

SUSTAINABILITY
FACTBOOK 2021





"Today we must regard carbon as the new currency and remain industry leader in promoting a sustainable and green economy, by engaging and collaborating with our partners across value chain."

Dr. Franz Decker

President and CEO
BMW Brilliance Automotive Ltd.





LEADING THE MOVEMENT FORWARD

2021 was a stark reminder of the urgent need for us all to move towards a more sustainable way of living. For BMW Brilliance, there is no premium without sustainability.

To further our sustainable management and performance, we made great strides in the following areas:

- Taking action to combat the effects of climate change is a top priority for our business. We have made improvements throughout our entire value chain, by implementing state-of-the-art low-carbon enhancements.
- Intensifying circularity with our "Secondary First" approach, which is finding ways to reduce, reuse and recycle parts and materials used in our products and production processes.
- Recognising the importance of striking the balance between the economy and the environment. We are proud to be the first premium OEM to embrace and contribute to biodiversity conservation in China.

In 2022, we will scale up for our next phase of growth by expanding our production footprint, deepening our local supplier network, and launching the new future-orientated models. We are not only excited to accelerate our own sustainable transformation, but also ready to lead the sustainable movement forward.

AN OVERVIEW OF BMW BRILLIANCE

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.

Our business operations include production, research and development, supply chain management and purchasing, sales, and aftersales services of BMW automobiles in China. BMW Brilliance has a state-of-the-art production base in Shenyang, Liaoning Province—an industrial heartland of China.

Guided by our aspiration to be the leading sustainable provider of premium individual mobility, we are steadfast in accelerating the sustainable transformation across our entire value chain in China.



2021 AT A GLANCE

700,787

Vehicles produced

22,829

Total workforce at year-end

652,000

Automobiles wholesaled

683

Authorised dealer outlets

OUR LOCATION & FACILITIES

1	Shenyang	🌐 ○ ○ ○ ●	6	Xi'an	○ ●	11	Ningbo	○
2	Beijing	● ○ ● ○ ●	7	Hefei	○	12	Chengdu	● ○ ○
3	Tianjin	○ ●	8	Nanjing	○	13	Guangzhou	● ○ ●
4	Dalian	●	9	Shanghai	● ○ ● ○ ○ ●	14	Foshan	○
5	Zhengzhou	○	10	Hangzhou	●			

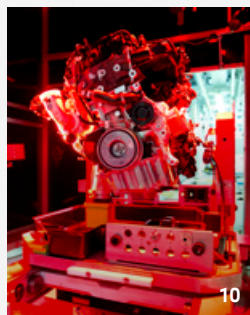
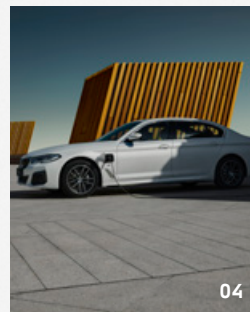
🌐 Headquarter & Production Base
○ Branch Office (including LingYue)

● Sales Regional Office
● Training Centre

○ Finished Vehicles Dispatch Area
● Finished Vehicles Export Warehouse

○ Spare Parts Distribution Centre

OUR PRODUCT PORTFOLIO



- 01 **BMW 1 Series**
- 02 **BMW 3 Series**
- 03 **BMW i3 Series** *(launch in 2022)*
- 04 **BMW 5 Series**
- 05 **BMW X1**
- 06 **BMW X2**
- 07 **BMW X3**
- 08 **BMW iX3**
- 09 **BMW X5** *(launch in 2022)*
- 10 **BMW Engines**
- 11 **BMW High-voltage Battery**

1 FUNDAMENTALS

- SUSTAINABILITY MANAGEMENT
- STAKEHOLDER ENGAGEMENT
- COMPLIANCE MANAGEMENT
- DATA PRIVACY AND INFORMATION SECURITY

THE PURPOSE IS TO ACHIEVE NOT ONLY GROWTH IN THIS INDUSTRY, BUT ALSO CREATE A PROSPEROUS PLANET FOR THE GENERATIONS TO COME.

With a converging focus on sustainable development, BMW Brilliance is getting into full strides in our transformation towards a more low-carbon, circular, and responsible business in China.

We are dedicated to be a salient contributor to the BMW Group's 2030 sustainability commitments, and a constant endeavour to support China's decarbonisation towards carbon neutrality by 2060.

FACT 001

**BEST ENTERPRISE PRACTICE AWARD
FOR ACHIEVING SUSTAINABLE DEVELOPMENT GOALS**

In 2021, BMW Brilliance received the "Best Enterprise Practice Award for Achieving Sustainable Development Goals", for three consecutive years, from the Global Compact Network China.



FACT 002

#1

**IN THE 2021 AUTOMOTIVE INDUSTRY
GREEN DEVELOPMENT INDEX**

Since the debut of the Automotive Industry Green Development Index in 2019, BMW Brilliance once again topped position in this assessment in 2021 for three years in a row.

A MORE ROBUST SUSTAINABILITY GOVERNANCE

The BMW Brilliance Corporate Sustainability Execution Committee has been fulfilling its responsibility of ensuring transparency and facilitating common understanding on the overall sustainability progress and target status across our value chain.

**BMW BRILLIANCE
BOARD OF DIRECTORS**

**BMW BRILLIANCE
BOARD OF MANAGEMENT**

**BMW BRILLIANCE
CORPORATE SUSTAINABILITY
EXECUTION COMMITTEE**

**SUSTAINABILITY OPERATIONS NETWORK
ACROSS BUSINESS FUNCTIONS**

Sustainability Governance at BMW Brilliance.



ASSESSING AND MANAGING CLIMATE-RELATED RISKS

In 2021, we conducted a deep-dive climate-related risk analysis based on Task Force on Climate-Related Financial Disclosures (TCFD). We have identified 3 tiers of key transition and physical climate change risks. As a result, all risks were listed on the heatmap and integrated into the corporate risk report for further evaluation.

Our next step is to conduct a quantitative analysis of climate-related risks to provide a more concrete financial reference for the strategy design and decision making.



FACT 005

SUSTAINABILITY AS THE CENTRAL THEME OF STAKEHOLDER ENGAGEMENT

#BMW Brilliance - BASF Tech Day

In June 2021, the BMW Brilliance - BASF Tech Day was successfully held with the theme "**Driving Sustainability**", with more than 1,000 senior managers and industrial experts taking part.

#Engagement with Government

On December 1, 2021, the "Sustainability@BMW Shenyang Plants" event was held at BMW Brilliance Plant Dadong. The Vice Mayor of Sheyang, Shan Yi, Party secretary of Dadong CPC, Li Gang, media personnel and our suppliers were all present to witness our fruitful progress and our plan to empower the future of sustainable development.

