The BMW Foundation Herbert Quandt promotes responsible leadership and inspires leaders worldwide to work towards a peaceful, just, and sustainable future. Through its activities, the BMW Foundation aims to advance the Sustainable Development Goals of the United Nations 2030 Agenda.

The UN calls our current decade the Decade of Action. The key to successfully implementing the UN 2030 Agenda lies in the well-coordinated interplay of politics, business, and society. It is precisely at this interface where the BMW Foundation has been working for over half a century. Its core competency lies in bringing together a diverse range of perspectives, advancing discourse, and encouraging Responsible Leaders to transcend national, sectoral, and cultural boundaries to find common solutions to global challenges.

In close collaboration with members of its global Responsible Leaders Network and other key stakeholders, the BMW Foundation has identified five focus topics (see p. 2 opposite) as the decisive parameters in transforming our world. Each of these topics is seamlessly aligned with the overall framework of the UN Sustainable Development Goals – the universal roadmap for a better future. Reflecting the complexity of today’s challenges, all five focus topics are interrelated. Nevertheless, the prerequisite for realizing these global goals is the transformation of our social and economic systems towards a regenerative system that is beneficial to all people and the planet. Such radical transformation is only possible in democratic societies that tackle structural injustices and uphold the dignity of each and every individual.

Across the globe, members of the BMW Foundation’s Responsible Leaders Network are working on these five focus topics – whether it be as entrepreneurs, pioneers of the circular economy, advocates of climate-neutral economies, human rights activists, or sustainable finance experts. Over the past decades, their work has significantly shaped the DNA of the BMW Foundation and given it a sharper depth of focus.

The BMW Foundation’s orientation to the UN 2030 Agenda is its guiding star; these five topics are the pathways to achieve the global goals. The UN 2030 Agenda also serves as a call to action – not just for the BMW Foundation nor for its 2,100+ Responsible Leaders, but for every single one of us.
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"In the beginning, it's always the individual who first triggers the great systemic changes."

Markus Hipp, member of the Board, BMW Foundation Herbert Quandt, in conversation with Düzen Tekkal, founder, HAWAR.help
The basis of the work of the BMW Foundation Herbert Quandt is a combination of systemic and personal transformation. But to transform the world, you first have to transform yourself. What does that mean for you two?

Tekkal: The story of my life is the core of my work. HAWAR.help would not be conceivable without our family history, the story of the Yezidis’ persecution. In crisis situations we realize over and over again what this means. Often, we believe we’re only capable of what we can already do. Women who go to the front lines – whether in Ukraine or Kurdish women – don’t choose their fate. They don’t want to be heroines; they want to survive. As Yezidis, we have no other choice but to transform ourselves because we’ve been persecut ed since our incipience. My family has had to transform itself all the time. The moment my grandparents got on a bus in southeastern Anatolia on the Turkish-Syrian border, they were already putting their lives at risk. Everything that my sisters and I do with HAWAR.help has to do with our history of oppression and how we resist; how we build lives on the ashes of a genocide. If you have a story like that, you can’t transform the world by yourself. The story is an essential part of the transformation.

Hipp: For me, it’s simply a kind of lifelong experience as well. It all started in the early 1990s with my role model, Václav Havel, who was then campaigning for a new society. In all his work, plays, and later in his essays as a dissident, as a Charter 77 campaigner, and as President of Czechoslovakia, Havel posed questions that resonated with me. Questions about all the roles, tasks, responsibilities, and impositions the game of life deals you.

What did those questions teach you?

Hipp: They’re why I consider myself lucky to have studied philosophy. You ask the right questions at the beginning of your career and adult life. Later, when I joined the BMW Foundation and had the privilege of working with the extraordinary people in our Responsible Leaders Network, I realized that, in the beginning, it’s always the individual who first triggers the great systemic changes, it’s always the people who have the courage to go against the grain.

Tekkal: I can clearly see parallels there. Purpose comes from resistance, but also from empathy. My encounter with the BMW Foundation was the first time in my life where I felt I was no longer alone. The problem people like us have, people who are struggling to survive, is that if we’re not careful, we end up losing ourselves.

What has been your personal journey as a Responsible Leader?

Tekkal: I’ll be honest and admit I was initially suspicious of the BMW Foundation and its network because I always had the feeling that ultimately, we’re all alone anyway – no one can help us, no one understands us. But people don’t have to have experienced the same things as we have to understand us. They can still feel with us. And that’s very important to me. Knowing there are some other crazy people out there who see things the same way gives me hope. And then there are organizations that really specialize in that, such as the BMW Foundation. You gave me and the people I work with at HAWAR.help a home when we felt homeless. I mean that emotionally. I mean it ideally. And I mean it territorially. We didn’t have an office, but we were allowed to work here with you in the Foundation’s Berlin office with a view of the German chancellery. That means something.

Hipp: You may well ask why you feel at home with us, although we’re not a designated network for human rights activists. You’ve given us something we haven’t got, and there’s something complementary about that. We thrive off contrasts – from a good argument in our internal communication channels to coming together as a group of people with vastly different experiences. We recently had a good discussion in our team about two approaches we quite deliberately combine in the BMW Foundation. Kairos and Chronos are two Greek gods. Kairos is the god who flies by. He represents the opportunity you have to grab. And if you don’t grab it, it’s gone. Chronos is the planned temporal process. We’ve
got both of them at the Foundation. But we believe very strongly that you can catch the momentum by grabbing Kaïros. That is key to change and transformation.

To transform yourself you also need to express yourself as a human being, which is a part of the BMW Foundation’s immersive leadership programs. This can include activities like the portrait painting session both of you took part in at the Responsible Leaders Forum in Marseille.

Tékkal: I painted a big sun with a black hole. I'm not a great artist, but I just tried to express my feelings. What was special to me about that was not the choice of the motif, which was so childlike and simple, but the courage to express my feelings to others and stand by the fact I was not feeling good.

Hipp: It's an experience many in our community have had. For me, the past few years have also consisted of personal crises, the pandemic, and global conflicts.

Tékkal: That's the beauty of this experience. It multiplies like a chain reaction. It doesn't stop at the first case of serendipity. It's kind of indescribable. But like you say, it also takes courage to get involved in something before it's obvious that it will be successful.

What has all of this got to do with the UN 2030 Agenda?

Hipp: The secret of the bond we create between people is that it’s basically not just dialogue-related but happens through aligning ourselves with the Sustainable Development Goals, as it were — just like religions align themselves with the transcendent. That means that this deep transformation of people and the new form of collaboration and cooperation don’t just emerge through a lot in the past few years. I’ve always suppressed it a lot because the moment you deal with genocide and wars and with ISIS victims, your own suffering becomes very small. You don’t give any space to this suffering because you don’t want to take it away from others. That’s where the BMW Foundation also helped me: in not having a guilty conscience when feeling happy because a guilty conscience doesn’t help the living or the dead. When you come from a persecuted community like mine, you can also become very indifferent very quickly. However much you might save the world, it’s no good if you end up harming yourself. If I may now say something very simple, almost trivial: I feel happy again when I get up in the morning, make a coffee, and walk to work. It sounds so insignificant, but it’s so big for me. It’s so big because, in the past few years, the toughest demands and the biggest challenge have been living everyday life.

Is this typical of others in the Responsible Leaders Network, Markus?

Hipp: It sounds so insignificant, but it’s so big for me. It’s not only Düzen’s business model, but also Bernd’s, to whom it felt little bit like coming home. Bernd had previously worked with indigenous communities in the United States, helping them overcome cultural difficulties. So, working with Düzen and her team meant catching up with a somewhat faded personal purpose. These are two organizational transformations whose added value cannot be expressed in numbers at all. And there are countless stories like this in our Network. Through intelligence, knowledge and, above all, deep bonding, an infinite supply of resources and possibilities is created in our community that would never be available to individual organizations.

How does all this fit in with your human rights work, Düzen?

Tékkal: As a human rights activist, I have to tie myself to a source of joy in order to not go crazy. I’ve gone through a lot in the past few years. I’ve always suppressed it a lot because the moment you deal with genocide and wars and with ISIS victims, your own suffering becomes very small. You don’t give any space to this suffering because you don’t want to take it away from others. That’s where the BMW Foundation also helped me: in not having a guilty conscience when feeling happy because a guilty conscience doesn’t help the living or the dead. When you come from a persecuted community like mine, you can also become very indifferent very quickly. However much you might save the world, it’s no good if you end up harming yourself. If I may now say something very simple, almost trivial: I feel happy again when I get up in the morning, make a coffee, and walk to work. It sounds so insignificant, but it’s so big for me. It’s
Giving Deep Roots To Our Work

We connect leaders through our global Responsible Leaders Network, a diverse and collaborative community driving positive change.

CONNECT, one of the BMW Foundation’s work areas, exists to maintain and give deep roots to the work and mission of the Foundation worldwide. Its strength lies in creating the conditions to build deep-rooted relationships and social capital in communities, networks, and ecosystems across regions.

In 2021, time and resources were devoted to collectively exploring and prototyping key processes to advance the BMW Foundation’s mission. Throughout the year, the Foundation hosted regional gatherings both online and offline throughout the Americas, Europe, and Africa to nurture existing relationships among Responsible Leaders and strengthen the mindset behind Responsible Leadership in times of uncertainty.

CONNECT also piloted a new format aiming to push the boundaries of the impact Responsible Leadership can have on the world by enabling in-depth collaboration and collective action. To tackle the most pressing and emerging challenges of our times, the format sought to equip leaders with the tools to address interlocking systemic issues. The pilot’s theme focused on “innovation toward new economic models”.

The Regional Network in Sub-Saharan Africa is the BMW Foundation’s youngest Regional Network with 80 Responsible Leaders, whose number has been growing since 2019. In order to lay the foundations for a thriving community of Responsible Leaders in the region, the BMW Foundation hosted its first Regional Network Gathering in Johannesburg, South Africa, in November 2021.

The gathering served as a collective starting point and hosted approximately 30 Responsible Leaders from across the continent, both online and at the Cradle of Humankind, the believed birthplace of humanity. With the intention of fostering a sense of belonging regardless of location, the gathering’s core focus was connecting to the land, which tells stories of community and support as well as exclusion and oppression.
"We are talking about a brand-new economy and financial system that truly services people, planet, and prosperity."

Frank Niederländer, member of the Board, BMW Foundation Herbert Quandt, in conversation with Sandrine Dixson-Declève, Co-President, Club of Rome
To Reimagine Capitalism We Have to Redefine Value

How growth can be an evolution of human progress.

Fifty years ago, the Club of Rome published “The Limits to Growth”. Why are we still overshooting the capacity of planet Earth?

