

BMW  
GROUP



ROLLS-ROYCE  
MOTOR CARS LTD

STATEMENT ON  
CORPORATE GOVERNANCE 2022

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# STATEMENT ON CORPORATE GOVERNANCE\*,\*\*

9 March 2023

Good corporate governance – acting in accordance with the principles of responsible management aimed at creation of value on a sustainable basis – is an essential requirement for the BMW Group, embracing all areas of the business. Transparent reporting and corporate communication, corporate governance that is aligned with the interests of all stakeholders, cooperation based on trust between the Board of Management, Supervisory Board and employees, and compliance with applicable law are essential cornerstones of the corporate culture within the BMW Group.

In this combined statement, the Board of Management and Supervisory Board of Bayerische Motoren Werke Aktiengesellschaft ("BMW AG") report on corporate governance at BMW AG and the BMW Group pursuant to § 289f and § 315d of the German Commercial Code (HGB) and in accordance with the recommendations of the German Corporate Governance Code as amended on 28 April 2022 (DCGK).

## DECLARATION OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE (DCGK)

The Board of Management and the Supervisory Board of BMW AG declared the following in December 2022 pursuant to § 161 of the German Stock Corporation Act (AktG) regarding the recommendations of the "Government Commission on the German Corporate Governance Code":

"1. Since the last Declaration was issued in December 2021, BMW AG has complied with all the recommendations published officially in the Federal Gazette on 20 March 2020 (Code version dated 16 December 2019).

2. BMW AG will in future comply with all the recommendations published officially on 27 June 2022 in the Federal Gazette (Code version dated 28 April 2022)."

Furthermore, the Company also complies with all the suggestions of the DCGK.

BMW AG's current and previous Declarations of Compliance are available on the Company's website at [www.bmwgroup.com/compliancedeclaration](http://www.bmwgroup.com/compliancedeclaration).

## INFORMATION ON THE COMPANY'S GOVERNING CONSTITUTION

The designation BMW Group comprises BMW AG and its group entities. BMW AG is a stock corporation (Aktiengesellschaft) within the meaning of the German Stock Corporation Act (Aktiengesetz) and has its registered office in Munich, Germany. It has three representative bodies: the Board of Management, the Supervisory Board and the Annual General Meeting. The duties and authorities of those bodies derive from the Stock Corporation Act and the Articles of Incorporation of BMW AG.

The shareholders exercise their rights at the Annual General Meeting. The Board of Management is fully responsible for managing the enterprise and is monitored and advised by the Supervisory Board. The Supervisory Board appoints the members of the Board of Management and can, at any time, revoke an appointment for good cause. The Board of Management informs the Supervisory Board and reports to it regularly, promptly and comprehensively, in line with the principles of conscientious and faithful accountability and in accordance with the law and the reporting duties determined by the Supervisory Board. The Board of Management requires the approval of the Supervisory Board for certain major proceedings. The Supervisory Board is not, however, authorised to undertake management measures itself. The close interaction between the Board of Management and the Supervisory Board in the interests of the enterprise as described above is also known as a "two-tier board structure".

\* For reasons of simplicity, this report may use the masculine form in reference to persons. It is intended to represent all genders.

\*\* Non-binding convenience translation

## SHAREHOLDERS AND ANNUAL GENERAL MEETING

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The shareholders of BMW AG exercise their control and decision rights at the Annual General Meeting.

The Annual General Meeting decides in particular on the utilisation of unappropriated profit, the ratification of the activities of the members of the Board of Management and of the Supervisory Board, the appointment of the external auditor, changes to the Articles of Incorporation and certain capital-related measures, as well as electing the shareholders' representatives to the Supervisory Board.

Moreover, the remuneration systems for members of the Board of Management and the Supervisory Board are presented to the Annual General Meeting for approval whenever they undergo significant changes, but at least every four years. They were last presented at the 2021 Annual General Meeting. Starting with the 2022 Annual General Meeting, the Annual General Meeting also votes annually on whether to approve the Remuneration Report. The Remuneration Report for the past financial year including the Auditor's Report, the current remuneration system and the most recent resolution on remuneration are available on the Company's website at [www.bmwgroup.com/remuneration](http://www.bmwgroup.com/remuneration).

Due to the Covid-19 pandemic, the 2022 Annual General Meeting was held as a virtual meeting, i. e. without shareholders and proxies being physically present with the exception of Company representatives acting as proxies for the shareholders. Shareholders were able to exercise their voting rights by issuing instructions to these Company representatives or by postal vote.

During the Annual General Meeting, shareholders' questions were answered and video clips that shareholders had submitted in advance were played. Registered shareholders were, of course, able to follow the Annual General Meeting in its entirety using the Company's online service. The Annual General Meeting accepted all resolutions and nominations proposed by the Board of Management and the Supervisory Board. The voting results are published on BMW AG's website at [www.bmwgroup.com/agm](http://www.bmwgroup.com/agm).

## BOARD OF MANAGEMENT

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The Board of Management manages the enterprise on its own responsibility, acting in the best interests of the BMW Group with the aim of achieving sustainable growth in value. The interests of shareholders, employees and other stakeholders are also taken into account in the pursuit of this aim.

The Board of Management also systematically identifies and assesses the risks and opportunities connected with social and environmental factors for the BMW Group and the environmental and social impact of business activities. In addition to long-term economic goals, the corporate strategy takes due account of environmental and social objectives. The business forecast includes corresponding financial and sustainability targets.

### Overview

In accordance with § 7 of the Articles of Incorporation, the Board of Management of BMW AG comprises at least two persons; other than that, the number of members of the Board of Management is determined by the Supervisory Board. On 31 December 2022, the Board of Management comprised seven members (six men and one woman).