FACT 006

DRIVING RENEWABLE ELECTRICITY TRANSITION: THE BMW GREEN POWER ALLIANCE

We initiated the BMW Green Power Alliance in 2021 to accelerate renewable electricity adoption across our entire value chain, and held multiple workshops to motivate and empower our business partners with the knowledge of different renewable electricity solutions available in China.

Altogether, our workshops attracted:

150+

participants from dealer partners; and

50+

participants from real estate partners, landlords, facility operators and business departments.



"ZERO TOLERANCE" FOR NON-COMPLIANCE AND REINFORCEMENT OF HONOURABLE BEHAVIOUR IN BUSINESS

At BMW Brilliance, we maintain a strong commitment and fundamental belief in regulatory compliance at all times while having "Zero Tolerance" for any non-compliance.

In 2021, we topped rankings on all public ratings related to the automotive industry once again with no blacklist record.



6 SOCIAL CREDIT SYSTEM HONOUR LIST

Advanced AEO¹	General Administration of Customs
A Level Tax Payer	State Taxation Administration
Level A Entity	State Administration of Foreign Exchange
Enterprise Quality Level A	China Quality Certification Centre
Labour Protection Level A	Ministry of Human Resources and Social Security
Honest Entity	Ministry of Ecology and Environment

1. Authorised Economic Operator



INFORMATION SECURITY AND DATA PRIVACY MANAGEMENT

To ensure we have fulfilled the requirement of recent laws and regulations, we established a cross-functional Personal Information Protection Law of the People's Republic of China (PIPL) Taskforce and introduced 4 dedicated roles:

Cybersecurity Officer (CSO),
Data Security Officer (DSO),
Data Privacy Officer (DPO), and
Automotive Data Security Officer (ADSO).

We also achieved

100%

training rate for non-production employees on data privacy, cybersecurity law and information protection.

2 PRODUCTS AND SERVICES

- TOTAL QUALITY MANAGEMENT
- CLIMATE-FRIENDLY PRODUCTS AND SERVICES
- CIRCULAR PRODUCT LIFECYCLE



BMW BRILLIANCE BELIEVES THAT TRUE PREMIUM PRODUCTS AND SERVICES NOT ONLY CREATE VALUE FOR CUSTOMERS, BUT ALSO CONTRIBUTE TO ENVIRONMENTAL AND SOCIAL RESPONSIBILITY.

FACT 009

TOTAL QUALITY MANAGEMENT AT BMW BRILLIANCE

Our Total Quality Management strategy puts customers at the heart of every move we make. This is reflected not only in our pursuit of most premium customer experience but also all links in the supply chain and production process.

We have strictly followed German Association of the Automotive Industry (VDA), European Foundation for Quality Management (EFQM) standard and passed the annual audit of ISO 9001 in 2021.

FACT 010



EFQM 7 STARS AND OUTSTANDING ACHIEVEMENT IN SUSTAINABILITY

BMW Brilliance Technology and Manufacturing (BBT) was awarded 7 stars and the Outstanding Achievement for Sustainability at the EFQM Global Award in 2021.

This is a renewed testament to BMW Brilliance's leadership in high-quality management and sustainability in China's automotive manufacturing.



FACT 011

CHINA COMPULSORY CERTIFICATION A-CATEGORY ENTERPRISE

In 2021, BMW Brilliance was granted China Compulsory Certification (CCC) A-Category Enterprise. This is the authority approval for BMW Brilliance which has achieved "**0 findings**" results during the CCC annual plant audit over the past two years while passing all authorised random inspections.

OUR PRODUCT SAFETY AND CUSTOMER SATISFACTION AWARDS

Once again, five of BMW Brilliance models defended the titles in their own segments of the 2021 China Automobile Customer Satisfaction Index (CACSI) assessment.



BMW 3 Series

Top B-class Luxury Sedan



BMW 5 Series

(Long-ranged and PHEV)

Top C-class Luxury Sedan
Top PHEV Sedan



BMW X1

Top A-class Luxury SUV



BMW X3

Top B-class Luxury SUV

In addition, BMW iX3 was awarded the China-New Car Assessment Programme (C-NCAP) Super 5-star rating with a total score of 95.7%, ranking 1st out of 82 tested models, breaking the overall rating record under the current protocol.

THE BMW/MINI SERVICE EXPERIENCE AMBASSADOR PROGRAMME: HEARING CUSTOMER VOICE

Through the new BMW/MINI Service Experience Ambassador Programme, we received over 300,000 pieces of honest and direct customer opinions in relation to our aftersales services in 2021, which have enabled us to pinpoint weakness and improve service quality.



DELIVERING PREMIUM SERVICE QUALITY AND CUSTOMER EXPERIENCE

Every year, we identify top BMW/MINI dealerships and recognise their contributions to providing premium services to our customers nationwide.

In 2021, 301 dealers were evaluated for the 2020 Peak-End Customer Experience Award. After fierce competition, **10 dealers were awarded as Customer Experience Best Dealers.**

FACT 015

THE BMW GROUP'S TARGET ON NEW ENERGY VEHICLES OFFERINGS IN CHINA

To deliver the BMW Group's 2030 climate commitments, BMW has set ambitious targets on New Energy Vehicles (NEV) offerings in the China market:

By 2023,

12 BEVs*

will be launched across
the BMW brands in China.

By 2025,

25%

of total domestic sales
will come from BEVs.

* BEV refers to Battery Electric Vehicles.



FACT 016

LEADING THE FUTURE OF E-MOBILITY WITH STRONG PRODUCTS & SERVICES

With the exciting new BMW iX3 being launched nationwide in September 2021, we sold

47,322

NEVs

across China at year-end,
reaching a significant increase of

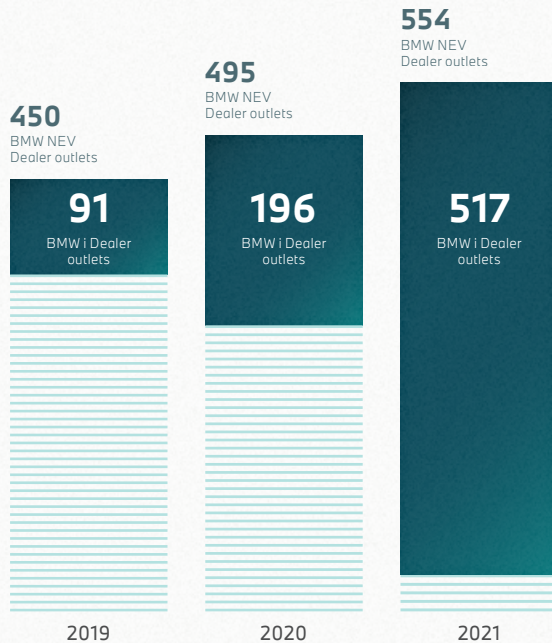
71.1%

as compared to 2020.



