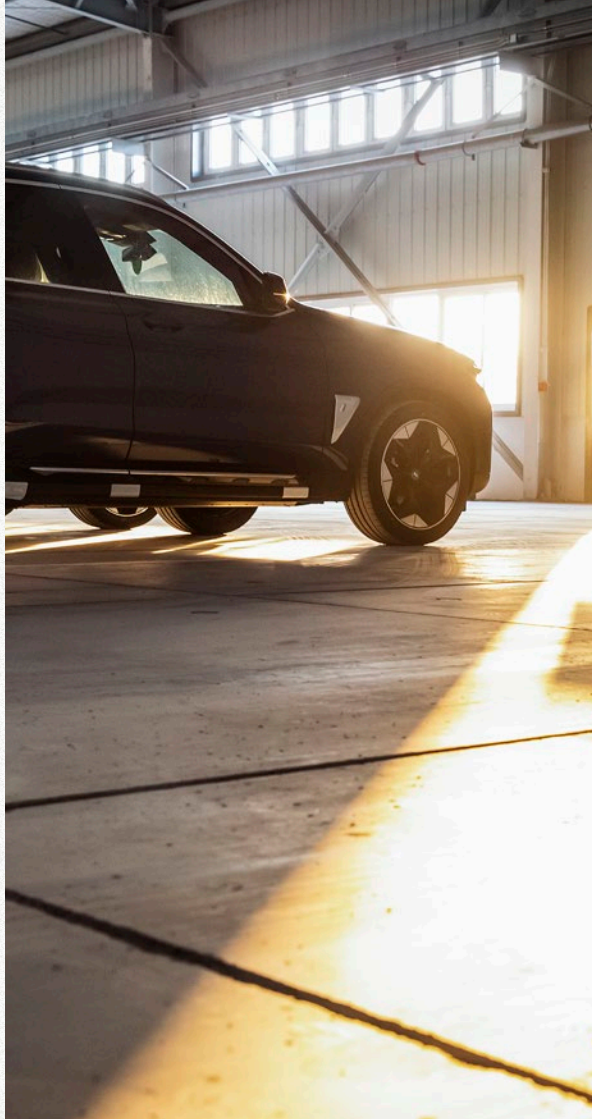
We are also continuing the use of E-trucks for in-plant transport—a fleet of these E-trucks are transporting materials and parts over short distances at Plant Dadong.



### USING LNG FOR HEAVY TRUCKS

We are conducting a feasibility study to identify the potential benefits and challenges to use liquefied natural gas (LNG) trucks in our logistics operations.

In 2020, we rolled out an LNG truck pilot programme in some of our Decentralised Dispatch Area (DDA) cities to help us better understand the opportunities.



FACT 029

## GREENING OUR WAREHOUSE

We encourage and help our logistics operators to measure, report and improve energy consumption and efficiency.

Our warehouse in Dalian Port was designed to incorporate natural lighting through skylights and transparent lighting belts, which is capable of saving:

**180,000<sub>kWh</sub>**

of electricity use every year.



# 3 ACCOUNTABLE, CIRCULAR & RESILIENT VALUE CHAIN

- PRODUCT AND SERVICE QUALITY
- CIRCULARITY
- RESPONSIBLE ENVIRONMENT, HEALTH & SAFETY MANAGEMENT
- BUSINESS ACCOUNTABILITY



A GREAT COMPANY IS ABOUT TAKING  
RESPONSIBILITY BEYOND ONE'S OWN AREA.