The Board of Management decides on the principal guidelines for managing the enterprise, determines and agrees upon the strategic orientation with the Supervisory Board, and ensures its implementation. The Board of Management is responsible for ensuring that all provisions of law and internal regulations are complied with. The Board of Management is responsible for ensuring that an effective, appropriate internal control system and risk management system are in place. The internal control system comprises the internal control system for accounting and financial reporting, the internal control system for reporting selected non-financial key figures, the Compliance Management System and the internal audit system.

Following the appointment of a new member to the Board of Management, the BMW legal department informs the new member of the material legal context in which the Board member's duties are to be carried out as well as corporate governance aspects relevant to the position, including the duty to cooperate when a transaction or event triggers reporting requirements or requires the approval of the Supervisory Board.

Members of the Board of Management are required to act in the enterprise's best interests and may not pursue personal interests in their decisions or take advantage of business opportunities intended for the benefit of the Company. They may only undertake ancillary activities, particularly supervisory board mandates outside the BMW Group, with the prior approval of the Supervisory Board's Personnel Committee.

Individual members of the Board of Management of BMW AG are required to disclose any conflicts of interest to the Supervisory Board without delay, and to inform the other members of the Board of Management accordingly.

During their period of employment for the BMW Group, members of the Board of Management are bound by a comprehensive non-competition clause.

## Board of Management work procedures

The Board of Management has adopted rules of procedure which are published on the Company's website at [www.bmw-group.com/provisions](http://www.bmw-group.com/provisions). These rules of procedure incorporate the principle that the full Board of Management bears joint responsibility for all matters of particular importance, among other principles. In all other respects, each member of the Board of Management is responsible for the area of responsibility assigned to them. Specific arrangements may be put in place for matters affecting more than one area of responsibility.

The allocation of areas of responsibility and business segments among the members of the Board of Management is set out in a schedule of responsibilities.

Members of the Board of Management bear joint responsibility for the overall management of the enterprise. They work together as colleagues and keep one another constantly updated on important business matters and transactions within their areas of responsibility.

The members of the Board of Management will exercise the diligence of prudent and conscientious leaders in the conduct of their business.

The Board of Management adopts its resolutions at full Board meetings as well as at Product and Customer Board meetings.

Board meetings are convened, coordinated and chaired by the Chairman of the Board of Management. In the event that the Chairman of the Board of Management is unable to attend a meeting, the member of the Board responsible for Finance represents him.

A secretariat for Board of Management matters has been established to assist the Chairman and other Board members with the preparation and follow-up work connected with Board meetings.

The Board of Management is quorate at a meeting if all Board members have been invited and more than half are present. Board of Management members who join a meeting by telephone or by video/audio transmission are deemed to be present. Members who are not present may cast their votes in writing, by e-mail, by text message or by fax, addressed for the attention of the Chairman of the Board of Management. The Chairman of the Board of Management may permit other electronic forms of communication for voting. Except in urgent cases, matters relating to an area of responsibility for which the responsible Board member is absent only temporarily will only be discussed and decided upon with that member's consent.

At the instigation of the Chairman of the Board of Management, resolutions may also be passed outside meetings. Outside of a meeting, the Board of Management has a quorum if all members have been invited to participate in the vote for a resolution, if no member immediately objects to this procedure, and if more than half of the Board members participate in the vote. Votes may be cast in writing, by e-mail, text message, fax, telephone, by means of audio/video transmission or by any other electronic means of communication allowed by the Chairman of the Board of Management. The Chairman of the Board of Management may determine a specific form of voting.

Resolutions of the Board of Management should be passed unanimously whenever possible. If unanimity cannot be achieved, the Board of Management passes resolutions by a simple majority of the votes cast, unless other majorities are prescribed as mandatory by law, the Articles of Incorporation, or the Board of Management's rules of procedure. In the event of a tied vote, the Chairman of the Board of Management has the casting vote. Any changes to the Board of Management's rules of procedure must be passed unanimously.

Minutes are kept of the meetings of the Board of Management, indicating the place and date of the meeting, the participants,

the items on the agenda and the wording of the resolutions. The minutes are signed by the Chairman of the Board of Management.

Generally, two to three in-person Board meetings were held each month during the financial year 2022.

## Tasks of the full Board of Management

In the year under report, deliberations were held and decisions were taken by the Board of Management at full Board meetings as well as at Product and Customer Board meetings.

The overall framework for developing business strategies, the use of resources, the implementation of strategies and matters of particular importance and consequence to the BMW Group are defined and decided upon at full Board of Management meetings.

Product and customer-related issues of particular importance and consequence to the BMW Group as well as cross-brand decisions on automobile product strategy and all product projects at the fundamental stage are decided upon at Product and Customer Board meetings.

## Board of Management Committees

The Board of Management has established "Customer", "Senior Executives" and "Operations" committees.

Board of Management Committees pass resolutions independently and in place of the Board of Management for matters relating to the Committee's area of responsibility. A Committee matter is dealt with by the full Board of Management if a Board of Management member requests it. The full Board of Management may amend or revoke the resolutions of a committee at any time. The members of a committee report regularly to the full Board of Management on committee work.

Within this framework, Board of Management Committees may regulate their own working procedures; in all other respects, the rules of procedure of the Board of Management apply accordingly.

The Board of Management Customer Committee deliberates and decides on sales, brand, production and purchasing issues across all Board areas of responsibility. It usually meets once a month, and at least four times a year in full session. Board members with voting rights comprise the Board member responsible for Customer, Brands, Sales (who also chairs the committee) as well as the Board members responsible for Finance, Purchasing and Supplier Network, and Production.