EXPANSION OF BMW i DEALER OUTLETS

We are continuing with efforts to add more BMW i dealer networks to provide our customers with BMW i products. At 2021 year-end, our BMW i dealer outlets have amounted to 517, an increase of 163.8% from 2020.



BMW i-SPACE: A SUSTAINABLE FUTURE SPACE FOR NEVS

In 2021, we opened our first BMW i-Space in Shenzhen. This new showroom for the BMW i series incorporates our sustainability concepts to nurture a brand-new sales process, including the use of recycled flooring materials, applying green construction method of prefabrication and installation, to deliver the sustainable brand concept of BMW.

More BMW i-Space showrooms will be opened in 2022.



FACT 019

DEEPENING COLLABORATION WITH THE STATE GRID EV SERVICE

This year, we deepened cooperation with the State Grid EV Service to bring the dream of convenient green energy charging to our customers through three directions:



Use of green power for NEVs



Research & innovation of charging technologies



Cooperation in sales and marketing of charging

Green energy has been made available for BMW customers in public charging stations, and we were able to trace the green energy source with blockchain technology, and issue BMW customers with Green Energy Certificates after using the green energy charging service.

FACT 020

RAMPING UP OF THE 3-IN-1 DEALER CHARGING STATIONS

The 3-in-1 dealer charging stations bring solar power generation, energy storage, and NEV charging all together in one place. In 2021, we reached agreements with more than 10 dealers in this regard of green transformation, and aim to introduce 100 of these charging stations over the next three years across BMW dealerships.

FACT 021

CONTINUOUS DIGITISATION OF CHARGING SERVICE

We have made a series of digital charging services available to customers to facilitate better customer experience, including Easy Charge, and BMW charging station recommendations. Digital rewards such as achievement medals can be awarded to users in the My BMW App, as well as Joy Credits which are part of the BMW Membership programme.

THE BMW NETWORK TRANSFORMATION GREEN STAR

BMW Brilliance was developing a new programme: Network Transformation Green Star, to extend our sustainable services to dealerships and to empower them to provide a green experience to our customers.

Two benchmarks were designed to measure a dealer's progress to this end:



Network Transformation Green Star



Network Transformation Green Star Lighthouse

Our goal is to have all dealerships achieved Network Transformation Green Star standard by 2025.

THE FOUR ASPECTS OF THE BMW NETWORK TRANSFORMATION GREEN STAR



GREEN ENVIRONMENT

Deploy facilities with high energy efficiency, green furniture materials and customised design, including energy saving, customer's comfortable experience, circularity, as well as culture and biodiversity.



GREEN POWER

Transition to renewable electricity use through different approaches, including procuring Power Purchase Agreements, installing distributed solar power or purchasing International Renewable Energy Certificates (I-RECs).



GREEN OPERATION

Take sustainable actions in daily operational process, from sales, aftersales to office work, such as reducing waste in operation, using reusable servicing kits and the oil filling systems.



GREEN ENGAGEMENT

Provide diversified green engagement activities such as green campaign, CSR activities, green communication, sustainable training and green lifestyles, to encourage more customers to take sustainable actions.

FACT 023

EXPANDING PARTS REMANUFACTURING PORTFOLIO AND RECYCLING CAPACITY

In 2021, we expanded the scope of our parts return process while further upgrading the core tracing features for reverse logistics systems and improved our overall parts remanufacturing capabilities.

Over the course of the year, we collected more than

278,000 pieces

of spare parts for recycling and remanufacturing, weighing over 867 t in total.

FACT 024

REVERSE LOGISTICS SYSTEM AND RELIFE POINT ENHANCEMENT

In 2021, our parts tracking system, the Encory China Dealer Front-end (ECDF), was fully utilised to improve the transparency of the overall reverse logistics process. Over 1,000 m² of extra space was cleared at our centralised facility—the ReLife Point, for parts recycling and removal, for reverse logistics and core sorting.

At the end of 2021, ReLife Point switched to 100% renewable electricity use through I-RECs as part of our efforts to drive green power transformation across our value chain.



FACT 025

SPARE PARTS BEING PUT INTO THE BMW REMANUFACTURING PROCESS IN 2021

01/
Transmissions



1,800+
pieces remanufactured

02/
Steering Gears



3,800+
pieces remanufactured

03/
AC Compressors



12,500+
pieces remanufactured

04/
Head Units



1,500+
pieces remanufactured

05/
Mechatronic Items



1,000+
pieces remanufactured

FACT 026

CONNECTING THE DOTS FOR A CLOSED-LOOP HIGH-VOLTAGE BATTERY LIFECYCLE

In 2021,
BMW Brilliance recycled a total of

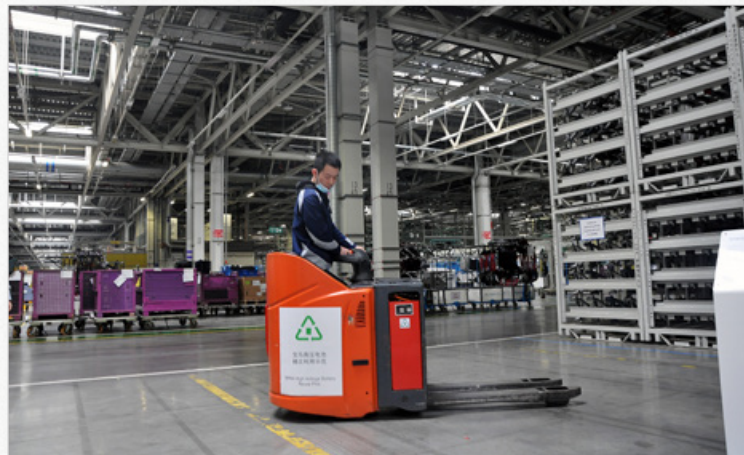
6,173
pieces

of high-voltage batteries,
a 42.0% increase over 2020, with a total weight of 123,111 kg.
All batteries are 100% traceable, collected and recycled by BMW in full
compliance with regulatory requirements.

By the end of 2021,

554
BMW dealers

have established the recycling procedure for HVBS
across China. We are working closely with our
recycling partners and HVB suppliers to achieve the
closed-loop system for our HVBS.