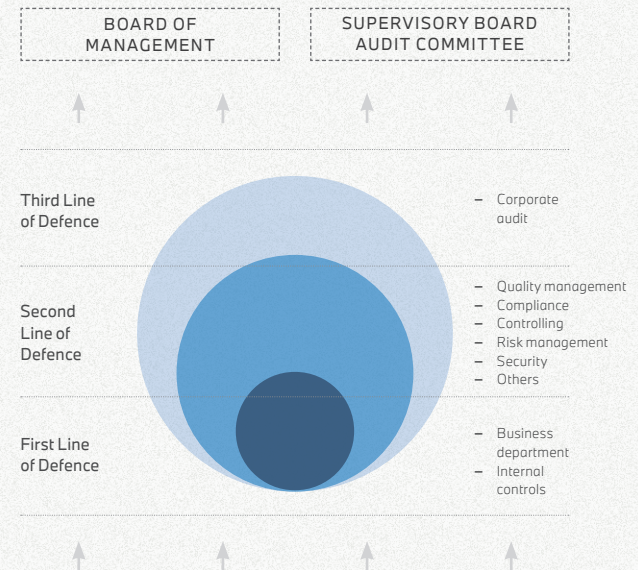
**Everything we do at BMW Brilliance is driven by a desire for premium quality—and that premium quality includes not only best-in-class products and services intended for individual mobility, but also a continual focus on the customer.**

Our quality strategy is called Quality Number ONE, and it expresses our claim to leading within the premium mobility market. We believe in leading by taking responsibility and ownership to exceed customers' expectations.

FACT 030

## QUALITY MANAGEMENT AT BMW BRILLIANCE

The BMW Brilliance quality governance structure consists of three lines of defence:





FACT 031

## OUR QUALITY ASPIRATION: ZERO DEFECT

BMW Brilliance pioneers in using AI and 5G technologies to further enhance product quality and process stability. For instance, we are able to achieve

99.7%

accuracy of defect identification by our AI-detection system in the cylinder-head production process.

FACT 032

## OUR PRODUCT SAFETY AND CUSTOMER SATISFACTION AWARDS

BMW Brilliance models achieved another year of impressive results in the 2020 China Automobile Customer Satisfaction Index (CACSI) assessment.



**BMW 3 Series**

Top B-class Luxury Sedan



**BMW 5 Series**

Top C-class Luxury Sedan  
Top PHEV Sedan



**BMW X1**

Top A-class Luxury SUV



**BMW X3**

Top B-class Luxury SUV

In addition, the all-new BMW 3 series scored an outstanding 94.3% overall score in the 2020 China-New Car Assessment Programme (C-NCAP), which was the highest of all vehicles tested.





## Customer satisfaction is one of BMW Brilliance's top priorities.

We have developed a seamless, unified customer journey that connects individuals with the BMW brand across all customer-facing platforms and spanning vertical and parallel business units.

FACT 033

## CUSTOMER-CENTRIC EXPERIENCE AT EVERY SINGLE TOUCHPOINT OF THE CUSTOMER JOURNEY

Our customer-centric approach to deliver our promise of service quality.



1.

### Customer Experience

- Digital Transformation
- My BMW App
- Online Community
- Network Transformation
- Retail Service Standards

Connect customers at every touchpoint to deliver a unique, personalised and premium customer experience from online to offline.

2.

### Customer Satisfaction

- BMW Service Experience Ambassador
- Joy Index

Collect real and direct customer feedback. The percentage of negative customer feedback fell from 10.9% in 2018 to 8.0% in 2020.

3.

### Service Improvement

- Customer Board Platform
- Best Practice Sharing
- Dealership Audits
- BMW Training Academy
- Dealership Award

Seek continuous improvement through regular meetings, service standards upgrade, audits, comprehensive training, and performance recognition.



FACT 034

### **ESTABLISHED THE FIRST CLOSED-LOOP SYSTEM FOR STEEL**

In 2020, we created our first closed-loop system in 17 years by working with our steel-manufacturing partners to incorporate scrap steel back into their manufacturing processes, and achieved an accumulative volume of:

**45,000<sub>t</sub>**

scrap steel recycled in the loop.

We helped these suppliers increase the amount of secondary steel used in the smelting process by 3%, while still meeting BMW Brilliance's technical and performance requirements.

FACT 035

### **REPURPOSING WASTE SAND FOR RE-UTILISATION OPPORTUNITIES**

In 2020, we expanded our partnership with a cement factory to recycle waste sand for use in raw materials to produce cement, and recycled

**12,785<sub>t</sub>**

of waste sand.

We are in discussions with our partner to deliver additional waste as our operations expand in the coming years.