The Board of Management's Senior Executives Committee deliberates and makes decisions across all Board areas of responsibility on the development of rules and regulations for senior executives, the principles of personnel policy and the appointment and promotion of senior executives to function level II. The Committee has two members who are entitled to vote at meetings, namely the Chairman of the Board of Management (who also chairs the committee) and the Board member responsible for People and Real Estate.

The Operations Committee generally meets every two weeks and deliberates and decides across all Board areas of responsibility on automobile product projects, based on the strategic orientation and decision-making framework stipulated by the Board of Management. Board members with voting rights comprise the Board member responsible for Production (who also chairs the committee), the Board member responsible for Development and the Board member responsible for Purchasing and Supplier Network.

### **Cooperation with the Supervisory Board**

The Chairman of the Board of Management coordinates and leads on cooperation and communication between the Board of Management and the Supervisory Board.

The Chairman of the Board of Management maintains regular contact with the Chairman of the Supervisory Board and keeps him informed of all important matters.

The Supervisory Board has resolved that its specific approval is required for transactions of fundamental importance. Where necessary, the Chairman of the Board of Management obtains the approval of the Supervisory Board.

The Chairman of the Board of Management is also responsible for ensuring that reporting duties vis-a-vis the Supervisory Board are complied with. The Chairman is supported by all members of the Board of Management in the fulfilment of these tasks.

The Board of Management's information and reporting obligations vis-a-vis the Supervisory Board are defined by Supervisory Board resolution in addition to statutory requirements. As a general rule, in the case of reports required by law, the Board of Management submits its reports to the Supervisory Board verbally and in writing. To the greatest extent possible, documents required as a basis for taking decisions are sent to the members of the Supervisory Board in good time prior to the relevant meeting. This usually happens via a highly secure digital platform (Digital Boardroom).

The fundamental principle followed when reporting to the Supervisory Board is that the Board of Management must report regularly, promptly and comprehensively on all matters of significance for the BMW Group relating to strategy, planning, business performance, risk exposures, risk management and compliance. This requires the Board of Management to address deviations of actual outcomes from targets agreed upon

in established plans, indicating the reasons for such deviations.

### **Board of Management succession planning, diversity concept**

Together with the Board of Management, the Supervisory Board ensures that long-term succession planning is in place. In their assessment of candidates for a post on the Board of Management, the underlying criteria applied by the Supervisory Board for determining the suitability of candidates are their expertise in the relevant area of Board responsibility, outstanding leadership qualities, a proven track record and a good understanding of the BMW Group's business. The Supervisory Board has adopted a competency and diversity concept for the composition of the Board of Management, which is also aligned with the recommendations contained in the German Corporate Governance Code. The Supervisory Board is careful to consider diversity-related issues when assessing which candidates are most suitable for a seat on the Board of Management. "Diversity" in the context of the decision-making process is understood by the Supervisory Board to encompass various complementary individual profiles and work and life experiences at both national and international level, as well as an appropriate representation of genders. In reaching its decisions, the Supervisory Board also considers the following factors:

- Board of Management members need to have a long-standing track record of management experience, ideally in a variety of professional fields. An adequate mix of different professional and management skills is sought here.
- At least two members should have international management experience.
- At least two members of the Board of Management should have a technical background.

- Collectively, the Board of Management should have extensive experience in the fields of development, production, sales, finance and human resources.
- The Board of Management must comprise at least one man and one woman. The Supervisory Board ensures this minimum gender participation. The Supervisory Board considers it desirable to raise the proportion of women on the Board of Management and fully supports the Board of Management's endeavours to increase the proportion of women at the highest executive management levels within the BMW Group. The Board of Management reports to the Personnel Committee and the Supervisory Board at regular intervals on the proportion and development of female executives, particularly in senior management positions and at the first executive level. Further information on gender diversity can be found in the section "Targets and target achievement regarding the proportion of women serving at executive management levels I and II" on page 20.
- The Supervisory Board has set an age limit for Board of Management membership. As a general rule, this age limit is 60. The Supervisory Board also pays attention to achieving an appropriate mixture of people of different ages within the Board of Management.

When selecting an individual for a post on the Board of Management, the Supervisory Board decides in the best interest of the Company and after ample consideration of all the relevant circumstances.

In the Supervisory Board's opinion, the composition of the Board of Management in the financial year 2022 is in line with the stipulated diversity concept. In particular, the requirement that the Board of Management comprise at least one man and one woman was consistently met. The varying professional, academic and life experiences of the members of the Board of Management complement one another. To enable a compari-

son with the diversity concept, the curricula vitae of the members of the Board of Management can be accessed on the BMW Group's website at [www.bmwgroup.com/company-portal](http://www.bmwgroup.com/company-portal).

In addition to the Supervisory Board, the Personnel Committee of the Supervisory Board and the Chairman of the Board of Management, the human resources department responsible for senior executives of the Company is also involved in the long-term succession planning for the Board of Management. Potential candidates for the individual Board functions are discussed regularly with the Chairmen of the Board of Management and the Supervisory Board, both on the basis of the requirements for the specific area of responsibility and on the basis of the competency and diversity concept for the entire Board. This process is connected to the annual assessments of senior executives in the Company and is intended to make an up-to-date pool of internal candidates available on an ongoing basis, which the Personnel Committee and Supervisory Board can revert to.

As a rule, the Personnel Committee addresses the question of whether to replace a member of the Board of Management or extend their mandate approximately one year before the end of a mandate on the Board of Management. If a board member is to be replaced, the internal pool will be reviewed. In some cases, HR consultants are also called in to look for suitable external candidates and/or to assess the suitability of candidates. The Personnel Committee of the Supervisory Board takes the competency and diversity concept described by the Supervisory Board into account as part of the pre-selection process for candidates. Individuals on the shortlist are invited to present themselves to the Personnel Committee. Candidates recommended by the Personnel Committee will then present themselves in separate preliminary discussions between the representatives of the shareholders and the employees, and subsequently in the Supervisory Board plenary.

