

BMW Group



As companies transition towards net zero goals, it is essential that the social impact of decarbonization efforts on key stakeholders are considered.

Reineke Davidsz, Portfolio Manager

Engagement rationale

As BMW Group decarbonizes, stakeholders (e.g. workforce and communities) that are dependent on emission-intensive parts of the business will face transitional challenges. A just transition considers the social impact of meeting climate goals. This engagement is focused on ensuring that the social impact on key stakeholders of BMW's energy transition is considered, including labor conditions in the supply chain.

Background

Carbon reduction has been and is still a key focus area for BMW Group, which we have been engaging on and seen progress over time through setting long term carbon reduction targets, shifting to higher sales of EVs, achieving greater efficiency across all drive trains and reducing carbon across the supply chain. As the company transitions, it is increasingly important that they consider the social impact.

Theme for engagement

Just transition



Development

Neutral

Milestone



Engagement objectives

- The company commits to decarbonize in line with the principles of a just transition, recognizing the social impacts of its decarbonization efforts.
- The company engages with its key stakeholders affected by its decarbonization efforts.
- The company discloses how it is planning for and monitoring progress towards a just transition.
- The company adopts circular practices of natural resources where possible.

Engagement results

- We reached the third milestone as BMW stated in their 2023 Annual Report (published in April 2024) that they actively facilitate a socially responsible transformation of their employees, as part of their integrative Just Transition approach.
- The October 2023 Climate Action 100+ (CA100+) assessment includes a just transition indicator for the first time. The 2023 results show that significant progress is still needed for all companies included in the assessment. BMW Group does not meet the CA100+ just transition criteria yet (based on data as of May 2023).

Next steps

- Gain more insight into BMWs Just Transition approach, including how it is planning for and monitoring towards a just transition. ESRS reporting should provide more transparency next year, including on social topics.
- Review 2024 CA100+ assessment.

Company

BMW Group

Country

Germany

Sector

Automobile manufacturers

Market cap

€60 billion



Materiality

BMW Group operates globally and has nearly 150,000 employees, highlighting their social responsibility

ESG Research

MSCI ESG rating: AA
Sustainalytics score: 22.9 (medium risk)

Engagement initiated

Q1 2023

Latest update

Q3 2024

Kempen Fund

Global High Dividend
European High Dividend
Global Value