## ADVANCING HIGH-VOLTAGE BATTERY RECYCLING PATHWAY

In 2020,  
BMW Brilliance recycled a total of

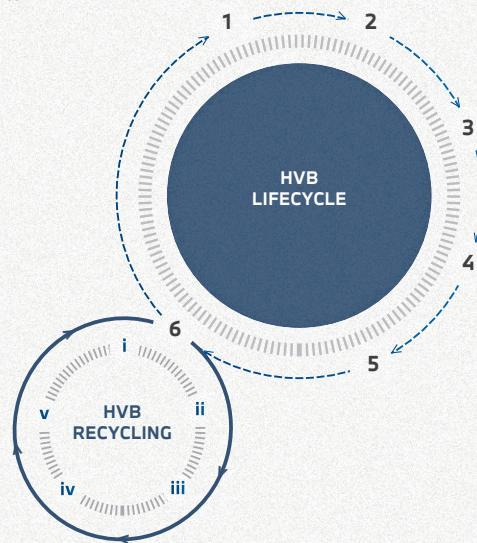
**4,347**  
pieces

of high-voltage batteries,  
a 33% increase over 2019, with a total weight of

**98,261** kg.

We also set up the country's first professional HVB recycling service outlet in Shanghai, which integrate collection, sorting, storage, packing, and relevant services before the HVBs are delivered to a licensed facility for dismantling.

## HVB lifecycle management and recycling ecosystem at BMW Brilliance



### HVB Recycling Process at BMW Brilliance

- i. HVB diagnosis
- ii. Safety check and HVB categorisation
- iii. HVB coding collection
- iv. Safety storage and transportation
- v. Dismantling for recycle / Secondary use

### HVB Lifecycle Management at BMW Brilliance

1. Cell production
2. HVB production
3. NEV production
4. NEV sales and utilisation
5. Aftersales HVB maintenance & repair
6. HVB collection and recycling



## IMPROVING CORE COLLECTION CAPABILITY AND EXPANDING PARTS REMANUFACTURING PORTFOLIO

In 2020, we enlarged our core collecting scope to cover customer pay parts besides regular warranty parts return. Over the course of the year, we collected

**108,070** pieces

of parts, weighing over 669 t in total.

We also expanded our remanufactured parts portfolio with the launch of three more parts categories:

- Electrical Power Steering (EPS) gear,
- Head units,
- Mechatronics.



## ReLife POINT & REVERSE LOGISTICS IN FULL OPERATION

Our centralised facility for parts recycling and removal in Cangzhou, the ReLife Point (RLP), reached full functionality in 2020.

In May 2020, we launched Encory China Dealer Front-end (ECDF), the parts tracking system, to improve overall traceability and transparency of parts reverse logistics from dealerships back to the RLP via our transportation hub and Spare Parts Distribution Centre.



## THE BMW BRILLIANCE BIN CONCEPT CONSTRUCTION GUIDELINES

In 2020, we released the BMW Brilliance Bin Concept Construction Guidelines in May to detail our requirements for standardised and modularised bin design.

Our rate of returnable packaging usage for local parts transportation remained steady at 98% in 2020, and we continued promoting returnable packaging use for imported parts as well.



*A truly sustainable company is one that takes responsibility for its impacts and works to minimise negative impacts—on the environment, on our workforce and customers, and on the communities where we live and work.*

FACT 040

## KEY PERFORMANCES OF ENVIRONMENT, HEALTH & SAFETY MANAGEMENT IN 2020

VOC emissions per vehicle produced

in kg/vehicle

0.50

2020 ↘

0.52

2019

0.56

2018

Waste for disposal per vehicle produced

in kg/vehicle

2.99

2020 ↘

7.47

2019

8.05

2018

Water consumption per vehicle produced

in m<sup>3</sup>/vehicle

1.97

2020 ↘

2.40

2019

2.47

2018

Accident frequency rate per one million hours worked

0.09\*

2020 ↘

0.17

2019

0.28

2018

\* The scope only covers directly contracted employees in 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 millions) of the year.