After thorough deliberation, the latter takes the final decision on the selection of the suitable candidate and their appointment to the Board of Management.

## SUPERVISORY BOARD

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The Supervisory Board is charged with the task of advising and supervising the Board of Management in its management of BMW AG.

### Overview

BMW AG's Supervisory Board is composed of ten shareholder representatives (elected by the Annual General Meeting) and ten employee representatives (elected in accordance with the Co-Determination Act). In the event of an early departure from the Board, for example if the member enters retirement or resigns, the responsible court will appoint a new member of the Supervisory Board for the remainder of the term. For shareholder representatives, the appointment is only until the next Annual General Meeting.

The ten employee representatives on the Supervisory Board include

- seven Company employees, including one senior executive, and
- three members of the Supervisory Board who are elected on the recommendation of trade unions.

The Supervisory Board is involved in all Board of Management decisions of fundamental importance for BMW AG.

It appoints the members of the Board of Management and decides upon the level of compensation they receive. The Supervisory Board can revoke appointments for important reasons.

Members of the Supervisory Board of BMW AG may not delegate their duties to others.

Members of the Supervisory Board of BMW AG are obliged to act in the best interest of the enterprise as a whole. They may not pursue personal interests in their decisions or take advantage of business opportunities intended to benefit the Company.

Members of the Supervisory Board are required to inform the Chairman of the Supervisory Board without delay of any conflicts of interest, particularly any that may result from a directorship function or advisory role with clients, suppliers, lenders or other business partners. The Supervisory Board reports on the handling of such conflicts of interest to the Annual General Meeting. If a Supervisory Board member has significant and non-temporary conflicts of interest, this will lead to the termination of the mandate.

Members of the Supervisory Board of BMW AG are required to ensure that they have sufficient time to carry out their duties and to pay attention to the limitations recommended in the German Corporate Governance Code for supervisory board mandates and similar functions.

Members of the Supervisory Board are responsible for undertaking any training required for the performance of their duties, appropriately assisted by the Company. The Company holds training events several times a year for the members of the Supervisory Board and bears all associated costs.

Following the election of a new Supervisory Board member, the BMW legal department is required to inform the new member of the principal legal issues affecting their duties as well as corporate governance aspects relevant to the position, including the duty to cooperate when a transaction or event triggers reporting requirements or is subject to the approval of the Supervisory Board. Moreover, the Company submits various onboarding plans to introduce members to topics that are important for the work of the Supervisory Board.

Further information on training measures carried out in 2022 and on the onboarding programme for new Supervisory Board members is provided in the Report of the Supervisory Board.

### Supervisory Board work procedures

The Supervisory Board holds a minimum of two meetings in each of the first and second six-month periods of the calendar year. In general, five Supervisory Board meetings are held per calendar year. At least one meeting per year is planned to extend over several days, partially to enable an in-depth exchange of thoughts and ideas on strategy, technology and products. The main topics of meetings during the period under report are summarised in the Report of the Supervisory Board. Shareholder representatives and employee representatives regularly prepare Supervisory Board meetings separately, and together with members of the Board of Management as the need arises.

The Chairman of the Supervisory Board coordinates work within the Supervisory Board, convenes and chairs its meetings, handles its external affairs and represents it in its dealings with the Board of Management.

The Supervisory Board is quorate if all members have been invited to the meeting and at least half of its total membership participate in the vote on a particular resolution. A resolution relating to an agenda item not included in the invitation is only valid if none of the members of the Supervisory Board who were present at the meeting object to the resolution and if a minimum of two-thirds of the members are present.

Supervisory Board resolutions are generally passed by a simple majority. The German Co-Determination Act contains specific legal requirements and procedural provisions with respect to majority voting, particularly regarding the appointment and dismissal of members of the Board of Management and the

election of a Chairman or Deputy Chairman of the Supervisory Board.

If a Supervisory Board vote results in a tie, a new discussion will only take place if the majority of the Supervisory Board resolves accordingly. In the event of a new vote on the same item, the Chairman of the Supervisory Board has two votes if the vote is again tied.

The resolutions of the Supervisory Board and its Committees are regularly adopted at the meetings. Absent members of the Supervisory Board may have their written vote submitted by another member of the Supervisory Board. This rule also applies to the casting of the second vote by the Chairman of the Supervisory Board. Voting in writing, by telephone, fax or by means of electronic media is also permissible if the Chairman (or Deputy Chairman if the Chairman is unable to participate) consents to this in exceptional circumstances. In this case, such resolutions are required to be confirmed retrospectively by way of minutes. Voting after the meeting is permitted if the Chairman (or Deputy Chairman in his absence) consents to this prior to the vote taken in the meeting, and if this consent applies for all absent members of the Supervisory Board. A deadline by which votes cast after the meeting must be received will be set by the Chairman.

Minutes are kept of the resolutions and meetings, indicating the place and date of the meeting, the participants, the items on the agenda and the wording of the resolutions. The minutes are signed by the chair of the meeting.

The Supervisory Board may call on experts and other suitably informed persons to attend meetings in order to give advice on specific matters. The Supervisory Board also meets regularly without the Board of Management.

BMW AG ensures that the Supervisory Board and its committees are appropriately equipped to carry out their duties. This

includes providing a central Supervisory Board office to organise the Supervisory Board's work and support the chairpersons in their work.