Dixson-Declève: The key problem is that since 1972 not enough people have been listening. There are thirty million copies of “The Limits to Growth” out there, but we continue to consume at the same or even faster pace. We continue to think our natural resources are abundant, that we can deplete them and depend on them regenerating themselves. We haven’t put in place the necessary system shifts we talked about in the book and have done in many publications since.

Is it a problem of ignorance? Or of looking in the other direction?

Dixson-Declève: I don’t think so. It’s a problem of denial. And of power. And of focusing on short-term profits and short-term decision-making rather than responsible leadership.

Niederländer: Over this fifty-year period, we’ve seen different generations acknowledge the complexity of this system crisis very differently. Although we’ve been in denial for a long time we’ve finally arrived at a point where we’re taking action.

The Club of Rome’s thought leadership was tremendous. Even fifty years later it’s valid in its tendencies. It illustrates the importance of revealing systemic difficulties and helps us put them in perspective. This system change needs a long-term perspective. We’ve been talking about the UN 2030 Agenda since 2015. Now, we’re talking about the Paris alignment by 2050. But these time frames need decisions that do not necessarily correlate with the decision processes of the people in power today. Leaders have to decide on things that will take place in the future, after their term of responsibility, but they are mostly judged on things in the short and mid-term. What we need is to understand the true areas of change, the spaces in which we can interfere in the system and how leaders should wield their power in a responsible way.

What role can Responsible Leadership play in the situation we are facing right now?

Dixson-Declève: We have the UN 2030 Agenda, the Paris Agreement, and the European Green Deal. So, we’ve got some horizon thinking and plenty of road maps. The problem is that these don’t address the complexity and tensions that have to be tackled. We’re currently in the process of having to plan for the future in the midst of a series of crises – climate change, biodiversity loss, the pandemic, wars. “The Limits to Growth” predicted that in the 2020s we would have a series of tipping points. It’s incredible that back in 1972, they predicted we would have continuous crises if we carried on growing at the level we were growing at and putting stress on our planetary boundaries.

I believe that many leaders today are not serving others, not serving society, not even serving their staff or business. They’re only thinking about their own salaries, short-term profits, and shareholders. And I believe that many of our political leaders have forgotten what it is to serve people; they are just thinking about re-election. Serving people means doing what needs to be done to ensure the protection of people today and in the future by putting system shifts in place to create broader resilience to current and future shocks and stresses. Clearly this is tough when you have short-term political cycles and not all policy decisions will be an easy pill to swallow but I am convinced that enlightened leadership will create a long-term economic and financial framework that ensures our survival. This is absolutely essential today.

What we need is to understand the true areas of change, the spaces in which we can interfere in the system today.

Niederländer: At the BMW Foundation we promote a new leadership paradigm. Responsible Leadership entails thinking far beyond oneself and unpacking the complexity of relationships and systems. More and more, we see more awareness of that among people in power. Ten years ago, a company probably focused on its investors and customers, but failed to take the same responsibility for all of its stakeholders. For leaders in administration or politics it was the same. The good thing is that today, the environment forces leaders to consider many more perspectives and through that, to incorporate a broader understanding of responsibility into their decision-making process. That is progress.

Can you give an example?

Niederländer: Unpacking complexity means aligning with different stakeholder groups – and thus with different systems. The UN 2030 Agenda has been a very successful element because it has broken down the world’s most challenging problems into 17 clearly communicated goals. Now, you’ve got a framework that 189 states have agreed on and an agreement on where the priorities are. That’s been an important process leading to more convergent working in the same direction.
Re-defining capitalism means re-defining value. What do we value?

Dixson-Declève: We place a value on production and short-term cycles rather than on what is most essential. And we’re really struggling with rethinking our political values. The problem is that we’ve politicized capitalism vs. communism or socialism. All of these political terms are taking on definitions that are no longer relevant to the way in which we need to change. We are going to need elements of all of them for the way we shift and think through our system. Our economic system can no longer be a capitalist system like today’s: over-financialized and not valuing people, planet, and prosperity, with only a short-term focus on GDP growth and over-using resources.

In the West, we can clearly see that depending on markets and the economy to deliver well-being to more people is not happening. Our planet and people are getting sicker; citizens today have higher mental illness and suicide rates, particularly in youth, than ever before. And levels of anxiety have skyrocketed. So, to say that we have a healthy economic system that is making people better off is fundamentally wrong.

“To say that we have a healthy economic system that is making people better off is fundamentally wrong.”

SANDRINE DIXSON-DECLÈVE

What do we need instead?

Dixson-Declève: We have to put in place a system which is much more akin to the well-being or doughnut model. That means coming back to an economy which no longer understands markets and the economy to deliver well-being to more people. We have a healthy economic system that is making people better off.

What can concrete contributions look like?

Niederländer: The start-up world plays two important roles. First, compared to established businesses, start-ups are a huge source of creativity and innovation because by definition they need to disrupt the system to get a foothold in the existing economy. Second, and for me the most important role, they inspire others to follow, especially companies in the established economy. That’s how they drive change and transformation at scale in the big industries that are locked in the system at the same time denotes progress for me. In the long run it’s about a new contract for humanity: how to fulfill humanity’s basic needs: food, water, health, education, access to information, shelter, and mobility. This new contract will ultimately decide what kind of growth we will see. As you know, the definition of sustainability has come from the forest industry where you try not to cut more trees than you can replant. As a result, you have a kind of balance in the system that is valid for nature and can guide us for all areas of business, too.

What role can corporate foundations play in identifying emerging trends, empowering innovative business models, and mobilizing capital?

Dixson-Declève: Since corporate foundations understand industry, they can introduce enlightened thinking on what radical change is within industrial processes, and in the relationships between industry, the economy, the financial system, and the system at large. That’s an important role, not least because most corporate foundations are very progressive. They can push the limits and try to unpack some of the tensions I mentioned, which a company might not otherwise do. Another important role is giving funds to de-risk some new entrepreneurial thinking or new entrepreneurs or projects that otherwise wouldn’t have been taken on board by a company. They can also convene industry leaders to think about the cross-fertilization of ideas between sectors. Given the complexity of the crises we’re facing, no one sector has the solution.

Niederländer: We are aware of this privilege. I certainly am personally. I know both worlds very well after many years in industry and several years on the Board of the BMW Foundation.

Foundations have the huge freedom to negotiate long-term priorities without having to show results the next day. They can be a neutral platform. They can be more radical on crucial topics. This is especially true for corporate foundations, as they have access to many different stakeholders and ecosystems. For us, it is important to keep an open mind, catalyze emerging trends and developments, and use our freedom to innovate and drive positive change.

Through our new strategic realignment in 2016, the Foundation has gained a new clarity to play an important role in these times of economic transformation. We could enhance the impact of our work not only by convening and connecting leaders with or within our Network, but also by showcasing examples and inspiring them to act cross-sectorially with new stakeholders. That’s the aim of our various leadership programs – whether it be in Sustainable Finance and Impact Investing, Business, Entrepreneurship & Technology or City Innovation.

We are in a decade of transformation. There will be no transformation without action.

CLICK & READ Scaling impact through Responsible Leadership.
Planet A only invests in start-ups that can demonstrate a quantifiable impact in at least one of four key areas: Climate Mitigation, Resource Efficiency, Waste Prevention, and Biodiversity Protection. The fund looks for champions of change that bring a disruptive quality to an industry, are highly innovative, and open doors for other players. By partnering with scalable GreenTech pioneers, it aims to contribute to the UN Sustainable Development Goals (SDGs). The BMW Foundation decided to invest in Planet A because of its attractive risk-returns profile and, in particular, its focus on SDG 13 “Climate Action” and the possibility of interaction and influence through the Planet A Advisory Board.

Before undertaking any investment, Planet A conducts life cycle assessments (LCAs) to calculate the impact of a start-up’s innovative product or service at all stages from raw material extraction through materials processing, manufacturing, distribution, usage, and waste disposal to the end-of-life phase. Planet A’s assessments cover changes to existing supply chains or market participants in order to provide a full picture of the environmental impacts. Their understanding of emissions is not confined to greenhouse gases but also includes a product’s plastic, water, and land-use footprints. By comparing these results with reference products, the science team can assess how much better a start-up’s innovation is. And Planet A will not invest if the result of the impact assessment is not positive.

In consultation with the start-up, impact KPIs are defined when closing a deal – subject to approval by the investors. And this VC fund walks the talk: The carried interest, i.e. the share of profit paid to the investment manager, is tied to achieving the impact objectives. So, the performance fee is dependent on enhancing the positive planetary impact. With everything they do, Planet A strives to make the way they invest more science-based, and encourage bright minds to found in the GreenTech space. For example, Planet A’s co-founder Fridtjof Detzner, a BMW Foundation Responsible Leader, is also a mentor in the RESPOND Accelerator program where he provides practical advice to participating start-ups.

Tomorrow’s economy is based on today’s investment decisions. Around the world, green founders are trying to revolutionize industries. European venture funds like Planet A Venture, which is part of the RESPOND network, play a key role. That is why the BMW Foundation has invested in this fund.
RESPOND operates at the intersection of tech innovation, sustainability, and Responsible Leadership. One of the main activities is the RESPOND Accelerator program operated by UnternehmerTUM in Munich, where mentors work with impact-driven entrepreneurs to scale their sustainable businesses globally.

RESPOND offers a unique accelerator program and encompasses a thriving ecosystem of changemakers collaborating on projects, reports, and new approaches on how to speed up sustainable transformation. In June 2021, the five-month RESPOND Accelerator kicked off its second round with ten new start-ups that had developed innovative solutions in line with the 2021 RESPOND focus areas: Future of Work, Sustainable Urbanization, and Responsible Economy. Their pioneering innovations included smarter ways to recycle clothes and building materials, new bacterial cocktails to break down previously non-recyclable plastic, and a bold push to reimagine the web for the many living with disabilities.

In 2021, RESPOND set out on its journey of going global and promoting the power of entrepreneurship to find sustainable tech solutions. There is no shortage of solutions, but a lack of leaders willing to embrace new solutions, connect with new partners, and invest in forward-thinking ideas.

The future we want to create is a more equitable, inclusive, and sustainable one – with responsibility hardwired into all our interactions. However, tech alone will not save us. To get where we want to be, the world needs leaders who dare to challenge the status quo and see sustainability as an essential part of their business model, not an add-on. As the French digital affairs minister Cédric O says, “Tech is still an exclusive club of overeducated white men.”

We established RESPOND to infuse a mindset of Responsible Leadership into tech leaders. This is why our accelerator actively supports impact-driven tech entrepreneurs whose innovations tackle social and environmental challenges. We empower founders to build and scale sustainable, impact-driven businesses, as Tech for Good is not just a question of creating cutting-edge technology but of cultivating the right attitude and action.