FACT 041

## PROCESS UPGRADE TO REDUCE SLUDGE GENERATION

In 2020, we fully rolled out our sludge dehydration programme at Plant Tiexi, which decreased the water content of sludge by

**40%**,

and reduced sludge generation per vehicle produced by about 1 kg.

FACT 042

## STRENGTHENING OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

In 2020, we earned the accreditations of the ISO 45001:2018 standard, and the Work Safety Standardisation Level 2 Certification issued by the Emergency Management Department of Liaoning Province.

FACT 043

## ADVANCING EHS PERFORMANCE IN THE SUPPLY CHAIN

We have established a holistic supplier EHS risk management system through our EPA programme. From its inception till the end of 2020, we have made significant progress:

**269** On-site supplier  
assessments completed

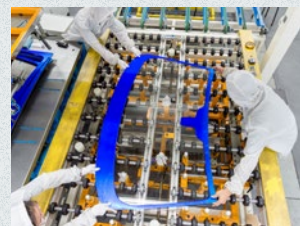
**846** Supplier self-assessments  
completed

**50+** Industry-specific  
high-risk activities identified

**10** Risk management  
processes established

In 2020, our third-party auditors conducted 87 onsite EHS audits of key suppliers and we initiated 170 suppliers to conduct "Challenge Round" EHS self-assessments.

By supporting them to implement corrective and preventive measures, we were able to help the top 10 high-risk suppliers achieve an EHS improvement rate of over 20%.





SUPPLIER SOCIAL RESPONSIBILITY  
CODE OF CONDUCT  
供应商社会责任行为守则



BMW Brilliance Automotive Ltd.  
华晨宝马汽车有限公司

FACT 044

## SETTING SUPPLIER SOCIAL RESPONSIBILITY STANDARDS

In 2020, we established the BMW Brilliance Supplier Social Responsibility Code of Conduct, outlining how we expect our suppliers to promote social responsibility in four areas:

- People-oriented,
- Ethical business practices,
- Responsible sourcing,
- Management system.

FACT 045

## UNGC CHINA NETWORK BEST ENTERPRISE PRACTICES AWARD

In 2020, BMW Brilliance received this award from the United Nations Global Compact China Network for our efforts in building an environmentally and socially responsible supply chain for China's automotive industry.



FACT 046

## INFORMATION SECURITY AND DATA PRIVACY MANAGEMENT

We established the Data Privacy Protection Organisation which is responsible for the overarching management of data privacy.

In 2020, LingYue Digital Information Technology, our subsidiary start-up company and one of our Data Privacy Protection Officers (DPPO), obtained the:

## ISO/IEC 27001 ISO/IEC 27701

certifications for information security management and security techniques for protecting data.





# 4 RESPONSIBLE CORPORATE CITIZENSHIP

- RESPONSIBLE HUMAN RESOURCES MANAGEMENT
- PEOPLE EMPOWERMENT
- CORPORATE SOCIAL RESPONSIBILITY



AN INCLUSIVE, DIVERSE, AND  
ENABLING CULTURE THAT SUPPORTS  
OUR WORKFORCE AND COMMUNITIES.



## BMW BRILLIANCE CORE VALUES

Our approach to responsible human resources management is guided by our Core Values, which serve as the overarching principles for how we conduct every aspect of our business.

### RESPONSIBILITY

We make decisions and commit to them personally.  
We go beyond for the best corporate interest.

### APPRECIATION

We respect, motivate, and care for each other.  
We give clear feedback. We celebrate our success.

### TRANSPARENCY

We share meaningful information efficiently.  
We acknowledge concerns and address inconsistencies in a constructive way. We act with integrity.

### TRUST

We earn mutual trust by keeping our promises.  
We trust and rely on each other.

### OPENNESS

We are open to different opinions. We learn from our mistakes. We inspire each other to identify new opportunities and to embrace changes.