FACT 027

PIONEERING SECONDARY USE OF HVBS

We have been focusing our efforts
on pioneering R&D on secondary
use scenarios for HVBS. We
made two breakthroughs:



**pilot use of secondary
HVBS to power pallet trucks**



**pilot use of secondary
HVB for energy storage**

FACT 028

COOPERATION WITH TSINGHUA UNIVERSITY ON HVB RESEARCH

We have partnered with Tsinghua
University on HVB market research,
battery lifecycle carbon emission
calculations, and reusable battery
development. Based on a carbon
emission LCA of BMW Brilliance's
HVBS carried out in tandem with
our partner, we were able to identify
certain processes in the lifecycle where
carbon emissions could be reduced.

For us at the BMW Group, the twin ideas of “**Secondary First**” and “**RE: THINK, RE: DUCE, RE: USE, RE: CYCLE**” have comprised our main approach towards the promotion of a circular economy.

THE BMW i VISION CIRCULAR



FACT 029

FURTHERING CIRCULAR USE AND RECYCLING OF RAW MATERIALS

We had great success with steel in our closed-loop system in 2021.

By working closely with our steel manufacturing partners to incorporate scrap steel back into their manufacturing processes, we achieved an accumulative recycling volume of

71,000 t

scrap steel within the loop.



We are also in the process of testing a closed-loop project for aluminium ingots used at our foundry plant, and by the end of 2021 we achieved 12% in total. In 2021, we returned

10,402 t

of scrap aluminium to our suppliers.

FACT 030

“SECONDARY” INTEGRATED AS A REQUIREMENT IN OUR PURCHASING PROCESS

Among our new supplier nominations in 2021, we have achieved over 70% secondary Platinum Group Metal (PGM) use. This is estimated to be able to reduce roughly 480,000 t CO₂ emissions from our upstream production in the coming three years.



FACT 031

GREEN PACKAGING: A CORE FOCUS OF CIRCULARITY

Our bin-sharing and rental programme has achieved excellent results in 2021, with our top five parts suppliers making use of rental bins for

35,545

 times.

The current scope of applications covers existing projects and will eventually be extended to new vehicle projects.

FACT 032

USE OF RECYCLED MATERIALS IN NEW BIN PRODUCTION

In 2021, we conducted a feasibility study on the use of non-steel bins to evaluate the use of expanded polypropylene (EPP) renewable material, which has led us to work with our EPP supplier to conclude a recycling and transportation contract to use recycled materials in producing new bins.

3 PRODUCTION, OPERATION AND SUPPLIER NETWORK

- RESOURCE CONSUMPTION AND EFFICIENCY
- GREEN LOGISTICS
- PURCHASING AND SUPPLIER NETWORK
- REAL ESTATE MANAGEMENT

AT BMW BRILLIANCE, WE ARE FULLY COMMITTED TO SUSTAINABILITY, AND IT IS REFLECTED IN OUR MANUFACTURING, TRANSPORTATION, OPERATIONS AS WELL AS IN OUR TIES WITH OUR SUPPLY CHAIN PARTNERS.

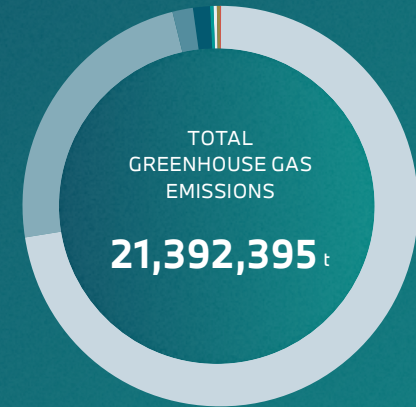


In China, For China and the World

We are fully committed to making major contributions to support the BMW Group's 2030 climate pledge, and fulfilling our commitments to "In China, For China and the World" by pioneering green transformation of our production, and sharing our expertise and experience with our peers around the globe.

FACT 033

BMW BRILLIANCE CARBON FOOTPRINT IN 2021



	in t
■ Scope 1 emissions	50,937
□ Scope 2 emissions	71,604
■ Scope 3 emissions - upstream chain	5,071,706
□ Scope 3 emissions - logistics	310,772
■ Scope 3 emissions - utilisation phase	15,521,957
□ Scope 3 emissions - disposal	352,059
■ Scope 3 emissions - employees commuting	10,754
■ Scope 3 emissions - business trips	2,606

For detail description of each emission scope, please refer to the BMW Brilliance 2021 Sustainability Report.

MONUMENTAL PROGRESS TO SECURE 100% RENEWABLE ELECTRICITY USE

We are making landmark progress in maintaining our use of 100% renewable electricity.

In 2021, we participated in the "**National Green Power Transaction**" pilot scheme and completed a renewable electricity trading volume of

2.78
billion kWh

making us **#1 rank nationwide.**

Across our Shenyang production base, we also increased our on-site Solar PV power installation capacity from 15.1 to

31.1
MWp.

These measures will fulfil nearly all of the renewable electricity needs at our Shenyang production base until the end of 2025.



FACT 035

REDUCING RELIANCE ON FOSSIL-BASED ENERGY AND BOOST RESEARCH ON CARBON EMISSIONS

In 2021, we investigated the viability of hydrogen and biogas to replace fossil energy, and will further evaluate the performance and efficacy of each solution in more comprehensive terms.

We also initiated a cooperative intention with the State Grid and Northeastern University on the development of a Carbon Footprint Management Platform, which will enable us to achieve more precise carbon footprint management in the near future.



FACT 036

STEAM PLATFORM: INSPIRING ENERGY MANAGEMENT INNOVATION

The Standard Tool for Efficiency Applications and Measures (STEAM) platform, a key energy-saving initiative, played an important role in facilitating energy management innovation. In 2021, our staff members submitted 42 measures to the platform, which will ultimately result in a:

5,000+ MWh

combined savings of energy use per year.

FACT 037

CO₂ emissions per vehicle produced
in t/vehicle

0.17*
2021 \downarrow 7.8%

0.18
2020

0.20
2019

Energy consumption per vehicle produced
in MWh/vehicle

1.40
2021 \downarrow 7.3%

1.51
2020

1.63
2019

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

FACT 038

LEADING IN GREEN AND SUSTAINABLE PRODUCTION

BMW Brilliance has been upholding the "National Green Plant" certification for five consecutive years.

With clear goals set to reduce our overall environmental footprint, we are optimising our resource usage by enhancing water reclamation capabilities, developing innovative waste classification and disposal approaches, and installing state-of-the-art volatile organic compounds (VOC) treatment facilities. Furthermore, we adopted the concept of sponge plant and nature-based solutions to protect the biodiversity of the plant.