That is why RESPOND teamed up with the Obama Foundation to discuss “Tech and Climate Intersection”. A virtual session in April brought together leaders from both networks, including Obama Foundation Leader Europe Hannah Martin, Club of Rome Co-President Sandrine Dixon-Decleve, BMW Foundation Responsible Leader Lubomila Jordanova, and Allie Burns, CEO, Village Capital.

Through our engagement with Falling Walls we continued to spread the word in new arenas with the aim of broadening and diversifying our stakeholder outreach through our presence on international stages showcasing the power of Responsible Leadership in science and entrepreneurship.

RESPOND is also cultivating a community of mobility experts with their own unique perspective. To leverage their insights, we and MIT Solve hosted a global series of workshops spanning Africa, Asia, Europe, Latin America, and North America between April and July 2021. Each workshop explored how mobility innovations can enable human development in that region and around the world. The experts attending painted a picture of the many big issues ranging from climate change and digitization to identity politics and culture shifts, which they saw society is facing.
“We need to shift from ego to eco on every level of our existence.”

Sandra Ortiz Diaz, Executive, BMW Foundation Herbert Quandt
in conversation with Ina Parvanova, Director, Communications and Engagement, United Nations Climate Change
To advance its efforts in the field of climate action, the BMW Foundation is developing and partnership with the UN Framework Convention on Climate Change (UNFCCC). How do the organizations complement one another?

Parvanova: The United Nations has one overriding mandate: to support the global response to the threat of climate change. Addressing this threat requires an unprecedented amount of work and coordination by all governments, all business sectors, and all civil society to make the deep transformations necessary to achieve the ultimate goal of the Paris Agreement: limiting global temperature rise to 1.5°C by the end of this century. The transportation sector has a particularly important role in this transformation as it makes up nearly a quarter of all global emissions and must work to immediately reduce emissions and become more sustainable. This includes the greening of associated supply chains as well. We look forward to working with the sector to achieve those goals.

"Foundations are an important part of our efforts, and we look forward to working with them well into the future.*

INA PARVANOVA

Ortiz Diaz: I think both organizations are catalysts for global change. While the UNFCCC basically convenes the whole world to fight the climate crisis, the BMW Foundation creates the spaces and conditions for personal transformation and deep relationships. These are not just the means to an end, but the goal itself – because ultimately, you need trust and bonding to convene consensus, drive collaborative action, and transform systems.

What can we achieve together that we cannot achieve alone?

Ortiz Diaz: There is only a tiny window of time left to limit temperature to an increase of 1.5°C above pre-industrial levels. And there is an urgent need for responsible leaders to accelerate the sustainable transformation. Everyone must now pull together to achieve this. By bringing together our global networks, relationships, approaches, and collective knowledge, we can complement each other in very powerful ways.

Parvanova: The Paris Agreement is a covenant of hope with humanity, but make no mistake: the scale of work required to unleash its full potential is enormous and is impossible for any one government, business, or person to tackle alone. Scientists have been saying for decades that this will truly require a global effort and, ultimately, that’s why the UNFCCC was established — to support and coordinate that work. Since then, UN Climate Change has done exactly that, while also urging governments, the private sector, and other non-governmental organizations to continue ramping up their climate action. The response hasn’t always been positive, but we’re seeing more encouraging signs, such as BMW’s efforts to become more sustainable. It’s essential that these efforts are accelerated. UNFCCC encourages not only BMW but the entire sector to work together where possible to share technologies and innovative ideas to develop green solutions that will benefit the sector as a whole.

Both our organizations recognize the need for global leaders to make the transformation to a more resilient, sustainable, and climate-friendly future. However, we see that this is not happening at the scale and speed required. Why is that and what are the most immediate actions government and business leaders can take?

Parvanova: What leaders in governments and business must specifically do was outlined at COP26 in Glasgow. Governments must implement the Paris Agreement, and after COP26, they have what they need to do that. They must also submit national climate action plans that are much stronger than they currently are. They must substantially and transformatively boost their climate action. Finally, they must fulfill their previous pledges to support — financially and otherwise — developing and vulnerable nations to do their part to drive climate action. For their part, we encourage business leaders to align with the Paris Agreement and develop sustainable plans for immediate emissions’ reductions and plans that clearly contribute to the big three climate goals: reducing emissions by 45% by the end of this decade, achieving carbon neutrality by 2050, and stabilizing global temperatures at 1.5°C by end of the century.

Why the climate crisis is not just about climate.

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Ortiz Diaz: There is only a tiny window of time left to limit temperature to an increase of 1.5°C above pre-industrial levels. And there is an urgent need for responsible leaders to accelerate the sustainable transformation. Everyone must now pull together to achieve this. By bringing together our global networks, relationships, approaches, and collective knowledge, we can complement each other in very powerful ways.

Parvanova: The Paris Agreement is a covenant of hope with humanity, but make no mistake: the scale of work required to unleash its full potential is enormous and is impossible for any one government, business, or person to tackle alone. Scientists have been saying for decades that this will truly require a global effort and, ultimately, that’s why the UNFCCC was established — to support and coordinate that work. Since then, UN Climate Change has done exactly that, while also urging governments, the private sector, and other non-governmental organizations to continue ramping up their climate action. The response hasn’t always been positive, but we’re seeing more encouraging signs, such as BMW’s efforts to become more sustainable. It’s essential that these efforts are accelerated. UNFCCC encourages not only BMW but the entire sector to work together where possible to share technologies and innovative ideas to develop green solutions that will benefit the sector as a whole.

Both our organizations recognize the need for global leaders to make the transformation to a more resilient, sustainable, and climate-friendly future. However, we see that this is not happening at the scale and speed required. Why is that and what are the most immediate actions government and business leaders can take?

Parvanova: What leaders in governments and business must specifically do was outlined at COP26 in Glasgow. Governments must implement the Paris Agreement, and after COP26, they have what they need to do that. They must also submit national climate action plans that are much stronger than they currently are. They must substantially and transformatively boost their climate action. Finally, they must fulfill their previous pledges to support — financially and otherwise — developing and vulnerable nations to do their part to drive climate action. For their part, we encourage business leaders to align with the Paris Agreement and develop sustainable plans for immediate emissions’ reductions and plans that clearly contribute to the big three climate goals: reducing emissions by 45% by the end of this decade, achieving carbon neutrality by 2050, and stabilizing global temperatures at 1.5°C by end of the century.
Ortiz Diaz: We need to shift from ego to eco on every level of our existence. To do this, we first have to take a cold, hard look at ourselves. We need to be radically truthful with ourselves and reflect on how our decisions impact others. This is not possible with the kind of leadership we often see today, which perpetuates the dominant system and socially constructed behaviors. These behaviors lead to discrimination and the oppression of people who are marginalized because of their religion, gender, age, sexual orientation, ethnicity, or disabilities. We need to look for the kind of leadership that is fit for the 21st century, which recognizes that while the world is beset by numerous challenges, climate change is the most pressing crisis the world faces. It is humanity’s existential emergency. We need immediate solutions by all sectors now, before we reach the point where our actions will be of no force or effect on climate change.

How do you motivate action on climate change with so many other pressing global issues going on?

Ortiz Diaz: I think this also goes back to the fact that most of us are completely disconnected from ourselves and from others. You have to realize this—and then understand that at the end of the day, every human being just wants to belong. This is the anchor point for the BMW Foundation and how we work with our Responsible Leaders Network. We put deep-rooted relationships before purpose because this is the starting point where things can emerge. This is especially true for unlikely allies, people who wouldn’t normally talk to each other. There is great value in emotional intelligence—especially if it comes to leading others and assuming responsibility.

Parvanova: Much of this is about being, for lack of a better term, “real” with people. We need to talk about statistics and numbers, but also families and jobs. We need to talk about economies of scale and economies of the household. We need to talk about restrictions in what we should eat, but also the development of new diets and new food opportunities. We need to talk about limiting emissions, but also the expansion of ideas related to the ways we get around. This is all very exciting—exciting in that we can both tackle our current climate emergency but also build a future that improves on the way we currently do things today—ways that are cleaner, more sustainable, and healthier for all people.

Ortiz Diaz: Since the BMW Foundation works as a catalyst for emerging trends, movements, and initiatives around the world, we can add value by mobilizing our networks, mobilizing other institutions, and mobilizing capital. One of our biggest strengths as a global platform lies in empowering non-party stakeholders to learn from each other, collaborate, and take action. There are already 155 organizations in our network in six world regions working in the field of climate action across all sectors. Just think about the multiplier effect!

Parvanova: Inclusive multilateralism has long been at the center of our work. It’s about ensuring all voices are heard in the process—regions, groups, non-governmental bodies, and businesses as well. Both the Climate Action Space and the UNFCCC Pavilion at the COPs are exciting areas where delegates directly interact with foundations, philanthropies, businesses, groups, other bodies, etc. They include numerous speaking opportunities and contact with world leaders and scientists and regular people. Foundations are an important part of our efforts, and we look forward to working with them well into the future.

In November 2022, the BMW Foundation will be at COP27 in Egypt. What role can foundations play at the climate summit?

Parvanova: Climate change impacts almost every major challenge humanity faces, whether we’re talking about poverty, access to clean energy, security or many, many other areas. These challenges are outlined in the UN’s Sustainable Development Goals—climate change itself is Goal 13. Yet, by specifically addressing climate change, we can also indirectly make significant progress on these issues. Nevertheless, we must also recognize that what the world is beset by numerous challenges, climate change is the most pressing crisis the world faces. It is humanity’s existential emergency. We need immediate solutions by all sectors now, before we reach the point where our actions will be of no force or effect on climate change.

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Committed to advancing the Paris Agreement and the UN 2030 Agenda, the BMW Foundation attended the UN Climate Change Conference (COP26) in Glasgow to bring together Responsible Leaders and build new alliances with others working in the field of climate action.

Thanks to the development of a new partnership with the UN Framework Convention on Climate Change (UNFCCC), the Foundation was afforded access to all high-level activities in the Blue Zone conference area. Activities at COP26 included a Responsible Leaders Reception at the UNFCCC Pavilion; a multi-stakeholder gathering co-hosted with the Festival Internacional de Innovación Social (fiiS); the Wellbeing Economy Alliance (WEAll) and partners; and Common Ground – a festival open to Glasgow citizens to hold and celebrate conversations on climate action and economic models to regenerate our planet – with a full house of 1,200 attendees.

A sense of urgency was palpable at COP26, making the need for a concerted multisectoral effort to tackle climate change all the more apparent. By convening leaders from different sectors, and hosting dialogue formats the BMW Foundation was able to provide a unique interface to bridge the gaps between business, society, and policy.

In line with the UN 2030 Agenda and the Paris Agreement, we promote Responsible Leadership to find a global consensus on mechanisms to tackle climate change.