## KEY PERFORMANCES OF HUMAN RESOURCES MANAGEMENT IN 2020

Total workforce at year-end  
in number

**20,739**  
2020 ↗

19,824  
2019

18,925  
2018

Attrition rate  
in %

**3.7**  
2020 ↗

3.6  
2019

4.8  
2018

Female employees in  
total workforce  
in %

**11.9**  
2020 ↘

12.1  
2019

12.0  
2018

Female employees in  
management positions  
in %

**30.2**  
2020 ↘

30.6  
2019

30.0  
2018





FACT 049

### **DIVERSITY IS OUR STRENGTH: 2020 BMW GLOBAL DIVERSITY WEEK**

The BMW Global Diversity Week took place in May 2020, during which we celebrated traditional festivals from other cultures, and launched company-wide communication to emphasise the importance of diversity and inclusion.



FACT 050

### **THE NEW BMW BRILLIANCE BEIJING TRADE UNION**

In March 2020, we officially established the BMW Brilliance Beijing Trade Union, which will provide better service to our employees in the Beijing and Shanghai branches and LingYue on four directions:

- Culture and fitness,
- Employee care,
- Care for female employees' needs,
- Help employees overcome hardships.

FACT 051

### **BMW BRILLIANCE TRADE UNION'S EFFORTS TO SUPPORT EMPLOYEE HOUSING**

In 2020, the BMW Brilliance Trade Union signed a three-year agreement with the Shenyang Real Estate Corporation to offer, over the next three years,

# 1,500

more housing units to our employees,

through our Public Rental Housing Project and the Talent Apartment Project.

To date,  
our Public Rental Housing Project has helped

# 1,400

associates  
solve their short-term housing challenges.



FACT 052

## ENSURING EMPLOYEES' HEALTH WITH OUR HEALTH INITIATIVES

We continue to protect and promote our employees' physical and mental health with our health management programmes and activities in 2020.



### Annual Health Check

#### 94% workforce

completed their annual health check-ups in 2020.



### Hearing Protection

#### 1,102 associates

were trained in our hearing-protection campaign on how to prevent hearing damage from noise exposure on the job.



### Healthy Sleep Programme

#### 2,004 associates

completed the Pittsburgh sleep quality index (PSQI) self-assessment to identify disrupted sleep patterns under this new programme.



### The Elite Team Challenge

#### 378 employee teams

competed in this activity over 20 days on exercise and nutrition, and walked a cumulative 164,876 kilometres.



FACT 053

## EMPLOYER AWARDS WON BY BMW CHINA AND BMW BRILLIANCE IN 2020

Zhaopin.com

**2020 Best Employer Award for  
Campus Recruitment**

**China Best Employers Award  
Top 10 2020**

2nd place

Universum

**Most Attractive Employers  
in China 2020**

#1 in Automotive Industry

Liepin.com

**2020 Extraordinary Employer  
Top 100**

**Innovative Extraordinary  
Employer**

For 5th consecutive year.

51job.com

**China's Top 100 Model Employers**  
For 7th consecutive year.

**Model of Corporate Social  
Responsibility**

**Chinese College Students'  
Favourite Employer**

Lagou.com

**2020 Top Employer**

Maimai.com

**Annual Popular Employer  
in Northern China**

Lockin China

**University Selected Global Employer**

**Most Popular Employers Among  
Females in China 2020**





TALENT IS THE FIRST RESOURCE.  
THE FUTURE CAN ONLY BE BUILT  
TOGETHER WITH OUR PEOPLE,  
OUR DEALER PARTNERS, AND  
OUR NEXT GENERATION.

FACT 054

## TRANSFORMING TRAINING APPROACHES THROUGH THE PANDEMIC

To cope with the COVID-19 disruption, we quickly shifted our training programmes to facilitate online education. We introduced five new methods, including live broadcast trainings, virtual live trainings, live webinars, short videos and online recorded courses, to maximise our training effect.

As a result of our innovation, we saw remarkable improvements in our employees' participation and completion rate of training courses:

**+223 %**

Increase in total time spent in online learning programmes vs 2019.

**+77 %**

Increase in learning completion rate vs 2019.

**5x**

More active learners than 2019.



## EMPOWER DEALER PARTNERS THROUGH OUR STAR PROGRAMMES



The Star Programmes from the BMW Training Academy are tailored to provide comprehensive, structured trainings targeted to support dealers in career development and help them succeed.