The Supervisory Board regularly assesses the effectiveness of its activities and the activities carried out by its committees by means of a questionnaire as well as individual discussions with the Chairman. The findings and conclusions resulting from this self-assessment process are subsequently discussed in plenary. The evaluation for the financial year 2022 shows a high level of satisfaction among the members of the Supervisory Board with the organisation and conduct of the meetings as well as with the topics covered at the meetings and the additional training events. Cooperation is perceived as constructive and trusting, both within the Supervisory Board and with the Board of Management. Those joining the Supervisory Board found the onboarding assistance provided extremely useful. Whenever possible, suggestions for further improvement of the Supervisory Board's work, and for topics to be discussed in detail, are promptly taken up.

The Supervisory Board's rules of procedure are published on the Company's website at [www.bmwgroup.com/provisions](http://www.bmwgroup.com/provisions).

### **Presiding Board and Supervisory Board Committees**

Taking into account the specific circumstances of the BMW Group and the number of Board members, the BMW AG Supervisory Board has set up a Presiding Board and four committees, namely the Personnel Committee, the Audit Committee, the Nomination Committee and the Mediation Committee. These work to ensure the Supervisory Board's work is as effective as possible. Committee chairpersons report in detail on committee work at each Supervisory Board meeting.

The composition of the Presiding Board and the Committees is based on legal requirements, the Articles of Incorporation, the

rules of procedure and corporate governance principles, particularly taking into account the professional expertise of their members.

According to the relevant rules of procedure, the Chairman of the Supervisory Board is, in this capacity, automatically a member of the Presiding Board, the Personnel Committee and the Nomination Committee, and also chairs these Committees.

The number of meetings held by the Presiding Board and the Committees depends on business need. As a rule, the Presiding Board, the Personnel Committee and the Audit Committee hold several meetings in the course of a year.

In line with the terms of reference for the plenary, the Supervisory Board has set out rules of procedure for the activities of the Presiding Board and the various Committees. With the exception of the Mediation Committee, the Committees are quorate if all members have been invited and at least three members, including at least one shareholder representative and one employee representative, participate in the adoption of resolutions. All four members of the Mediation Committee must be present for this body to pass resolutions. Unless otherwise stipulated by law, resolutions taken by the Committees are passed by a simple majority.

The Audit Committee discusses the assessment of the audit risk, the audit strategy, audit planning and audit results with the auditor. The Chairman of the Audit Committee maintains ongoing dialogue with the auditor regarding the audit's progress, and reports to the Committee about this. The Audit Committee regularly consults with the auditor, also without the Board of Management.

The main tasks of the Presiding Board, the Committees and their members are detailed in the overview starting on page 13.

Sustainability issues are of key importance to the Supervisory Board. They are an integral part of the Presiding Board's work and that of several Committees. The Presiding Board addresses sustainability aspects in the context of corporate strategy and corporate planning in particular. The Audit Committee accords special attention to the audit of the non-financial statement, which reports on important sustainability issues. In turn, the Personnel Committee prepares decisions on the remuneration of Board of Management members under consideration of sustainability targets.

Due to the close connection between the aforementioned key sustainability fields and the core tasks and activities carried out by the existing Committees, the Supervisory Board has decided not to establish an additional, separate committee for sustainability issues.

### **Composition targets for the Supervisory Board, competency profile, diversity concept**

The Supervisory Board must be composed in such a way that its members collectively possess the knowledge, skills and experience required to perform its tasks in a proper manner.

To this end, BMW AG's Supervisory Board has passed a resolution specifying the objectives regarding its composition, including a competency profile for the Supervisory Board, as follows. These also underpin the overall concept for achieving diversity in the composition of the Supervisory Board (diversity concept):

- The Supervisory Board is required to include at least six independent shareholder representatives within the meaning of Recommendations C.6 and C.7 of the DCGK.
- The chairs of the Supervisory Board, the Audit Committee and the Personnel Committee – which is involved in preparing decisions on Board of Management remuneration – should be independent of the Company and of the Board of

Management. The chairperson of the Supervisory Board shall not serve as the chair of the Audit Committee.

- When seeking suitably qualified individuals for the Supervisory Board whose specialist skills and leadership qualities are most likely to be an asset to the Board as a whole, consideration also needs to be given to diversity. When preparing nominations, the extent to which the work of the Supervisory Board will benefit from diverse professional and personal backgrounds (including international aspects) and from an appropriate gender representation also needs to be taken into account. It is the joint responsibility of all those participating in the nomination and election process to ensure that qualified women are considered for Supervisory Board membership.
- If possible, the Supervisory Board should have at least four members that have international experience or specialised knowledge of one or more non-German markets important to the BMW Group.
- Furthermore, if possible, the Supervisory Board should include seven members who have in-depth knowledge and experience within the BMW Group, no more than two of whom shall be former members of the Board of Management.
- Three members of the Supervisory Board should preferably have previous experience in the management or supervision of another medium-sized or large company.
- The Supervisory Board should ideally have expertise in the following areas relevant to the Company: corporate strategy, technology, purchasing/supply chains, production/manufacturing, sales/customer needs, finance/accounting/auditing, capital markets, mobility, human resources/personnel management, compliance, IT/digitalisation/artificial intelligence and change management/business transformation. Each member of the Supervisory Board should have expertise in at least one of these areas.