After COP26, two Responsible Leaders, Gonzalo Muñoz and Lubomila Jordanova, were interviewed for the BMW Foundation’s magazine TwentyThirty. They shared their thoughts on climate justice, the role of business, and tech.

According to Responsible Leader Gonzalo Muñoz, a mere two years ago, mentioning 1.5°C in front of the participating Parties was inadvisable, provoking a possible freak-out and walk-out by some delegates. In 2021, 1.5°C marked a clear red line drawn at COP26. But is keeping 1.5°C alive enough for our survival?

“We’re already at the point where we’re basically fighting for our survival,” argues Gonzalo Muñoz, CEO of Triciclos, co-founder of Sistema B, and UN High Level Climate Champion for COP25 and COP26. Responsible Leader Lubomila Jordanova, CEO and co-founder of Plan A, agrees: “We must understand that we’re trying to solve a major crisis and already reacting too late. Today 1.5°C represents our best chance. We need to stop wasting the limited time we have.”

Yet, for many, the question of survival is not hypothetical, but an immediate reality. While climate change poses a universal threat, its effects are neither equally generated nor distributed, rendering some groups disproportionately vulnerable. At the heart of this vulnerability lies a set of global structural inequalities that demonstrate that the climate crisis is not only an environmental crisis, but one of justice.

Industrial countries of the Global North are estimated to be responsible for 92% of global CO2 emissions, yet countries in the Global South are experiencing the harshest consequences of a changing climate. An estimated 4 to 10 trillion US dollars are required to ensure that countries in the Global South have the means to green their economies and build resilience to the impacts of climate change. Tackling climate change must therefore be accompanied by climate justice in the form of, amongst other things, financial reconciliation. Even if trillions of dollars are only a fraction of the solution, “If delivered, they are a symbol that the industrial countries can keep their promises. They are a way of maintaining trust between the Global North and the Global South,” says Gonzalo Muñoz.

Responsive Leaders by Regions at COP26

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"For the past five decades, we've prioritized cars over people. It'll be a massive shift if we rethink walkability in cities."

Ilsebe von Campenhausen, Executive, BMW Foundation Herbert Quandt, in conversation with Helle Søholt, Founding Partner and CEO of Gehl Architects
Resilient, Intelligent, and Sustainable Cities Must Be Equitable

Why our understanding of sustainability must include social dimensions.

"The city of the future must be socially sustainable" is a claim we hear quite often nowadays. What does this mean?

Søholt: Cities are under pressure today. They will grow enormously over the next 20 to 30 years, and we will begin to see even more migration than we’ve had over the past ten years. Climate change and health pandemics will be an issue as well. This pressure on cities is increasing the inequalities within them. A socially sustainable city is a city that tries to mitigate some of the issues we are seeing right now. It provides access to opportunities for most people, ensuring that everyone has access to homes and that people have equitable access to health and education, clean air, healthy food, and social networks.

"When we talk about sustainability, we have to take the equity dimension into account."

ILSABE VON CAMPENHAUSEN

Von Campenhausen: When we talk about sustainability, we often look at the environmental dimension, but neglect the social one. If you green a city, for example, housing prices increase, and you have an equity problem. If you ban cars from a city center, elderly or rural populations will have an access problem. I’m not saying it’s the wrong measure, but you have to acknowledge that there’s an equity dimension we need to take into account. I think that’s the beauty of the BMW Foundation RISE Cities Program. It looks at resilient, intelligent, and sustainable cities with an equity lens — and I believe that specifically the equity lens is too often neglected.

In cities, we’ve somehow accepted that the poorer you are, the more complicated your access to quality of life gets. You might have access to schools, but only to under-resourced ones. You have access to housing, but of low quality and high density. And the poorer you are, the more commuting time you have. A lot of opportunities for jobs, leisure, services, or cultural activities are out of reach because it takes you hours to get to the city center and back. Sustainable cities should also find answers to such unequal access to opportunities.

But there’s already competition for housing, parks, and commercial spaces. How can you solve this problem to achieve a more sustainable city?

Von Campenhausen: It’s not only about market competition. I think we forget about the responsibility our public leaders have to create a framework for the market in cities. If we solely focus on a city’s profitable real-estate development, it won’t serve its urban-development well. Of course, development also needs to be profitable, but I think we can set boundaries for profit and, for example, reserve a section of newly developed housing projects for social housing. Take my home city, Hamburg: the city has coupled large parts of its property development with the requirement that a third is for sale, a third for rent, and a third for social housing. What’s interesting about such mixed neighborhoods is that the equity dimension wins — with high-quality health, public schools, security, and services for all.

Søholt: We need what we’ve called people-first processes. And that requires a lot of different things. First of all, we try to gather evidential data to show what the reality is, what people are doing, what kind of access they do or don’t have. This way, we can make decisions based on truth and reality and not only based on perceptions. Secondly, we need to have equity as a component of leadership considerations. And then there is the whole legal aspect, regulations, etc. In other words, it is a systems-related issue that requires different approaches to working, different approaches to planning and design, and a different approach to leadership. We have a lot of experience with evidence-based planning and design processes. And I think the BMW Foundation has a lot of experience at the leadership level. And what we’re exploring here is how we can actually...

Von Campenhausen: ... bring the best of both worlds together.

In Europe, we live in very densely populated, old cities. It’s not very easy to change their structures. It’s not possible to reshape them from scratch. So, how can you handle things like population density and lack of space?

Von Campenhausen: There’s still so much densification potential. And I think if densification goes hand in hand with sustainability, you can create lots of new quality space in a city. We can, for example, work a lot with natural materials like wood. We can create green roofs and walls. We can invest in those often ugly backyards to create urban gardening spaces. In many cities, you can still find inefficient backyard garages. Why not construct three-stories houses there instead, or on top of them? It’s about the will to reshape a city and, as such, about responsible leadership for creative urban transformation.

Søholt: Another essential aspect is what we tend to call the human scale. That means it’s better to have compact, mid-rise buildings instead of very tall high-rise buildings that create dead space where people are divided from one another instead of having more walkable, cyclable environments supported by public transport. A human-scale city is a place with lively local streets and spaces and supports locally flourishing human connections.
In the past few decades, Gehl has conducted numerous interviews with many people from all over the world. Are there any criteria for how much space people need?

Søholt: Not exactly. But we did investigate how many people can walk through a street and accept a certain distance between one another. That varies from culture to culture. If we go to Asia, they may well accept other people closer to them, especially on public transport.

Coming back to housing up here in Northern Europe, we have about 50 to 65 square meters of space per person. And that’s quite a lot on average. So, if we look at planetary boundaries, we should probably be closer to 20 in terms of average space. I think we will have to see elderly people living together in new ways in the future. We’re already seeing this new trend increasing enormously in Denmark right now.

Von Campenhausen: That also answers another need – the serious epidemic of loneliness in cities. That’s a huge problem. In some areas, mixed communities have been set up where you live alone as an elderly person, for example, but look after your neighbor’s children, and that neighbor takes care of your shopping, and so on. Or a collective piece of garden people take care of together and spend time in together. Models like this create social bonds that enhance the quality of life.

To add one more aspect: walkability is something we’ve ignored for many decades. I agree we need cars in certain areas to ensure connectivity, especially between urban and rural areas. But I also think we need to understand the extent to which heavy traffic is also cutting us off from neighborhoods and social infrastructures. For the past five decades, we’ve prioritized cars over people. It’ll be a massive shift if we rethink walkability in cities – like the 15-minute city models now gaining traction in cities like Paris.

Søholt: And we might measure how many meters of dead facade you have in a neighborhood.

Von Campenhausen: That’s an interesting criterion.

Why should we do that?

Søholt: We would categorize facades where you can interact and even speak through the facade or by opening windows and compare them with the meters of very long closed stone or concrete walls. Suppose you map all the dead routes where you have no visibility, no people looking out, etc. Along these routes you often have antisocial behavior and criminal activities. We’re trying to quantify and map things like that so it becomes evident for decision-makers to say, oh, that’s a problem we need to solve.

Von Campenhausen: That’s also a way of empowering responsible leadership because most cities probably want to create cities with a high quality of living for most of the inhabitants. But I think there’s a lack of knowledge about what we can do, even on a tiny budget. And sometimes, it’s just enough to do something pragmatic and straightforward.

We talked about accessible public spaces. What is a suitable approach to designing them?

Søholt: We need to ensure that there are proper public spaces for all the types of people we have in a city, and that not all of them are commercialized so that you can sit on a bench without buying a coffee. Something we’re looking into right now as a research project is the sense of belonging. After all, there are a lot of minority groups in society today – cultural minority groups, religious minority groups, sexual minority groups who all feel disempowered and not welcome in our public spaces. So, we’re trying to investigate and better understand the places in a city where people from all kinds of backgrounds feel welcome and at ease.

Von Campenhausen: That also answers another need – the serious epidemic of loneliness in cities. That’s a huge problem. In some areas, mixed communities have been set up where you live alone as an elderly person, for example, but look after your neighbor’s children, and that neighbor takes care of your shopping, and so on. Or a collective piece of garden people take care of together and spend time in together. Models like this create social bonds that enhance the quality of life.

How can you make a city more livable?

Søholt: You can completely change a city’s livability by making tiny changes, just by interviewing people and asking what’s essential for families. Playgrounds. Okay, it’s not ultra-expensive to make 100 playgrounds across a city. But it’s ultra-expensive to build a high-rise building. One of the things we’re also discussing is how to promote more experimentation in cities. Using rapid prototyping of design thinking in your decision-making processes in cities is difficult. Because these processes are very complex – and a lot of them are focused on managing repair, managing waste, managing schools, or managing health services. And then we also have to solve all these other problems that are coming in. That requires responsible leadership. That requires the ability to think beyond your daily management tasks.

Von Campenhausen: There’s also a huge opportunity to learn from cities outside our radar. Great solutions in Rio might apply to Edinburgh, and great answers in Barcelona might also work in Shanghai, etc. That’s also where the global Responsible Leaders Network might come into play. If you have an innovative idea, you can first look for sparring partners and then you see there may already be a comparable solution elsewhere. You can connect with like-minded people or gain a new perspective. You can think in impact value chains to connect good solutions, or reflect with others on how to make your idea, product, or service even better? Our network has a lot of synergy potential we can make use of – to learn from each other, scale best ideas, and connect different solutions with the ultimate aim of making cities more resilient, intelligent, sustainable, and equitable.

"You can completely change a city’s livability by making tiny changes." — HELLE SØHOLT
RISE Cities Program

What could cities of the future look like? The RISE City Lab and the FreiRAUM-Viertel citizens’ initiative addressed these questions in 2021. Parklets explored what the future of downtown Munich could look like. In October, the RISE City Lab tackled the complex topic of rethinking urban space.