### BMW Education of Sales & Service Talent Programme

We have created 17 training bases and graduated nearly 9,000 individuals, more than 50% of whom have joined BMW dealerships.

### BMW Dealer Elite Talent Development & Retention Programme

3,958 senior talents and 843 elite talents were cumulatively awarded to dealers between its launch in 2019 to the end of 2020.

### New Staff Enlightening Journey

Over 7,200 participants in 2020, who received in-depth education on the BMW brand, products, and customers.

## FACTS ABOUT BMW DEALER PARTNER TRAINING IN 2020

1,917

TOTAL ONLINE COURSES ON  
BMW JOY LEARNING APP

10,175

AVERAGE DAILY ACTIVE USERS  
ON BMW JOY LEARNING APP

3,231

FACE-TO-FACE  
TRAINING SESSIONS

259

ON-SITE COACHING  
AT DEALERSHIPS

114,655

TOTAL TRAINING MANDAYS OF FACE-TO-FACE TRAINING AND ON-SITE COACHING

1,828

CERTIFICATIONS ISSUED TO NEV  
TECHNICIANS AND SERVICE ADVISORS



魏岚德 博士

华晨宝马汽车有限公司总裁兼首席执行官

Dr. Johann Wieland

President & CEO

BMW Brilliance Automotive Ltd.

WE BELIEVE THAT CHINA'S SOCIAL  
NEED IS OUR NEED, AND WE ARE  
COMMITTED TO TAKING A LEADING ROLE  
IN RESPONDING TO SOCIAL CHALLENGES  
AND CONTRIBUTING TO CHINESE  
SOCIETY IN THIS DIFFICULT TIME.



FACT 057

#### RETHINKING OUR CSR APPROACH

To cope with the disruptions we faced in 2020, we quickly developed ways to integrate our online and offline CSR activities, so that both types of engagement could reinforce each other and generate more profound influence.

As a result of this, the BMW CSR beneficiaries in 2020 increased over 3 times and reached

**11,568,364.**



## UNRESERVED SUPPORT TO OUR SOCIETY IN THE ANTI-PANDEMIC BATTLE

BMW was one of the first global brands in the auto industry to commit funds, through three waves of donation, a total of

# 35,000,000

RMB

to fight the COVID-19 outbreak in China.



### FIRST DONATION

**5 Million RMB**

- Hubei Charity Foundation
- Purchase medical supplies

### SECOND DONATION

**25 Million RMB**

- China Population Welfare Foundation
- Purchase medical equipment
- 1st national mental health and counselling hotline

### THIRD DONATION

**5 Million RMB**

- Sixth People's Hospital of Shenyang
- Purchase supplies and medical equipment

### ASSOCIATE DONATION

**374,689 RMB**

- Huanggang Central Hospital and the Xiaogan Central Hospital in Hubei province
- Purchase supplies and medical equipment

In mid-2020, we undertook the IOOI (Input, Output, Outcome, Impact) evaluation to gauge the impact of our anti-pandemic donations:

## 21

provinces, cities & regions benefitted

## 356

pieces of medical equipment purchased and donated to 38 hospitals

## 176,783

medical protective items purchased and donated to 44 schools



first mental health and counselling hotline established

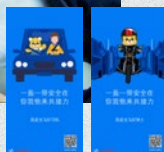
## 1.67

million RMB donation made by BMW dealers and car owners

## 1,200

disadvantaged children in Hubei Province received our urgent donation of living supplies, school supplies and sports equipment





FACT 060

### BMW CHILDREN'S TRAFFIC SAFETY EDUCATION: FROM OFFLINE TO ONLINE

On Children's Day, we launched our CTSE Online Platform in partnership with the China Children's Press & Publication Group and the Traffic Safety Research Centre of the Ministry of Public Security.

The Online Platform offers games, augmented reality exhibitions, training classes, and live-streaming events, and received more than 2.68 million views by the end of 2020.