FACT 039

KEY PERFORMANCES OF ENVIRONMENTAL & RESOURCE EFFICIENCY MANAGEMENT

Waste for disposal per vehicle produced

in kg/vehicle

2.50

2021 ↘ 16.4%

2.99

2020

7.47

2019

VOC emissions per vehicle produced

in kg/vehicle

0.12

2021 ↘ 76.0%

0.50

2020

0.52

2019

Water consumption per vehicle produced

in m³/vehicle

1.82

2021 ↘ 7.6%

1.97

2020

2.40

2019

Process wastewater per vehicle produced

in m³/vehicle

0.47

2021 ↘ 6.8%

0.44

2020

0.44

2019

PLANT LYDIA OUR NEXT-GENERATION FACTORY:

Plant Lydia — BMW Brilliance's new production base in Shenyang, will commence production officially in May 2022.

It is a reflection of how BMW's pioneering sustainability concepts fuses with state-of-the-art production technology to guarantee both product and sustainability stewardship, making it the first-of-its-kind facility of automobile manufacturing.

Some of Plant Lydia's key sustainability features include:

Powered by
100% renewable electricity

Combined Heating
and Power (CHP) system

Distributed solar
PV panels installation

Building Information
Management (BIM) system

Pilot use of
E-oven

Rainwater harvesting and
water recycling system

Building air circulation and
heat recapturing system

Material segregation
and collection system

Secondary office
furniture use

Ecological conservation
garden

We believe green production
is the key to solving the
sustainability puzzle.

FACT 041

PRIORITISING LOW-CARBON TRANSPORTATION MODES IN INBOUND LOGISTICS

We reduce CO₂ emissions by scaling up low-carbon and multi-modal transportation. In 2021, shipments of cargo from Dalian Port to our Shenyang plant are currently conducted through railway, with Plant Tiexi receiving 50% of their shipments and Plant Dadong receiving 90% of their shipments by train.



FACT 043

EMBARKING A NEW CHANNEL FOR VEHICLE IMPORTS

In 2021, BMW became the first premium OEM to utilise the Sino-European railway and the Chengdu comprehensive bonded zone for vehicle imports; while Chengdu became the first railway import port for finished vehicles within the logistics network in China, which is an effective complement when the sea freight capacity is insufficient.

FACT 044

CLIMATE ADAPTATION MEASURES AT TIANJIN VEHICLE DISTRIBUTION CENTRE (VDC)

As part of our effort to make our operations greener and adapt to climate change impacts, we have installed a natural water circulation system at our Tianjin VDC, which collects and stores rainwater for car-washing purpose. Approximately

80-100 m³/year

of water can be saved per year, which is on average 1.6-2 l/car. We intend to expand this measure to other Finished Vehicles Dispatch Areas in the future.

FACT 042

PIONEERING E-TRUCKS FOR HEAVY VEHICLE TRANSPORTATION

We initiated a pilot of an E-Truck, which was the first heavy E-Truck (20 t) used in Shenyang. The battery of the E-Truck is powered by 100% renewable electricity, and could transport 56 White Car Bodies of the BMW iX3 per day. Comparing to using conventional fossil fuel, the E-Truck is estimated to reduce 2.2 t of CO₂ per year and produce zero hazardous pollutants.



FACT 045

INTEGRATING SUSTAINABILITY INTO AFTERSALES LOGISTICS STRATEGY

To better promote green logistics and enhance performance in reducing our overall impact to the climate and environment, we have developed the 2025+ Aftersales Strategy, with 2026 Carbon Reduction Targets:



AFTERSALES LOGISTICS

2026 CARBON REDUCTION TARGETS

REDUCE

1/3

carbon emissions from aftersales logistics operation

REPLACE

50%

urgent airfreight replenishment by greener transportation

UTILISE

50%

E-Trucks in Dealer Metro Distribution Centre delivery routes

ESTABLISH



digital carbon emission baseline and management system



FACT 046

GREEN WAREHOUSE MANAGEMENT BECOMING OUR BUSINESS NORM

Green warehouse has become our operational standard and baseline. In 2021, we realised 100% renewable electricity for our six Spare Parts Distribution Centres across China in 2021 through I-RECs.

Our Spare Parts Distribution Centre in Hefei has become the first "green warehouse" to be certified by Leadership in Energy and Environmental Design (LEED) Green Building Standard.

FACT 047

OPTIMISING AFTERSALES LOGISTICS PLANNING STRATEGY

To enhance our logistics planning process, we have implemented the Leading Warehouse Project. Through maintaining a certain stock of new or slow-moving parts at the Spare Parts Distribution Centre in Shanghai, we could avoid urgent international airfreight and contribute to carbon reduction.

CONTINUOUS GROWTH OF OUR LOCAL SUPPLIER NETWORK

By the end of 2021,
BMW Brilliance's local content suppliers
in China reached

436

representing a
total purchasing volume of

71.39

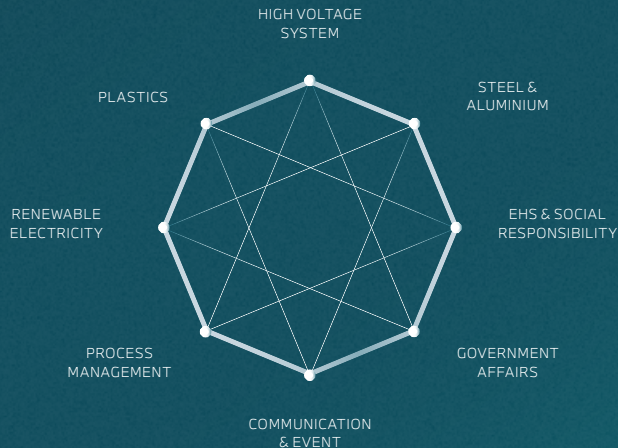
billion RMB.

which was a 30.1% increase from 2020 level.

In December,
BMW Brilliance Supplier Media Visit was held in Shenyang
alongside supplier partner Shenyang Jinbei Yanfeng Autom-
otive Interior System Co., Ltd.

The visit focused on the challenges and opportunities of green
transformation in our industry, and how crucial sustainability
is to the high-quality development of supply chains.

SUPPLY CHAIN MATCH PLAN CHINA: A TAILOR-MADE SOLUTION FOR A SUSTAINABLE SUPPLY CHAIN



In 2021, the Supply Chain Match Plan China was a major mile-
stone for BMW Brilliance to develop an integrated and custom-
ised plan for sustainable supply chain management across China.