FreiRAUM-Viertel

The FreiRAUM-Viertel citizens’ initiative wants to reflect on how urban spaces are used and create short- and long-term solutions for citizens living in the district south of Munich’s Central Station. The ideas behind FreiRAUM-Viertel were inspired by the superblocks’ concept, which was created and first tested in Barcelona and is now being implemented worldwide. By implementing the superblocks’ concept in the heart of Munich, FreiRAUM-Viertel and RISE City Lab Munich are adopting a holistic approach to revaluing the quality of life in the quarter and social relations within the local community, and imagining how the use of spaces and mobility could be redesigned.

During the pilot phase, the focus has been on two streets in the district. Hand in hand with all stakeholders – local inhabitants and entrepreneurs, shopkeepers, and city departments – alternative uses for parking lots are being collaboratively designed, startups and other city-oriented solutions presented, and creative areas for artists promoted. In September 2021, the pilot phase of FreiRAUM-Viertel was one of the ten innovative projects presented at the Munich Mobility Congress – all chosen for their potential contributions to sustainable, climate-friendly, and socially fair mobility, to improving the quality of urban life, and to increasing road safety.

RETHINKING URBAN SPACE

The BMW Foundation is convinced that the question of how we want to live in the future will first be answered in cities. Previously seen as incontestable drivers of growth and opportunities, the Covid-19 pandemic exposed the vulnerability and fragility of cities. That is why it is all the more important to develop cities of the future that are Resilient, Intelligent, Sustainable, and Equitable (RISE) for all stakeholders and citizens.

Over a seven-month period in 2021, the RISE City Lab Munich discussed local challenges and possible solutions. The City Lab worked with the City of Munich to set new standards for innovation in citizen participation by encouraging citizens to work with public authorities, architects, urban planners, property owners, businesses, and other stakeholders to move Munich forward on its path to becoming a RISE City.

In October 2021, numerous sustainable urban planning experts and activists from all sectors and countries were invited to attend a two-day RISE City Lab conference at the BMW Foundation Pavilion. The event included talks, workshops, and discussions on the future of urban life. The initial results of the FreiRAUM-Viertel pilot were discussed with experts from all sectors, including the City of Munich. These Munich initiatives are very much an ongoing undertaking.

CLICK & WATCH
A video about the FreiRAUM-Viertel citizens’ initiative.

CLICK & READ
More information about the RISE Cities program.

RIGHT
Katrin Habenschaden,
Munich’s Deputy Mayor, speaking at RISE City Lab Munich.
“What we’re ultimately hoping to achieve is belonging. We recognize that inclusion is the means to get there.”

Sabine Kuschel, Executive, BMW Foundation Herbert Quandt, in conversation with Fadzi Whande, Senior Diversity and Inclusion Adviser, United Nations Human Rights
What is it about Responsible Leadership that makes it the leadership paradigm that’s fit to meet the goals of the 2030 Agenda?

Whande: I’d start with what we mean by a Responsible Leader. For me, a Responsible Leader is also an inclusive leader. If you’re a leader, the first thing is to recognize that people are your greatest asset. You’ll do everything in your power to ensure you have a diverse and inclusive team around you because the world is inherently diverse. The business of diversity and inclusion is not an easy one, but a Responsible Leader is committed to seeing the journey through. They are conscious of their own shortcomings and biases, they know they’ll make mistakes, and they embrace accountability.

Kuschel: Responsible Leadership entails the willingness to go beyond your personal and professional duties, and to think beyond the topics you work on in your day-to-day work. It is a mindset that not only acknowledges how different crises are linked, but also the interdependence of the SDGs themselves. The SDGs can only be realized fully when they are realized together, and that cannot happen without equity or justice.

When talking about EDB, especially with people from different cultural backgrounds or languages, we sometimes talk about the same things but use different vocabulary. The BMW Foundation has intentionally chosen to speak about EDB as opposed to Diversity, Equity, Inclusion (DEI). Do you also consider this distinction to be important?

Whande: Yes, I do. In any organization I’m involved with, I always start by defining what we mean by terms because we often use them interchangeably when they mean different things. If I think about the terms diversity, inclusion, and belonging, I always give an example of baking a cake. I refer to the ingredients as representing diversity. They’re the who and what. Inclusion is mixing the ingredients. But the end product, the cake itself, is belonging. A lot of organizations have made diversity the destination. But what we’re ultimately hoping to achieve is belonging. We recognize that inclusion is the means to get there. The difference between equity and inclusion is not an easy one, but a Responsible Leader is committed to seeing the journey through. They are conscious of their own shortcomings and biases, they know they’ll make mistakes, and they embrace accountability.

Kuschel: And yet, not everybody is given this opportunity. There are still far too many people left behind: Women only hold around 25% of the seats in national parliaments and around 28% of management positions worldwide. Almost 60 million children of primary school age are not in school, with more than half of them in Sub-Saharan Africa alone. And according to the US-based Trevor Project, 52% of transgender and nonbinary young people thought about suicide in 2020. Clearly, there are massive gaps that can’t be addressed by just one SDG, which also means it can’t be addressed as a single topic. For us, EDB is a way of engaging with the world that runs through our topics, and through the SDGs. It’s at the core of Responsible Leadership.
equality is also in this baking-a-cake analogy. Equality would mean we treat all ingredients the same. But think about baking on a hot summer’s day. You can’t put butter and milk in the pantry like the other ingredients. If you do, they’ll melt or go off. So we put them in the refrigerator. That doesn’t mean they’re more important than the other ingredients, we’re just meeting different needs to get the best out of them.

Kuschel: Having diversity in a team is important. It generates different perspectives and helps take more lived experiences into consideration. Plus, it’s a fact that diverse teams perform better. But, as you say, diversity alone can’t be the goal. I think it’s unhelpful to apply a numerical system to belonging. Facts and figures can help draw attention to inequalities, so everybody is aware there is still injustice. Once the awareness is there, you have to be in dialogue with others, really listen, gauge how people are feeling, and implement changes. There will be instances in which people feel they don’t belong. But that doesn’t mean we shouldn’t keep striving to ensure they belong. Success here isn’t a measurable statistic, it’s the way your previous mistakes inform your current behavior. It’s in your continued willingness to learn and how you acknowledge your responsibility every single day.

But you also need to put structures into place.

Whande: A lot of companies have started to create an inclusion index to measure a leader’s inclusive leadership traits. It’s a sort of 360° feedback in terms of whether they’re cultivating a safe environment for champions in diversity and inclusion. But I think it has to be more than just a workshop here and there. What we’re trying to do is ensure people’s voices are heard, and that voices that aren’t often heard are listened to. A great example of this is the Black Lives Matter movement, and how after the murder of George Floyd, the whole world, and not just U.S. American companies, had to examine their entire D&I initiatives; some didn’t even have it on the agenda. It revealed a gap in how we engage in the fields of racial discrimination and racism.

Kuschel: I agree. Addressing injustices can’t be a singular event like in a one-off workshop. It’s not just about training or awareness. It’s about culture and behaviors. That means we have to go into power structures. We have to adopt a systemic approach for every organization, no matter if it’s corporate, foundation, or public sector. If you want to transform something that’s at the core of an organization like a culture, you need a systemic approach and you have to be open to making and learning from mistakes. You need a commitment from everybody. Every single person is making it easier. It’s not one person’s job. You have to get the buy-in from everybody. Every single person needs to take responsibility, and to be accountable for creating an inclusive environment. Belonging is not a framework. It’s not a policy. It’s not even a diversity officer’s job. It’s everybody’s responsibility.

How do we measure EDB within organizations? How do we gain an understanding of when we’re doing well?

Whande: Measuring the outcomes of diversity can be easy because you can see a target and people will see if you’ve achieved it. Inclusion, though, is about people’s attitudes and behavior. How do you measure that? For me it’s about organizational change, and we know that takes time. The problem is that if we don’t have a correct understanding, we’ll go for quick results. The way you’d measure inclusion is if people around you feel a sense of belonging. If you feel a sense of belonging, you know the inclusion bit has been done properly.

Kuschel: When we design our programs, we aim to create an inclusive environment that fosters belonging. Everybody has a responsibility to contribute to that environment. If somebody is on their own, hasn’t been noticed, or doesn’t feel as though they belong, everybody has a responsibility to notice and change the situation. You may have good intentions, but a negative impact. What matters is how you respond.

What can the BMW Foundation do to further integrate EDB into its work?

Whande: When I think about the Responsible Leaders Forum Berlin on “The Power of Responsibility“, there were moments in which it was hard to find where I belonged within the group dynamics. There was so much diversity in the room, but it’s also a question of diversity in the context: whose experiences are being shared, the emphasis they are given, and in what format. There are so many different experiences in the European context alone. So, it’s a matter of equity in the program. But the platform has been created and I think all of us can do better. The thing about the BMW Foundation is that since the time I’ve been introduced to it, I’ve just seen you’re putting in the work in your learning journey. You’re not perfect, but there is a willingness to learn. And that’s been evident in my observation.

Kuschel: I think it’s really important to dare to speak out. We can only learn from these things, and we have. It’ll be reflected in our next leadership programs. We want Responsible Leaders to have an open and honest relationship with the BMW Foundation, and we want to be in a cross-sectoral dialogue about this. But talking cannot be our only form of action. Our decisions must be driven by EDB. The average person takes at least 20,000 decisions every day and leaders’ decisions have profound impacts on others. If those decisions are driven by equity and justice, the world imagined by the 2030 Agenda is within reach.
The Responsible Leaders Forum held near Berlin in November convened around 50 participants to reflect on “The Power of Responsibility.”

Power makes itself known through various articulations – from direct assertions of authority or superiority to softer, more unconscious forms. Regardless of its form, power is involved in all facets of human coexistence. It influences an individual’s ability to assert themselves and act in society, and is materialized in structures that construct barriers for some, while privileging others. As much as power can be abused to the detriment of people and the environment, it can also be used to lift people up and shape a better future. When used for the common good, power is interlaced with responsibility towards individuals, society, and the planet. For Responsible Leaders, this requires a recognition of their own social and political position and the power that comes with responsibility.

The Responsible Leaders Forum was convened to inspire leaders to take their social and political commitment to a higher level. The workshops, breakout sessions, and listening exercises focused on the various domains of power, including the power of diversity, history, finance, allyship, responsible leadership, and systems change. Through listening to one another, reflecting on mental patterns and unconscious biases, and considering how the experiences of power shape their everyday lives, the participants gained a shared understanding of how Responsible Leadership can contribute to actively lowering hurdles and breaking down power structures.