- Three members of the Supervisory Board should preferably have expertise in sustainability issues that are of key importance to the Company.
- At least one member of the Audit Committee must have expert knowledge of accounting, while at least one further member of the Audit Committee must have expert knowledge of auditing. The expertise in accounting should encompass special knowledge and experience in the application of accounting principles and internal control and risk management systems, while the expertise in auditing should encompass special knowledge and experience in auditing. Accounting and auditing also cover sustainability reporting and auditing. The Chair of the Audit Committee should have expert knowledge in at least one of these two areas.
- The members of the Audit Committee must all together be familiar with the sector in which the Company operates.
- No persons carrying out directorship functions or advisory roles for important competitors of the BMW Group may belong to the Supervisory Board. In compliance with applicable legislation, members of the Supervisory Board are required to ensure that no persons will be nominated for election with whom a serious, non-temporary conflict of interests could arise due to other activities and functions performed by them outside the BMW Group, particularly advisory activities or directorships with customers, suppliers, creditors or other business partners.
- An age limit of 70 years shall generally be applied for membership of the Supervisory Board. In exceptional cases, members may remain in office until the end of the first ordinary Annual General Meeting after they reach the age of 73, in order to fulfil legal requirements or to facilitate a smooth succession in the case of key roles or specialised qualifications.

- As a general rule, shareholder representatives on the Supervisory Board should not hold office for longer than the end of the Annual General Meeting at which the resolution is passed ratifying the member's activities for the 11th financial year after initially taking office, not including the financial year in which the member's period of office began. This rule does not apply to natural persons who, directly or indirectly, hold significant investments in the Company. In the Company's interest, deviation from the general maximum period is possible, for instance in order to promote another composition target, in particular diversity of gender, as well as members' technical, professional and personal backgrounds.

The Nomination Committee of the Supervisory Board takes composition targets into account when selecting possible candidates as shareholder representatives. These measures lay the foundation for achieving a diverse composition and ensuring that the Supervisory Board collectively possesses the knowledge, skills and experience required to perform its duties in a proper manner. Proposals for election by the Supervisory Board to the Annual General Meeting should take into account the composition objectives in so far as they concern shareholder members of the Supervisory Board, so as to achieve the composition targets and fill in the competency profile for the Supervisory Board as a whole by means of appropriate election resolutions by the Annual General Meeting. The Annual General Meeting is, however, not bound by nominations for election proposed by the Supervisory Board. The voting freedom of employees in the vote for the employee members of the Supervisory Board is also protected. Under the rules stipulated by the German Co-Determination Act, the Supervisory Board does not have the right to nominate employee representatives for election. The composition targets that the Supervisory

Board has set itself are therefore not intended to be instructions to those entitled to vote, or to restrict their freedom to vote.

### Self-assessment of the Supervisory Board as at 31 December 2022

In the Supervisory Board's opinion, its composition as at 31 December 2022 fulfils the composition targets set out above and the competency profile. The skills matrix following this section shows the status of the implementation of these composition targets and the competency profile. This visualises the respective areas of the competency profile in which members of the Supervisory Board have expertise.

The skills matrix also indicates how long each member of the Supervisory Board has held office. It also indicates whether the shareholder representatives on the Supervisory Board consider each shareholder representative independent of the Company and the Board of Management within the meaning of Recommendations C.6 and C.7 of the DCGK. This is the case in particular for the Chairman of the Supervisory Board and the Chairman of the Audit Committee. The Chairman of the Supervisory Board is also the Chairman of the Personnel Committee, which carries out preparatory work on the Board of Management's remuneration. The Company does not have a controlling shareholder within the meaning of Recommendation C.9 of the DCGK. No disclosures on the independence of a controlling shareholder are therefore required. The BMW Group Report includes disclosures on holdings in the Company's capital exceeding 10 % of the voting rights in the section "Disclosures Relevant for Takeovers and Explanatory Comments".

At the reporting date, the Supervisory Board had six female members (30 % of the membership), including three shareholder representatives and three employee representatives. The Supervisory Board had 14 male members (70 % of the

membership), including seven shareholder representatives and seven employee representatives. The Company thus complies with the statutory gender quota of at least 30 %, both for shareholder representatives and employee representatives. No member of the Supervisory Board had reached the standard retirement age of 70 as at 31 December 2022.

Only one previous Board of Management member currently holds office on the Supervisory Board.

Two additional members joined the Audit Committee on 1 October 2022: Rachel Empey (shareholder representative) and Dr. Dominique Mohabeer (employee representative). Their appointment further increased the independence, financial expertise and diversity of the Audit Committee.

The members of the Audit Committee are collectively familiar with the sector in which the Company operates. Three members have expertise in the field of accounting and/or auditing (financial experts). In each case, this includes sustainability reporting and auditing.

The Chairman of the Committee, Dr. Kurt Bock, has special knowledge and experience in the application of accounting principles and internal control and risk management systems, as well as in auditing, due to his many years as CFO of the publicly listed company BASF SE, his work on committees for the development of accounting and his various financial management roles within the BASF Group and the Bosch Group.

Dr.-Ing. Dr.-Ing. E.h. Norbert Reithofer has been a member of the Audit Committee and Chairman of the Supervisory Board of BMW AG for many years. During this time, he was particularly focused on the Company's auditing processes and has acquired special knowledge and experience in auditing.

Another member of the Audit Committee, Rachel Empey, also has special knowledge and experience in the application of accounting principles and internal control and risk management

systems, as well as in accounting. Ms Empey spent many years as a board member responsible for finance at listed companies (Fresenius Group and Telefónica Deutschland Holding AG) and as a member of the audit committee at the publicly listed company Inchcape plc (UK). She is also a qualified chartered accountant (England and Wales) and worked as an audit executive at Ernst & Young (UK).

Further information on the Supervisory Board members in financial year 2022 is provided in the overview starting on page 16. This includes in particular information relating to members' professions and to their mandates in other statutory supervisory boards and equivalent national or foreign corporate boards. It can be seen whether these are Group mandates, whether the enterprise in question is listed on a stock market, and whether the Supervisory Board member in question chairs the specified board.