Based on a thorough analysis of the carbon emissions across the
entire supply chain, eight working packages were developed with
specific individual targets set.

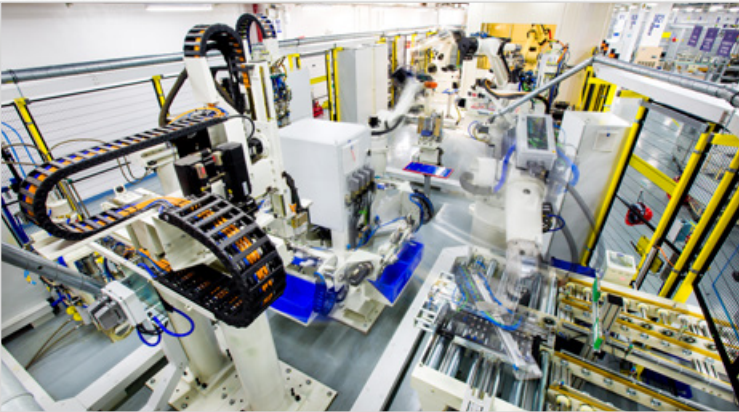
FACT 050

FACILITATING RENEWABLE ELECTRICITY ADOPTION AMONG KEY SUPPLIERS

Renewable electricity is a crucial point of focus for BMW Brilliance to mobilise and encourage suppliers to make use of carbon-free power sources. We have conducted electricity mapping at our suppliers together with training to help them with renewable electricity purchases.

Our HVB Tier 1 supplier, CATL, and aluminium ingot suppliers achieved 100% renewable electricity in 2021.

Our carbon reduction philosophy is influencing more suppliers to considering the installation of solar photovoltaic panels during the site selection stage of their construction planning.



FACT 051

EXPANDING THE SCOPE OF SUPPLIER EHS RISK MANAGEMENT

We have optimised our Environment, Health and Safety Protection Activity (EPA) programme by getting more suppliers involved while also enriching the contents of the digital management system. In 2021, the scope of the "Challenge Round" was expanded, including Tier-1 suppliers who are responsible for N-Tiers.

FACT 052

BUILDING CAPACITY FOR SOCIAL RESPONSIBILITY ACROSS SUPPLY CHAIN

In 2021, we enhanced our supplier social responsibility management, which included publishing a supplier checklist and engaging four suppliers in pilot schemes. Moreover, we completed four internal training sessions and designed a video training course for suppliers, which went live with training sessions in December 2021.

FACT 053

TRANSFORMING OUR NON-PRODUCTION SITES INTO GREEN BUILDINGS

BMW Brilliance is taking firm actions to transform our non-production sites into low-carbon, green and healthy working environments.

In 2021, we realised

100%
renewable electricity adoption

at our 25 non-production sites through purchasing I-RECs.

We also benchmarked with the world's leading green building standards—LEED and WELL to identify our gaps and take actions to make our buildings a greener and healthier workplace.

To strengthen building environmental management, we are developing a unified digital platform which will go live in April 2022 to collect environmental data at all non-production sites regarding water and energy consumption, air quality indexes, and waste statistics.




4 EMPLOYEES AND SOCIETY

- HUMAN RESOURCES MANAGEMENT
- EMPLOYEE ENGAGEMENT
- CARING FOR PEOPLE
- EMPOWERING PEOPLE
- CORPORATE SOCIAL RESPONSIBILITY



THE BOND BETWEEN THAT OF A CORPORATION AND SOCIETY HAS NEVER BEEN SO TIGHTENED. IT IS A THRIVING RELATIONSHIP BUILT NOT ONLY THROUGH TRUST, BUT ALSO ON THE RESPONSIBILITY TO OUR EMPLOYEES AND THE GREATER SOCIETY.



Our people are our most valuable resources

We nurture sustainable growth internally for our employees who are committed to building our vision of a better tomorrow.

Our core values of Responsibility, Appreciation, Transparency, Trust, and Openness are firmly integrated into the way our organisation operates, and we have faith they will guide us to further growth at every level of our company.



FACT 054

KEY PERFORMANCES OF HUMAN RESOURCES MANAGEMENT

Total workforce at year-end¹
in number

22,829

2021 \nearrow 10.1%

20,739

2020

19,824

2019

Female employees in total workforce¹
in %

11.9

2021 \nearrow 0.3%

11.9

2020

12.1

2019

Female employees in management positions¹
in %

31.4

2021 \nearrow 4.0%

30.2

2020

30.6

2019

Local employees in management positions^{1,2}
in %

90.0

-

2020

-

2019

1. Due to the improved data basis, the 2021 reporting scope of employees has been expanded to BMW Brilliance and its wholly-owned subsidiary—LingYue Digital Information Technology Co., Ltd, including dispatched employees. While the scope of employees in 2020 is the permanent employees of BMW Brilliance.

2. This figure is a newly added indicator to reflect the local directly hired employees in management positions.



FACT 055

**EMBRACING DIVERSITY:
2021 BMW GLOBAL DIVERSITY WEEK**

In May 2021, the BMW Global Diversity Week took place in its plants of all global locations. At BMW Brilliance, we participated by initiating a series of activities and communication, including "Lunch Roulette", "Yummy Diversity" and "Online x Offline Publicity", to emphasise the importance of diversity and inclusion.

FACT 056

**PROMOTING DIGITAL INCLUSION:
LET DIGITAL TECHNOLOGY BENEFIT EVERYONE**

Digital inclusion, which allows digital technology to benefit everyone, is one of the significant moves of BMW's sustainable vision. In 2021, we launched the BMW Digital Inclusion Initiative to arouse our employees' awareness of the digital gaps of disadvantaged groups and build an ecosystem that is digitally friendly to everyone.



FACT 057

**STRENGTHENING PROTECTION
OF FEMALE RIGHTS AND INTERESTS**

We have actively responded to the female rights protection policies of China and Liaoning Province, and updated the Special Collective Contract for the Protection of Female Associates' Rights and Interests, which was deliberated and approved by the BMW Brilliance Associates' Congress.



FACT 058

ENGAGING AND ATTRACTING FUTURE TALENTS

BMW Brilliance firmly holds the belief that talent acquisition is the key to a corporation's long-term development. In 2021, we held various events such as the BMW Explore Journey, BMW Brilliance Open Talk and 2021 Hackathon@BMW Shenyang Plants to engage young talents.

We also secured numerous subsidies and resources for local talents in Shenyang, and recruited over 200 new employees for LingYue Nanjing Branch.