Responsible Leadership for a Just Future

Practicing Responsible Leadership entails pushing for Equity, Diversity & Belonging (EDB) at an individual level and within networks, groups, and organizations. With less than a decade to achieve the UN 2030 Agenda, organizations and individuals urgently need to recognize that inequality and discrimination sit at the root of many global challenges.

To sharpen its focus on the roles equity, diversity, and belonging play in its network and programming, and to continue its (un)learning journey, the BMW Foundation hosted its first EDB Week in June 2021. The week consisted of 40 online sessions that were co-created and hosted by Responsible Leaders from across the regional networks. The program encompassed four stages and began with “Know Yourself,” which focused on critical self-reflection. The “Share to Inspire” stage raised the issues of racial justice and denial, racialized trauma, feminist leadership, and gender equality. “Connect to Unite” brought a funders’ perspective on EDB, highlighted the role and responsibility of foundations, and showed how an organization could be restructured. The final stage focused on “How to Take Action” on a personal, public-sector, and progressive political level.

EDB Week convened 200+ Responsible Leaders, partners, allies, and participants to share, exchange, and (un)learn together. Alongside the BMW Foundation's EDB Theory of Change, it marked a shift in the BMW Foundation’s journey to putting EDB at the heart of Responsible Leadership.

Putting EDB at the heart of the BMW Foundation’s ongoing journey.

CLICK & READ
Find out more about our Equity, Diversity and Belonging journey.
"No leaders exist without the people around them."

Sviatlana Tsikhanouskaya, leader of the pro-democracy movement in Belarus
Campaigning for Democratic Transition

The probable winner of the 2020 presidential election in Belarus, Sviatlana Tsikhanouskaya, was denied victory. Ultimately, democracy was the loser.

Sviatlana Tsikhanouskaya ran in the 2020 Belarusian presidential election as the main opposition candidate, standing in for her husband Sergei Tikhanovsky whose arrest prevented him from running. She now lives in exile and leads Belarus’ democratic opposition. In December 2021, Sergei Tikhanovsky was sentenced to 18 years in prison. In November 2021, the BMW Foundation Herbert Quandt hosted a panel to discuss her vision for a democratic Belarus and explain why responsible business leadership is instrumental for a sustainable democratic transition.

How can a sustainable democratic transition work in Belarus?

Democracy is a way of thinking you cannot learn overnight. For so many years we followed one person who told us what to do. In a democracy everyone is a leader. You must make responsible decisions. We must learn from other nations’ best practices before we implement our own democratic approaches.

What, in your opinion, defines a Responsible Leader?

No leaders exist without the people around them. Responsible leaders understand that they are leading because the people allow them to lead and the people support them. Being human is a priority. Responsible leaders show respect and subordinate their interests to the common good, the team, the population, or any other group they are in charge of. And they own the consequences of their decisions.

Looking at the consequences of your personal decisions, how do you feel?

I can honestly say that I feel tired, but you live with this tiredness and do not pay much attention to it. The recent Belarusian political prisoners are also tired of their bad circumstances and the lack of rule of law. They are fighting there; I am fighting here. And there is the conviction that we can succeed. A year has passed and the repression in Belarus is brutal, but people continue to resist and fight. I am inspired by their fight as well as by the international community that is sometimes slow and not brave enough but obviously willing to help.

ULRICH WILHELM

The former chairman of the German public-service broadcaster ARD was the keynote speaker.

DOWNLOAD DEMOCRACY

Regaining Public Trust in Digitization

What role can digital technology play in strengthening democracy and furthering social innovation?

ULRICH WILHELM

The former chairman of the German public-service broadcaster ARD was the keynote speaker.

Wouldn’t it be nice if we could ensure that we’re on the right track to security, prosperity, and the well-being of states and individuals – at the click of a button? Well, we’re not there yet. To ensure digitalization and technological progress serve people and strengthen democracy, we need value-based guidelines. After all, the digital transformation is about trust, human rights, pluralism, participation, and the protection of privacy.

The Responsible Leaders Dialogue, Berlin at the Futurium Museum was held on September 24, 2021, just before the German federal election. Entitled “Download Democracy: Regaining Public Trust in Digitalization”, it brought together European leaders from business, media, academia, tech, and civil society. The keynote speaker was the BMW Foundation Board of Trustees member Ulrich Wilhelm, who is the former chairman of the public-service broadcaster ARD. The discussions focused on three main topics that are critical to shaping a more peaceful, just, and sustainable future in line with the UN 2030 Agenda:

① DIGITIZATION, DEMOCRACY, AND THE ROLE OF CITIES:

Participants worked on recommendations for German and European digitization policies and best practices for fostering civic engagement and empowering local and municipal governments.

② DIGITIZATION AND (SOCIAL) INNOVATION:

Participants identified innovative solutions to meet the exponential speed of digital transformation.

③ DIGITAL RESPONSIBILITY GOALS:

The Identity Valley Initiative is working with partners across Europe (including the BMW Foundation) to develop a range of measures to shape a responsible digital economy. Participants discussed how to put forward political demands that will help to tie up the issue of digital responsibility in the fields of education and state incentives.

One goal of the program was to showcase citizen-based initiatives and technological solutions within the Responsible Leaders Network, such as Project Together, the Social Entrepreneurship Network SEND e.V., and Identity Valley. As part of the Responsible Leaders Dialogue, Identity Valley launched a new cooperation with eco, the internet industry association that has been advocating responsible digitization in accordance with social values and standards for over 25 years.
“We consider sustainability and impact an opportunity, not a risk to an investment, and this is what drives the return on the investments.”

Heba Aguib, Executive, BMW Foundation Herbert Quandt; in conversation with Nicolas Peter, Chief Financial Officer, BMW AG.
Through its investment and program activities, the BMW Foundation aims to establish sustainable finance and impact investing as the new standard. What is your take on this?

Peter: The BMW Foundation has made a huge step forward over the last years and fostered its own activities of impact investing. As well, it has driven forward the sustainable finance approach through its engagement in the political field – for example by being a founding member of the Bundesinitiative Impact Investing (National Advisory Board on Impact Investing).

Combining financial return and sustainable development – profit, people, and planet – has become truly convincing. It allows the BMW Foundation to achieve an impact in accordance with the Sustainable Development Goals of the 2030 Agenda. I am convinced that this approach will certainly gain more ground in the near future. This holds true for BMW as well. As part of its overall sustainability strategy in its pension asset management policy, BMW has already made selected impact investments and developed a high level of expertise.

What are the biggest challenges right now?

Peter: Generally speaking, both foundations and corporations can contribute and play their respective part in the ecological and social transformation of the financial system. When looking at BMW Group and BMW Foundation, synergies might even strengthen our joint impact. The BMW Foundation has developed profound expertise on SDG investing, which helps to focus its investments on impactful opportunities.

The BMW Group has integrated sustainability as a core element into its asset management strategy and combines a broader ESG perspective with single impact investing activities. Both institutions may drive change by choosing new ways and new perspectives and by becoming a role model.

Aguib: We believe in the power of innovative thinking and in the importance of bringing together and inspiring different stakeholders – with the goal of curating the most impactful investment opportunities. We work with entrepreneurs and investors to achieve a mindset shift and empower the implementation of tangible, truly impactful initiatives that benefit planet and people. This freedom comes with the responsibility to create impact for our stakeholders and add value to society.

The BMW Foundation started its impact investing journey more than ten years ago. What has been achieved so far?

Aguib: Since 2011, we have been building strong alliances in Europe, and globally. We support the UN 2030 Agenda through the Eberhard von Kuenheim Fund (EKF), a €20 million vehicle dedicated to achieving deep social and environmental impact through its investments. With our impact investing portfolio, we are proving that it is possible to achieve both a market-rate financial return and real impact for people and the planet. 95% of our investments are ranked as ‘Contribute to Solutions’, the highest category according to the IMP impact classification matrix.

How do you achieve both market-rate financial returns and positive impact for people and planet?

Peter: Prosperity and financial return on the one hand and positive impact on the other hand are not a contradiction but dependent on each other. Sustainability has become a key parameter in every investment decision, also affecting financial performance. At the center of this development are investments with the intention to generate positive, measurable social and even more so, environmental impact alongside a market-rate financial return.

Contributing to solutions not only provides impact but also huge economic and financial potentials. These potentials become especially clear in the light of new sustainability-related policies and regulations as well as a new impact-conscious consumer behavior. Ultimately, they support the triple bottom line of profit, people, and planet. This transformation is fertile...
How does the BMW Foundation integrate its investment strategy into its programmatic work?

Aguib: For us, it has become crucial to integrate all areas of our work, get all stakeholders on board, and ultimately amplify our impact. A large part of our work involves investments and industries already on an enormous business opportunity and will also see great momentum and growth in the future.

Peter: Of course, we should not open the door to greenwashing. There can be a risk of greenwashing in the green bond market and ESG branded instruments. However, impact investments differ from traditional ESG investments as the impact is inherent to the business model and needs to be taken into account in each and every corporate decision.

Aguib: Early on, we discovered many strategic synergies with 2150 which both partners would highly benefit from. As responsible investors and leading the way to change, 2150 is tackling some of the most polluting, hardest-to-abate sectors. Carbon Cure, for example, is one of the most promising approaches to decarbonize the construction and cement industry, one of the most carbon-intensive industries to date.

Traditional venture and private equity versus impact-driven VC investments: How do you balance your goal of contributing to solutions through impact investing with your responsibility to ensure a competitive rate of return?

Peter: The BMW Group Asset Management started with impact investing in 2019. For our asset management, it has still remained key to ensure a market equivalent return on each and every investment we make. On the one hand, climate risk – not yet having been adequately priced in – has become a major investment risk. While the practice of quantifying climate risk is still in its infancy, it is important for any investor to take this risk into account in any portfolio decision.

On the other hand, we may perceive the transition to a low-carbon economy as a historical investment opportunity. Transformational change focusing on our planet’s wellbeing and human wellbeing is a major challenge but is also considered to be the megatrend for the upcoming decades. Hence, we believe that in this area, both investment types will come closer together or might even merge at the end of the day.

How do you identify impact investment opportunities without the risk of them being perceived as greenwashing?

Peter: The BMW Group and the BMW Foundation were both impressed by 2150’s professional investment approach and believe its investment thesis to be a good fit for BMW. 2150 is investing in technology companies who enable and accelerate the development of sustainable cities. The building and construction industry alone is a 5 trillion USD market which is set for rapid growth while also being the world’s leading source of CO2 emissions. 2150 is investing in companies transforming these industries while collaborating with established players that have already been working with.

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For us, it has become crucial to integrate all areas of our work, get all stakeholders on board, and ultimately amplify our impact.

HEBA AGUIB

In order to achieve the Paris climate goals and mitigate climate change, the BMW Foundation has committed to aligning its entire endowment to the 1.5° target. What does this mean?