SKILLS MATRIX

	Reithofer	Schoch (until 31/12/2022)	Kimnich (from 18/01/2023)	Quandt	Schmid	Bock	Benner	Bitzer	Ebner	Empey	Hiesinger	Horn	Klatten	Köhler	Kurz	Mandl	Mohabeer	Schäferkordt	Schmidt	Sikka	Wankel
<b>General information</b>																					
<b>Initial appointment</b>	2015	1988	2023	1997	2007	2018	2014	2021	2021	2021	2017	2021	1997	2021	2022	2022	2012	2020	2021	2019	2022
<b>Independent within the meaning of DCGK (C.6 et seq.)</b>	✓	n/a	n/a		n/a	✓	n/a	✓	n/a	✓	✓	n/a		n/a	n/a	n/a	n/a	✓	✓	✓	n/a
<b>Diversity</b>																					
Gender	M	M	M	M	M	M	F	M	M	F	M	M	F	M	M	M	F	F	M	M	F
Year of birth	1956	1955	1972	1966	1965	1958	1968	1965	1978	1976	1960	1958	1962	1964	1963	1984	1963	1962	1962	1967	1964
Nationality	DE	DE	DE	DE	DE	DE	DE	DE	DE	UK/DE	DE	DE	DE	DE	DE	DE	DE	DE	DE/AUS	USA	DE
<b>Areas of competence</b>																					
<b>International experience</b>	✓	✓		✓		✓	✓	✓		✓	✓	✓	✓		✓		✓	✓	✓	✓	
<b>Knowledge within the BMW Group</b>	✓	✓	✓		✓				✓					✓	✓	✓	✓				
<b>External management/supervisory experience</b>	✓		✓	✓		✓	✓	✓		✓	✓	✓	✓					✓		✓	✓
<b>Corporate strategy</b>	✓	✓	✓	✓		✓	✓	✓		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	
<b>Technology</b>	✓		✓	✓	✓		✓	✓		✓	✓	✓	✓		✓	✓	✓		✓	✓	
<b>Purchasing/supply chains</b>						✓		✓			✓		✓		✓	✓	✓				
<b>Production/manufacturing</b>	✓	✓	✓		✓			✓			✓		✓	✓		✓	✓				
<b>Sales/customer needs</b>	✓		✓					✓			✓		✓	✓	✓		✓	✓		✓	
<b>Finance</b>																					
Accounting, control systems	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓					✓	✓	✓		
Auditing	✓		✓	✓		✓		✓		✓	✓						✓				
Financial expert in accounting						✓				✓	✓										
Financial expert in auditing	✓					✓				✓											
<b>Capital market</b>	✓		✓			✓		✓		✓	✓		✓								
<b>Mobility</b>	✓	✓		✓			✓		✓		✓	✓	✓		✓		✓				✓
<b>Human resources/personnel management</b>	✓	✓	✓	✓	✓		✓	✓	✓		✓		✓	✓	✓	✓	✓		✓		
<b>Compliance</b>	✓		✓	✓		✓		✓		✓	✓	✓			✓		✓				✓
<b>IT/digitalisation/artificial intelligence</b>	✓			✓		✓	✓			✓	✓				✓		✓			✓	
<b>Change management/business transformation</b>	✓			✓	✓	✓	✓	✓		✓	✓				✓	✓	✓	✓	✓	✓	
<b>Expertise in sustainability</b>																					
Environmental sustainability	✓	✓	✓	✓		✓		✓				✓	✓	✓	✓				✓		✓
Social sustainability		✓	✓		✓		✓	✓	✓		✓	✓	✓	✓		✓	✓		✓		✓
<b>Familiarity with corporate sector</b>	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓				✓

## OVERVIEW OF SUPERVISORY BOARD COMMITTEES AND THEIR COMPOSITION

### Principal duties, basis for activities

### Members

#### PRESIDING BOARD

- Preparing Supervisory Board meetings unless the subject matter to be discussed falls within the remit of a committee. This includes preparatory discussion of the following topics: corporate strategy and corporate planning under consideration of sustainability aspects – in particular environmental and social aspects and objectives – as well as corporate governance
- Activities based on rules of procedure

Dr.-Ing. Dr.-Ing. E.h. Norbert Reithofer<sup>1</sup>  
 Manfred Schoch (until 31/12/2022)  
 Dr. Martin Kimmich (since 23/01/2023)  
 Stefan Quandt  
 Stefan Schmid  
 Dr. Kurt Bock

#### PERSONNEL COMMITTEE

- Preparing decisions relating to the appointment (and revocation of appointment) of members of the Board of Management, remuneration, and the regular review of the Board of Management's remuneration system
- Concluding, amending and revoking employment contracts (in conjunction with the resolutions taken by the Supervisory Board regarding the remuneration of the Board of Management) and other contracts with members of the Board of Management
- Taking decisions relating to the approval of ancillary activities of Board of Management members, including the assumption of non-BMW Group supervisory mandates, as well as the approval of transactions requiring Supervisory Board approval by dint of law (e.g. loans to Board of Management or Supervisory Board members)
- Activities based on rules of procedure

Dr.-Ing. Dr.-Ing. E.h. Norbert Reithofer<sup>1</sup>  
 Manfred Schoch (until 31/12/2022)  
 Dr. Martin Kimmich (since 23/01/2023)  
 Stefan Quandt  
 Stefan Schmid  
 Dr. Kurt Bock

#### AUDIT COMMITTEE

- Auditing the accounts and supervising the financial reporting process, including sustainability reporting
- Preparing the Supervisory Board's resolution on Company and Group Financial Statements and discussing interim reports and notifications with the Board of Management prior to publication
- Supervising the external audit, in particular selecting the auditor and ensuring the independence and quality of the external audit and any additional work performed by the external auditor