FACT 059

KEY PERFORMANCES OF TALENT RECRUITMENT

Total new employee hires* in number

Female employees in total new employee hires*

in %

3,692

2021 \uparrow 107.1%

11.7

2021 \uparrow 21.0%

1,783

2020

1,756

2019

9.6

2020

14.9

2019

* Due to the improved data basis, the 2021 reporting scope of employees has been expanded to BMW Brilliance and its wholly-owned subsidiary—LingYue Digital Information Technology Co., Ltd, including dispatched employees. While the scope of employees in 2020 is the permanent employees of BMW Brilliance.

FACT 060

EMPLOYER AWARDS WON BY BMW CHINA AND BMW BRILLIANCE IN 2021



LinkedIn Top Company Top 10

Top 1 in Auto Industry

LinkedIn.com



Extraordinary Employer Award

Top 50

Liepin.com



Best Employer in Social Responsibility

Lagou.com



2021 Excellent Company in Automotive Industry

Maimai.com



Power Global Recruiting Employer

Lockin China



King's Ark—Best Employer for Talent Acquisition

Zhipin.com



Employer Excellence China Top 100

Excellence in Corporate Social Responsibility

Graduate Employer China 2021

51job.com



China Best Employers Extraordinary Achievement Top 2

China Best Employers for Female Employees Top 1

2021 Best Employer Award for Campus Recruitment

Zhaopin.com



FACT 061

VOICES OF EMPLOYEES: CONDUCTING 2021 EMPLOYEES SURVEY

At BMW Brilliance, we consider the voices of employees as an important source that inspire us to enhance our operations and management.

One major highlight of 2021 was the completion of a comprehensive employee survey to better engage with them and raise the overall level of satisfaction. The survey had a

99%

participation rate,

and resulted in an impressive High-performance Organisation Index of 93/100.

FACT 062

EMBEDDING SUSTAINABILITY IN EMPLOYEE ENGAGEMENT

Sustainability was deeply embedded in a host of employee engagement activities to nurture a sustainability mindset and culture inside BMW Brilliance, while raising employees' awareness about sustainability issues and advocating behavioural change.



Planting New Greenery and Enjoying Biodiversity

During this one-week event in Shenyang, more than 60,000 App users and employees learned about biodiversity while over 3,000 participants expressed an understanding and expectations about biodiversity.



BMW Trade Union Elite Team Challenge—Plogging Activities

The 2021 BMW Trade Union Elite Team Challenge was themed with sustainable development, with 10 plogging activities organised attracting over 300 participants to raise environmental protection awareness through actions.



Earth Hour 2021 Event—“Lights Off” at BMW Brilliance

At the “Lights off” Earth Hour 2021 event, we turned off unnecessary power at Plant Tiexi, Plant Dadong and Plant Powertrain, and lit up the outdoor BMW iX3 billboard with renewable electricity.



FACT 063

A WELL-ROUNDED MANAGEMENT TO ENSURE EMPLOYEE HEALTH AND SAFETY

In 2021, BMW Brilliance maintained the ISO 45001:2018 accreditation standard and Work Safety Standardisation Level 2 Certification. Meanwhile, we updated the OHS Management Liability Letter according to the Work Safety Law (2021 Amendment), with employees signed on.

FACT 064

PANDEMIC PREVENTION AND CONTROL: NORMALISED COVID-19 MANAGEMENT

To tackle the challenges brought by COVID-19, the Crisis Management Team continued its work in 2021. We achieved 87% average COVID-19 vaccination rate across our workplaces by end of 2021.

FACT 065

DIVERSE HEALTH MANAGEMENT PROGRAMMES TO SAFEGUARD EMPLOYEE HEALTH

Based on the results of the annual health check in 2020, we enhanced our Health Management 2025 programme in 2021, which serves as our blueprint to guide healthier behaviour.



Mental Care

Provide mental care consultations, trainings, self-evaluation surveys, and stress-relief solutions to employees.



Stop Smoking Initiative

Help employees with smoking habit to cut back on the amount they smoke and eventually quit smoking.



Healthy Sleep

Conduct Pittsburgh Sleep Quality Index (PSQI) assessment for employees to identify disrupted sleep patterns.



Burn What You Eat

Evaluate associates with obesity concern, and offer health programme on healthy diet, exercise and lifestyle.



Hearing Protection

Provide hearing protection training to employees with excessive noise concern.



Flu Vaccination

Provide flu vaccination to employees across our workplace and offices.



Annual Health Check

Provide annual health check to employees, with 97% of employees participating in Shenyang and 80% in Beijing in 2021.

A SUSTAINABLE TRAINING AND TALENT DEVELOPMENT ECOSYSTEM

In 2021, our Human Resources Department organised a total of

19,524

days of training

to our employees through various training programmes and platforms, which was a 26.0% increase from 2020.

Our trainings received an average training satisfaction rate of

99%

from the training attendees.



DIGITALISATION OF TRAINING FOR FUTURE SKILLS

We began implementing a virtual reality (VR) training platform in 2021, allowing associates to receive three VR training courses that simulate working conditions on the shop floor under a high voltage environment. This has created a new ecosystem paradigm in training and sparked great interest in the trainees who are now able to effectively learn important skills with greater safety.

EXPAND UNIVERSITY COLLABORATION THROUGH INDUSTRY-UNIVERSITY-RESEARCH ALLIANCE

In November, BMW Brilliance launched a joint laboratory project in partnership with State Grid Liaoning Electric Power, Ltd. (SGLEP) and Northeastern University (NEU) to expand university collaboration in the area of technology and knowledge transfer, and enhance the core competitiveness of the industry through deep-level integrated innovation and swift achievement transformation and application.

**EMPOWERING DEALER PARTNERS
TO REALISE STRATEGIC GOALS
AND SUSTAINABLE DEVELOPMENT
IS THE MISSION OF
BMW CHINA TRAINING ACADEMY**



**# Developing a Comprehensive
Retail Talent Development Mechanism**

To realise sustainable growth of BMW Brilliance and dealer partners, BMW China Training Academy has developed a comprehensive and sustainable retail talent development mechanism, which includes BMW Education of Sales and Service Talent (BEST) Programme, New Staff Enlightening Journey Programme, professional training and certification system, and BMW Dealer Elite Development & Retention Programme.

In addition, the annual National Elite Competition promotes continuous learning, and enhances the selection and motivation of elite talents.

**# Accelerating Transformation and
Development of Dealer Managers**

In 2021, we cooperated with Peking University in the development of BMW Business School to bolster the strategic mindset of our dealers' management staff. It offered dealer partners the "BMW Entrepreneur" EMBA Programme and "BMW Elite Managers" MBA Programme.