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**The Transformative Power of Investment Capital**

The investments undertaken by the BMW Foundation Herbert Quandt help to power the systemic transformation towards a sustainable and regenerative economy.

Systemic challenges like the climate crisis or social inequalities can only be addressed with investment capital financing the necessary solutions. To harness the power of this capital, investment decisions must take all stakeholders into account, e.g. employees, customers, communities, and the environment. However, the creation of long-term shareholder value also depends on the impact an organization has on society and the environment, as these aspects have a material financial impact, e.g. through new business opportunities, costs and margins or regulatory and legal interventions.

There is a continuum of investment approaches ranging from traditional investment management to the integration of ecological, social and governance (ESG) factors and impact investing. While ESG investments primarily intend to minimize negative externalities and financial risks, impact investing focuses more on investment opportunities that generate positive outcomes for underserved people and the planet while achieving real impact.

Our impact journey goes back to 2011, when the BMW Foundation started being a mission-guided and agile impact investor. The following years set the stage for a deeper approach through a series of initial investments, all closely related to the BMW Foundation’s programmatic work.

Thematically, the focus was on the environment, education, and the impact ecosystem, aiming at generating both financial and impact returns. The focus since 2018 has been on venture capital to support innovative solutions by investing in funds that address the lack of investable capital. We have expanded our scope to be more global while maintaining our commitment to supporting the European impact ecosystem. Through a long-term investment horizon, we are proving that impact investing portfolios can generate market-rate returns while achieving real impact.

**NEW ENDOWMENT INVESTMENT STRATEGY**

To align our traditional endowment with the goals and principles of our mission, we have developed a comprehensive Endowment Investment Strategy in accordance with the following guiding principles:

1. Ensuring long-term, positive, and stable financial returns
2. Full integration of impact and ESG factors in investment decisions
3. Climate focus and 1.5 °C alignment

**IMPACT INVESTING APPROACH**

In 2021, we continued to implement our new strategic focus on SDG 13 and SDG 11 and invested in 2150 (see p. 68-69) and Planet A (see p. 22-23). We played a pioneering role in transparency and impact measurement by publishing our first comprehensive Impact Investing Report for 2020 and decided that the non-impact-investing share of our endowment be more closely aligned to the Foundation’s mission.

**RISK-RETURN PERSPECTIVES**

- **Only financial returns**
- **ESG risk management**
- **ESG opportunities**
- **Impact solutions**

**INVESTMENT APPROACH**

- **TRADITIONAL**
- **RESPONSIBLE**
- **SUSTAINABLE**
- **IMPACT DRIVEN**

**IMPACT GOALS**

- **AVOID HARM AND MITIGATE ESG RISKS**
  
- **BENEFIT STAKEHOLDERS**
  
- **CONTRIBUTE TO SOLUTIONS**

**PERSONAL INTENTIONS**

- "I am aware of potential negative impact but do not try to mitigate it"
- "I want to behave responsibly"
- "I want to have positive effects on the world and help sustain long-term financial performance"

**SOURCES:** www.bridgesfundmanagement.com | www.impactmanagementproject.com
Impact Investing
Portfolio Overview

Where are the funds invested and how is the Eberhard von Kuenheim Fund (EKF) portfolio allocated?

For the 8 out of 10 investments we are using our expertise and networks to improve the environmental or societal performance.

85%

GEOGRAPHICAL SPREAD

Western Europe 33%
South Asia 17%
Latin America & Caribbean 12%
East & Southeast Asia 10%
Global 10%
Middle East & North Africa 8%
US & Canada 8%
Sub-Saharan Africa 2%

IMPACT INVESTMENT SPLIT

PG Impact Fund 1 56%
Ananda Ventures Fund 3 19%
Brain Capital 12%
Purpose Evergreen Capital 6%
Mustard Seed Maze 4%
2150 VC 3%
African Clean Energy 2%
Ananda Ventures Fund 4 2%
Planet A Ventures 1%
Impact Hub 1%

OVERVIEW

GLOBAL INVESTMENTS

PG Impact Investments

Boor, Switzerland | Date of investment: 2018
Type of investment: Equity and fund

PG Impact Investments invests across all impact sectors in 27 countries while prioritizing inclusive finance, SME growth / job creation, affordable housing, energy access, food & agriculture, healthcare, and education.

ANANDA

Munich, Germany | Date of investment: 2018 & 2021
Type of investment: Equity and fund

Ananda operates with a pan-European focus primarily in Germany and the UK while also considering the scope and potential for European impact. Their investees address social challenges in vital areas such as education, health, consumption, and the ageing population.

AFRICAN CLEAN ENERGY

Amsterdam, Netherlands | Date of investment: 2016
Type of investment: Direct and debt

ACE manufactures and distributes a solar-biomass hybrid energy system in developing countries. Their target stakeholders are the low-income, poor, and very poor living in rural and peri-urban areas of Sub-Saharan Africa and Southeast Asia.

PURPOSE

Hamburg, Germany | Date of investment: 2019
Type of investment: Equity and fund

Purpose Evergreen Capital provides patient, values-aligned capital to enable businesses in Europe and the U.S. to transition to steward ownership.

MUSTARD SEED MAZE

Lisbon, Portugal | Date of investment: 2019
Type of investment: Equity and fund

Mustard Seed Maze invests in European early-stage impact ventures between pre-seed and series A. Its portfolio companies seek to increase access to critical services for a variety of stakeholders, including students, job seekers, and healthcare clients.

2150

London, Copenhagen, Berlin | Date of investment: 2021
Type of investment: Equity and fund

2150 takes on the biggest sustainability challenge on the planet by backing tech entrepreneurs who are building business that are changing the better how our cities are designed, constructed, and powered.

Hamburg, Germany | Date of investment: 2019
Type of investment: Equity and fund

Purpose Evergreen Capital provides patient, values-aligned capital to enable businesses in Europe and the U.S. to transition to steward ownership.

Vienna, Austria | Date of investment: 2014
Type of investment: Direct and debt

Impact Hub makes up a global network of entrepreneurial communities, places, and programs that fosters entrepreneurship around the globe and supports the growth of MSMEs, which is tied to SDG 08: Decent Work and Economic Growth.

CLICK & READ
Find out more in our Impact Investing Report (2020).
How to Measure Impact

Impact and financial returns can only be demonstrated if they are measurable.

There are multiple industry-wide and custom impact measurement frameworks used today in impact investing. While we acknowledge and respect the variety of available frameworks and approaches, we have chosen to carry out this impact measurement analysis using the following complementary, best-in-class initiatives that are currently recognized as standards in the impact investing sector.

**SUSTAINABLE DEVELOPMENT GOALS**
This choice is guided by our intention to promote comparability across the sector, support field building, and provide our investees with a representation of their impact which can be understood and shared across all stakeholders.

The SDGs have gained traction among investors as a simple, common framework to track important, positive outcomes that the world needs, and their associated social and environmental impact targets.

**STANDARDS**

1. The UN Sustainable Development Goals (SDGs) and their targets
2. The IRIS 5.1 catalog of impact measurement indicators and standards, managed by the GIIN
3. The Impact Management Project (IMP) framework

**IMP MATRIX**
95% of our portfolio can be classified as “Contributing to Solutions” according to the Impact Management Project Matrix.

<table>
<thead>
<tr>
<th>INVESTOR’S CONTRIBUTION</th>
<th>IMPACT CLASSIFICATION</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>DOES / MAY CAUSE HARM</td>
</tr>
<tr>
<td>1</td>
<td>Signal that impact matters</td>
</tr>
<tr>
<td>2</td>
<td>+ Engage actively</td>
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<tr>
<td>3</td>
<td>+ Grow new/undersupplied capital markets</td>
</tr>
<tr>
<td>4</td>
<td>Mustard Seed MAZE 2% Anando 3 13% 2150 VC 3% Anando 4* 2% Planet A* 1%</td>
</tr>
<tr>
<td>5</td>
<td>Mustard Seed MAZE 2%</td>
</tr>
<tr>
<td>6</td>
<td>Purpose Evergreen 3% African Clean Energy 2%</td>
</tr>
</tbody>
</table>

* based on the intention of the fund manager and BFHQ, not yet based on actual investments.

CLICK & READ
More about the UN Sustainability Development Goals.

https://sdgs.un.org/goals
https://iris.thegiin.org/
https://impactmanagementproject.com/investor-impact-matrix/
The Sustainable Development Goals as Our Guide

With our impact investments we actively support the UN SDGs.

**23.6%**  
SDG 01 No Poverty
Investments in SDG 01 focus on poverty eradication and alleviation through access to basic products and services, as well as improving the economic conditions of people living in poverty.

**13.7%**  
SDG 03 Good Health and Well-Being
Investments in SDG 03 rethink the healthcare system by recognizing and addressing discrepancies in access to healthcare and quality of care globally.

**12.6%**  
SDG 08 Decent Work and Economic Growth
Investments in SDG 08 target supporting equitable and sustainable economic growth by investing in development and job creation, primarily in emerging markets.

**11.3%**  
SDG 10 Reduced Inequalities
Investments in SDG 10 facilitate the inclusion of previously excluded demographic groups, either as product and service beneficiaries, participants in the workforce, or recipients of capital.

**9.9%**  
SDG 04 Quality Education
Investments in SDG 04 increase access to affordable and quality technical, vocational, and tertiary education, and raise the number of adults who have relevant skills for employment.

**7.6%**  
SDG 11 Sustainable Cities and Communities
Investments in SDG 11 seek to ensure access to safe and affordable housing and to proliferate more resource-efficient and sustainable technologies.

**7.3%**  
SDG 12 Industry Innovation & Infrastructure

**3.7%**  
SDG 13 Climate Action

**2.8%**  
SDG 12 Responsible Consumption & Production

**2.8%**  
SDG 02 Zero Hunger

**1.6%**  
SDG 06 Affordable & Clean Energy

**1.3%**  
SDG 16 Partnership for the Goals

**1.1%**  
SDG 05 Gender Equality

**0%**  
OTHER SDGs

More detailed descriptions of our data collection and assessment processes can be found in our Impact Investing Report (2020).
Assembling an All-Star Roster of Gigacorns

2150 backs tech entrepreneurs who are changing for the better how our cities are designed, constructed, and powered.

This venture capital fund is creating the technology champions of the decades to come. It was launched in February 2021 and targeted €200 million (US$240 million), to invest in companies that rethink and transform urban spaces. With the backing of the BMW Foundation Herbert Quandt and BMW Group, the fund closed at €268 million, 33% above its target. “From an impact and climate perspective, there’s significant movement that has to happen in order to decarbonize our cities,” says Nicole LeBlanc, a 2150 partner. “Great technologies out there are helping to do that.”