FACT 061

### BMW GOOD DRIVER & BMW GOOD RIDER

We introduced our new BMW Good Driver & BMW Good Rider initiative, the first auto brand to respond to the Traffic Management Bureau of the Ministry of Public Security's "One Helmet, One Belt" safety campaign.

To date, we have engaged more than 13,200 people to endorse BMW's advocacy.

FACT 062

### ENABLING STAKEHOLDERS WITH THE BMW CTSE AMBASSADOR TRAINING PROGRAMME

We continued to build on the CTSE Ambassador Training Base we launched in 2019, which engages our BMW dealers and car owners with our philosophy of safety and responsibility.

By the end of 2020, it has become one of the most popular CSR activities for our dealers. From 35 training bases in 19 cities, we had 886 volunteers lead children's road-safety courses for 7,050 beneficiaries.







FACT 063

### BMW CHINA CULTURE JOURNEY 2020: TRACE THE ROOT OF LIAOHAI CULTURE

As the epidemic eased in 2020, BMW China Culture Journey embarked on a four-day tour that explored, promoted and safeguarded intangible cultural heritage (ICH) in Liaoning.

We visited more than 30 representative ICH items, and selected six ICH inheritors from Liaoning and Hubei Provinces to co-design creative products in the Tsinghua BMW Innovation Centre for Intangible Cultural Heritage Safeguarding.



**3,000+**

ICH products sold  
through Taobao Live  
during the BMW China  
Culture Journey outreach.

FACT 064

### 2020 BMW CHINA CULTURE JOURNEY INTANGIBLE CULTURAL HERITAGE EXHIBITION

In October, we held the 2020 BMW China Culture Journey Intangible Cultural Heritage Exhibition at Shenyang Palace Museum. More than 40 inheritors from Liaoning were invited to attend the Exhibition's Liaoning Intangible Cultural Heritage Creative Fair to showcase and sell 20 different types of Liaoning intangible cultural heritage products.





FACT 065

### DONATING URGENT SUPPLIES TO BMW JOY HOME SCHOOLS

BMW JOY Home was most affected by COVID-19. Nevertheless, in 2020 we took prompt actions to help schools cope with these challenges.

Through the China Charity Federation BMW Warm Heart Fund, we donated 176,783 sets of pandemic prevention materials to 44 BMW JOY Home schools which were in urgent need of epidemic prevention supplies to support campus health management. The donation has benefitted more than 26,075 students and 1,659 teachers.



FACT 066

### GROWING AND STRENGTHENING OUR LOCAL SUPPLIER NETWORK

By the end of 2020,  
BMW Brilliance's local content suppliers in China  
reached

400,

representing a  
total purchasing volume of

54.89

billion RMB.

In October 2020,  
the BMW Brilliance Supplier Media Visit was held in  
Shenyang, where BMW Brilliance discussed the severe  
impact of the pandemic on the auto industry supply  
chain and the thinking of industry players on supply  
chain development in the post COVID-19 era.





**"ECOLOGICAL LIVABILITY IS THE FIRST  
CONSIDERATION OF TALENTS, WHICH  
ARE THE PRIMARY RESOURCE OF  
INDUSTRIAL DEVELOPMENT."**

*— Shenyang Local Government Representative*

FACT 067

## **GREEN AREA PROJECT PEANUT PLANTING**

As a major activity of the Green Area Project, we have conducted a peanut-planting activity and our associates are involved in planting, watering, and harvesting throughout the peanut season.

In October, our associates organised charity event at BMW Brilliance's three plants, where the home-grown peanuts were among the goods on sale to colleagues. The proceeds went to local communities to support infrastructure projects and to students in need at our BMW JOY Home school.





FACT 068

## BMW BRILLIANCE ART SEASON 2020

The 2020 BMW Brilliance Art Season Kick-Off Ceremony and Shang Chengxiang solo exhibition was unveiled at the BMW Brilliance Plant Powertrain Art Space.

The event marked a new chapter of our efforts to support local artists in Shenyang for ongoing explorations into the beauty of industry and the spirit of art.





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## CONTACT

**You can find further information online at:**

<http://www.bmw-brilliance.cn/cn/en/csr/download.html>



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