These programmes enhanced dealer managers' core operational management capabilities, strategic landscape, leadership and innovation ability to promote their long-term growth.

**# Driving Customer-centric Transformation
with BMW Premium Customer Experience**

Dealer partners are encouraged to achieve the "customer-centric" culture transformation by the promotion of Premium Customer Experience Ambassador Selection and Premium Customer Experience Officer. The managements demonstrate premium customer service and front-line staff implement 10 Promises in daily work.

After 3 years of selection, we awarded a total of 90 dealer partners with the title of "Premium Customer Experience Ambassador". Among them, 30 ambassadors were awarded in 2021.

**# Exploring Digitalisation and
Empowering Future Talents**

We continue to explore digitalization innovation to provide dealers with high-quality online training resources. To date, we have developed 20 VR courses. AI technology was also applied in 2021 Aftersales National Competition, with four aftersales topics published. We strive to turn BMW Joylearning into an open, efficient and agile co-creation and sharing platform for dealer partners, attracting them to keep learning and participate in interactive activities and sharing.



FACT 070

AN ALL-NEW, ALL-ROUND CSR APPROACH

At BMW Brilliance, we are constantly rethinking the way we interact with society, and to apply the concept of social innovation in the upgrades to all of our CSR programmes.

In 2021, we included “environmental protection” to the current CSR pillars of—“culture protection” and “social development” in response to the global challenges of climate change and biodiversity.

As a result of our innovation and unwavering efforts in CSR programmes, the BMW CSR beneficiaries in 2021 reached

11,459,458.

**A TRULY RESPONSIBLE AND SUSTAINABLE BUSINESS
MUST HAVE A HIGHER PURPOSE THAN SIMPLY
ACHIEVING PROFIT AND OFFERING EMPLOYMENT -
IT MUST WORK TO IMPROVE THE WORLD.**

Photo provided by Liaoning Panjin city wetland protection authority



FACT 071

BMW BEAUTIFUL HOMELAND INITIATIVE

We will not get tired to become more and more sustainable because we at BMW do understand that a responsible corporation needs to support nature.

In 2021, BMW Brilliance joined hands with China Green Foundation and China Education Development Foundation-BMW Warm Heart Fund to officially launch the "BMW Beautiful Homeland Initiative".

In the first phase, we plan to establish a biodiversity conservation public education base in the Liaoning Liaohekou National Nature Reserve.

BMW will donate monitoring, inspection, and bird rescue equipment to the reserve to protect and restore important habitats there, and directly contribute to local biodiversity conservation.

FACT 072

BMW CHILDREN'S TRAFFIC SAFETY EDUCATION: TRAVEL WITH PROPRIETY, TRAVEL SAFELY WITH CHILDREN

In 2021, under the topic of "Travel with Propriety, Travel Safely with Children", 2021 BMW Children's Traffic Safety Education integrated "propriety culture", the traditional Chinese culture, and the "civilised awareness" to traffic safety.

We worked in tandem with China Children's Press and Publication Group to launch the "Travel with Propriety" traffic safety propriety package with the core content of "the propriety of walking", "the propriety of riding in a car" and "the propriety of driving" based on the specific scenes. The content was also reinvented into cartoon videos called "AnAn tell you the traffic propriety".



FACT 073

BMW JOY HOME IN 10 YEARS: PROMOTING "SELF-STRENGTHENING MOVEMENT"

2021 marked the 10th anniversary of the BMW JOY Home programme, which has seen 95 BMW JOY Home schools established in 29 provinces and autonomous regions across China.

From 2021 to 2023, BMW JOY Home will support 52 schools in China's last 52 counties that achieved poverty alleviation in 2020, and forge them into 52 model sports schools. We will achieve this by providing professional training for physical education teachers, which will benefit more than 100,000 students.

BMW JOY Home in 10 years

>400

Activities hosted.

>13,000

Left-behind and migrant children benefited.

>10,000

BMW associates, dealers and customers participated in volunteer activities.

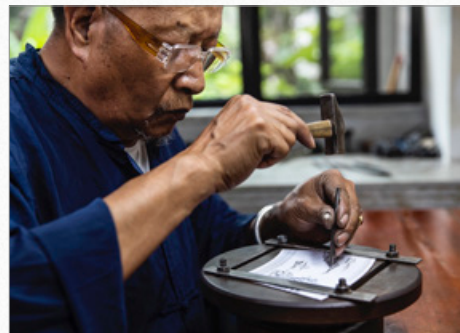
FACT 074

BMW CHINA CULTURE JOURNEY 2021: A SPIRITUAL HOMETOWN OF HARMONY AND DIVERSITY

2021 marked the 15th anniversary of the BMW China Culture Journey, which has been dedicated to protecting China's intangible cultural heritages as part of our "In China, for China" commitment to the Chinese society.

Guided by the theme of "Exploring Yunnan's History and Legacy, A Spiritual Homeland of Harmony and Diversity", the 2021 BMW China Culture Journey embarked on a week-long tour that explored nearly 20 tangible and intangible cultural heritage (ICH) in Yunnan.

Five representative ICH inheritors were selected to study with professors from Tsinghua University's Academy of Arts and Design, to design and develop marketable creative products.





FACT 075

**BMW CORPORATE VOLUNTEER ACTIVITIES:
GIVING BACK TO SOCIETIES,
CONTRIBUTING TO SUSTAINABLE COMMUNITY**

At BMW Brilliance, we firmly hold the belief that giving back to society and contributing to sustainable communities is not an option but an obligation. Our commitment to corporate social responsibility is manifested not only in our social donations for emergency relief, but also in the volunteering actions of BMW associates.

7	Volunteer activities organised
300	Employees participated in BMW CSR activities
1,914	Hours of volunteer service in total
11	Million RMB donated for Henan flood relief

FACT 076

**2021 BMW BRILLIANCE ART SEASON:
CIRCULAR ART**

The 2021 BMW Brilliance Art Season was jointly organised by BMW Brilliance and the Shenyang Municipal Bureau of Culture, Tourism, Radio and Television.

The new theme of "circular" was introduced this year, with the aim of promoting the concept of sustainable development and a circular economy. This was also the first time that the BMW Brilliance Art Season has gone outside the production plant to explore the aesthetic inspiration between industrial culture and art space.





Factbook published by:

BMW Brilliance Automotive Ltd.

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

Tel: +86(0)24 8455 6000



Contact for questions regarding this report:

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

Tel: +86(0)10 8455 7000

Further information and publications are available at:

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