Core to 2150’s investment thesis is its focus on major unsolved problems across what it calls the ‘Urban Stack’, which is defined by four pillars: the urban living experience, how the urban environment operates, how urban environments are built, and infrastructure technologies and platforms that allow urban environments to scale sustainably and resiliently. 2150 is unique in that it identifies the biggest unsolved business problems alongside the greatest potential for sustainability impact. “What we’re really trying to do is marry financial return with impact return. And we don’t feel you have to sacrifice one to achieve the other. We actually think they go hand in hand really well,” LeBlanc adds. Building materials, heating and cooling, waste management, air quality management, urban farming, smart homes and offices, elderly care, rooftop solar power, EV charging infrastructure, IoT sensor and networking, floodplain management, and the growing sector of inner-city and last-mile logistics all harbor major potential in the development of sustainable cities. One of the ways 2150 does things differently is that they have developed an impact framework in which the fund and its portfolio companies can track, measure, and continue to improve on EU impact metrics.

Every company, regardless of its industry, will need to figure out how to address sustainability. With regard to the BMW Foundation and BMW Group’s backing, 2150 is excited about finding ways for organizations like them to be used as boots on the ground in order to help solve operational issues with sustainability. “With the BMW Foundation and their impact-driven approach, we also have this visionary thought leadership and climate perspective, there’s significant movement that has to happen in order to decarbonize our cities,” says Nicole LeBlanc, a 2150 partner. “Great technologies out there are helping to do that.”

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IMPACT INVESTMENTS

Three examples of 2150 investments in purpose-driven companies with cutting-edge tech innovations.

APMD ENERGY

The construction industry contributes 35% of urban air pollution, and much of that comes from the noisy, dirty, and polluting diesel generators that power the cranes and machinery on construction sites. This is because many types of construction equipment require a very high amount of power to operate, which can’t always easily be drawn from the grid. Hong Kong-based company Ampd Energy has developed a high-power battery unit that replaces the diesel generator and instead uses smart grid connections to power construction site equipment more efficiently, sustainably and quietly. Since its launch in 2014, Ampd has already implemented its solution across over 50 sites in Asia, reducing air pollution by the equivalent of removing 20,000 cars from the road. 2150’s investment is helping Ampd expand into Europe, where regulations beginning to ban diesel generators.

NORMATIVE

Critical to lowering every company’s emissions footprint is the need to accurately baseline, track, and act upon its sources. Having analyzed the global market for carbon accounting, 2150 realized Normative’s Carbon Accounting Engine was the leading tool to allow companies—from small and mid-sized enterprises to portfolios of private equity funds—to accurately measure and act upon Scope 1, 2 and 3 emissions. They have since partnered with the UK Government for COP26 and the United Nations. 2150 has worked with Normative to expand its executive team, expand its customer base, and scale its revenue run-rate.

NODLES & LINKS

The post-COVID recovery plans in the EU and U.S. seek to invest in sustainable infrastructures such as EV charging, renewable energy, and resilient grids. Furthermore, McKinsey estimates that $4.5 trillion must be invested in infrastructure to maintain GDP growth and achieve the UN Sustainable Development Goals. Unfortunately, most infrastructure projects are delivered late and over budget, and every day that a sustainable infrastructure project is not functional is one more day of negative consequences. For example, the U.S., one of the highest polluting countries worldwide, is also the sixth-most expensive country in the world to build rapid-transit infrastructure. The London-based company Nodess Links applies machine learning to allow project and risk managers of complex projects to mitigate the risk and improve efficiency.

WHAT IS A GIGACORN?

A Gigacorn is a company that has lowered or sequenced CO2 emissions by 1 Gigaton a year while remaining commercially viable.
The BMW Foundation Herbert Quandt follows clear goals and guidelines in investing its funds. All the impact investments were undertaken in line with BMW Foundation’s Mission (see p. 2-3), its programmatic approach, and the 17 Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda. In concrete terms, this alignment took the following forms:

① SDGs 11 & 13
Through impact investments in funds such as Planet A and 2150, the BMW Foundation brought its new strategic investment focus to life in 2021. For more details see Portfolio Impact (p. 60) and the Deep Dives on Planet A (p. 22-23) and 2150 (p. 68-69).

② THEMATIC FOCUS AREAS
The BMW Foundation additionally aligned its investments to the five focus areas it defined for its work from 2021 onwards. Examples of such investments are listed opposite.

③ PROGRAMMATIC ALIGNMENT
Many of our impact investments are linked to BMW Foundation program activities. The RESPOND program strongly supported the investment deal flow and leveraged synergies, especially through its network in the venture field and its expertise for disruptive innovations. RISE, the program dedicated to finding sustainable solutions for cities, worked closely with one of our investments to host a series of events focused on “Good Life and Sustainable Cities 2030”. Moreover, the BMW Foundation has, together with its impact investments, undertaken pioneering work in impact measurement and based on its key findings, organized several community learning sessions with partners like the Bundesinitiative Impact Investing.

In the year under review, the BMW Foundation was already moving towards an integrated investment portfolio strategy. The way ahead points to an integrated reporting approach for this portfolio.

Below: Many of the impact investments are linked to BMW Foundation program activities.

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**FOCUS TOPICS**

The following examples indicate how the BMW Foundation has invested in companies that are working to fulfill the strategy behind its five focus areas:

1. **TRANSFORMATIONAL ECONOMIES:**
   - Purpose Evergreen Capital (PEC)
     Works on the principle that steward ownership should implement purpose-driven solutions that respect resources and all stakeholders’ needs.

2. **CLIMATE ACTION:**
   - African Clean Energy
     Furthers the efficient burning of dry solid biomass fuel to reduce the need for unsustainably harvested wood fuel and thus significantly reduce CO2 emissions.

3. **DIGITIZATION, DEMOCRACY & TECH:**
   - Ananda
     Aims at tackling pressing societal issues in the field of healthcare, education, and sustainability transformation by using novel technologies and digital solutions.

4. **EQUITY, DIVERSITY & BELONGING:**
   - Mustard Seed MAZE
     Works to achieve gender parity through its work culture, gender and diversity mainstreaming, gender research, and equipping staff with suitable skills.

5. **ACCESS TO OPPORTUNITIES:**
   - PG Impact
     Finances real impact for underserved communities in the sectors of education, food and agriculture, healthcare, energy access, affordable housing, and inclusive finance.
The power of finance is undisputed. But how can finance be used as a lever to speed up the green transition and become more sustainable itself? That most European investors fail to make full use of their power to influence corporate strategy and advance the green transition can be explained. Not only are there obstacles that need to be addressed in unison; the financial sector itself needs a mindset shift. This challenge brought together global leaders from business, government, and civil society during the Paris for Tomorrow Week in October 2021. The program, which consisted of breakout groups and a panel discussion, demonstrated the global relevance of sustainable finance for the green transition and illustrated how the financial sector can contribute to reaching net-zero through active investor engagement.

Two expert breakout groups tackled pressing challenges for investors and focused on investor engagement in Europe, with the aim of leveraging impact beyond ESG investing. Discussions centered on the regulatory framework for sustainable investor engagement and the tools and actors needed for implementation. Policy proposals from the breakouts built the groundwork for a panel discussion on active ownership in a just and sustainable transition. Key input came from Amra Balic, Head of BlackRock’s EMEA Investment Stewardship, and Mathilde Mesnard, Deputy Director OECD Directorate for Financial and Enterprise Affairs. The findings were discussed at the Sustainable Transition Stream at the 2022 Munich Security Conference and will further influence the BMW Foundation’s impact investing activities in 2022 and beyond.

In the 2021 financial year, the BMW Foundation Herbert Quandt achieved earnings totaling €13,499,856 from interest rates, other income, and donations from BMW AG. A total of €13,364,900 was used for the Foundation’s statutory non-profit programs and projects, as well as other expenditure.

- The focal point of our work is the global Responsible Leaders Network. Expenditures supporting the networking and engagement of our 2,100+ Responsible Leaders, and thus leveraging social and political change, amounted to €2,744,899.
- €691,344 was spent on virtual and physical Responsible Leaders formats (Dialogues, Forums, MSC, Labs). These expenditures paid into the goal of inspiring leaders to develop their social and political commitment and thus drive positive social change in line with the 2030 Agenda.
- €888,119 was spent on programmatic work in the field of sustainable finance to pursue the goal of contributing to the transformation of the global economic and financial system to achieve a new economy-society-environment balance.
- €1,035,732 was spent on the RESPOND program activities that support entrepreneurial solutions working towards a peaceful, just, and sustainable future.
- €920,125 was deployed for programmatic activities with civil, corporate, and policy partners.

As in 2020, the Foundation’s financial management was responsible for overall budget planning for the current and upcoming year, investment management of the interest distributions, general bookkeeping and budget planning at project level, and controlling. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft audited the 2021 financial statements of the BMW Foundation in spring 2022. The audit also covered maintenance of the endowment capital and the appropriate use of its earnings as well as any benefits intended for consumption. The Foundation was issued with an unqualified audit certificate for the 2021 financial year.
As we look to the months ahead, it is clear that the challenges of 2021 remain far from resolved. The ongoing pandemic is questioning everything we take for granted: how we live, work, move around, interact with each other. For us as a global leadership organization, the pandemic has also shaken up our business model and raised essential questions. We work with leaders around the world. We inspire them, we connect them, we empower them—leadership paradigm, in which leaders across the world are learning to adapt. We have learned that our mission—promoting Responsible Leadership—can be achieved through different pathways. We have identified ways to advance the transformation towards a more peaceful, just, and regenerative future.

One major learning born out of the crisis is the understanding that integrating the BMW Foundation’s different approaches and programs is key to greater flexibility in times of disruption. This also demonstrated the interconnectedness of finance, tech, climate & policy. This Annual Report, which documents our programmatic work, our impact, and our investment activities, reflects this organizational shift.

Most importantly, the realization of our strengths and common goals has led us to develop a new theory of change. This process of redefining our “Why” and “How” was launched in 2021 and will come to full fruition in 2022. To date, our milestones are understood in terms of travel restrictions when it is often difficult to engage in deeply personal ways? What structural changes do we need to introduce to our organization in a world that is undergoing massive change?

Since the beginning of the pandemic in 2020, the BMW Foundation has recalibrated itself. We have learned that our mission—promoting Responsible Leadership—can be achieved through different pathways. We have identified ways to balance openness to emerging trends as well as putting in place clearly defined structures and replicable processes—both in terms of the themes that guide us and in terms of our organizational development.

[Image of a new leadership paradigm]

ABOVE
Promoting a new leadership paradigm that advances the transformation towards a more peaceful, just, and regenerative future.

Promoting Responsible Leadership Together

OUTLOOK
Challenging Our Status Quo