Dr. Kurt Bock<sup>1,2</sup>  
 Dr.-Ing. Dr.-Ing. E.h. Norbert Reithofer<sup>3</sup>  
 Manfred Schoch (until 31/12/2022)  
 Dr. Martin Kimmich (since 23/01/2023)  
 Stefan Quandt  
 Stefan Schmid  
 Rachel Empey<sup>2</sup> (since 01/10/2022)  
 Dr. Dominique Mohabeer (since 01/10/2022)

<sup>1</sup> Chair

<sup>2</sup> Special knowledge and experience according to Recommendation D.3 of the DCGK and expertise in accounting and auditing as defined by § 100 (5) AktG

<sup>3</sup> Special knowledge and experience according to Recommendation D.3 of the DCGK and expertise in auditing as defined by § 100 (5) AktG

## AUDIT COMMITTEE (CONTINUED)

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- Preparing the proposal for the election of the external auditor at the Annual General Meeting
  - Engaging and signing the fee agreement with the external auditor, as well as determining areas of audit emphasis
  - Preparing the Supervisory Board's audit of non-financial reporting, potentially appointing an external auditor to review content and conclude the fee agreement
  - Supervising the effectiveness of the internal control system, the risk management system and the internal audit system as well as the performance of Supervisory Board duties in connection with audits pursuant to § 32 of the German Securities Trading Act (WpHG)
  - Supervising compliance as well as auditing and supervising any needs for action related to possible violations of duties by members of the Board of Management in preparation of a resolution on the Supervisory Board
  - Making decisions on approval for utilisation of Authorised Capital 2019 and resolutions concerning the form of share certificates and dividend coupons
  - Amendments to Articles of Incorporation only affecting wording
  - Established committee as required by law, activities based on rules of procedure
- 

## NOMINATION COMMITTEE

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- Identifying suitable candidates as shareholder representatives on the Supervisory Board to be put forward for inclusion in the Supervisory Board's proposals for election at the Annual General Meeting
  - Established in accordance with the recommendation contained in the German Corporate Governance Code, activities based on rules of procedure
- 

Dr.-Ing. Dr.-Ing. E.h. Norbert Reithofer<sup>1</sup>  
Dr. Kurt Bock  
Dr. h.c. Susanne Klatten  
Stefan Quandt  
(In line with the recommendation of the German Corporate Governance Code, the Nomination Committee comprises only shareholder representatives.)

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## MEDIATION COMMITTEE

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- Submitting a proposal to the Supervisory Board if a resolution to appoint a member of the Board of Management has not been carried by the necessary two-thirds majority of Supervisory Board members' votes
  - Established committee as required by law
- 

Dr.-Ing. Dr.-Ing. E.h. Norbert Reithofer  
Manfred Schoch (until 31/12/2022)  
Dr. Martin Kimmich (since 23/01/2023)  
Stefan Quandt  
Stefan Schmid  
(In accordance with statutory requirements, the Mediation Committee comprises the Chairman and Deputy Chairman of the Supervisory Board and one member each selected by shareholder representatives and employee representatives.)

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<sup>1</sup> Chair

## MEMBERS OF THE BOARD OF MANAGEMENT

Financial year 2022



**Oliver Zipse** (b. 1964)  
Member since 2015  
Chairman (since 2019)



**Ilka Horstmeier** (b. 1969)  
Member since 2019  
People and Real Estate,  
Labour Relations Director



**Dr.-Ing. Milan Nedeljković** (b. 1969)  
Member since 2019  
Production

**Mandates**  
— BMW (South Africa) (Pty) Ltd.\*,\*\*, Chairman  
— BMW Motoren GmbH\*,\*\*, Chairman



**Pieter Nota** (b. 1964)  
Member since 2018  
Customer, Brands, Sales

**Mandates**  
— Rolls-Royce Motor Cars Limited\*,\*\*, Chairman



**Dr. Nicolas Peter** (b. 1962)  
Member since 2017  
Finance

**Mandates**  
— BMW Brilliance Automotive Ltd.\*,\*\*, Chairman  
(Deputy Chairman until 10 February 2022)



**Dr.-Ing. Joachim Post** (b. 1971)  
Member since 2022  
Purchasing and Supplier Network



**Frank Weber** (b. 1966)  
Member since 2020  
Development

**General Counsel:** Dr. Andreas Liepe

\* Not listed on the stock exchange  
\*\* Group mandate

— Memberships of other statutory supervisory boards  
— Memberships of comparable boards in Germany and abroad

## MEMBERS OF THE SUPERVISORY BOARD

Financial year 2022



**Dr.-Ing. Dr.-Ing. E.h. Norbert Reithofer** (b. 1956)  
Member since 2015, elected until the AGM 2025  
Chairman of the Supervisory Board  
Former Chairman of the Board of Management of BMW AG

### Mandates

- Siemens Aktiengesellschaft (until 9 February 2023)
- Henkel Management AG\*
- Henkel AG & Co. KGaA (Shareholders' Committee)



**Manfred Schoch**<sup>1</sup> (b. 1955)  
Member from 1988 to 31 December 2022  
Deputy Chairman of the Supervisory Board (until 31 December 2022)  
Former Chairman of the European and General Works Council and of the Works Council Munich of BMW AG  
Industrial Engineer



**Dr. Martin Kimmich**<sup>1</sup> (b. 1972)  
Member since 18 January 2023, appointed until the AGM 2024  
Deputy Chairman of the Supervisory Board (since 23 January 2023)  
Chairman of the General Works Council and of the Works Council Munich of BMW AG



**Stefan Quandt** (b. 1966)  
Member since 1997, elected until the AGM 2024  
Deputy Chairman of the Supervisory Board  
Entrepreneur

### Mandates

- DELTON Health AG<sup>\*,\*\*</sup>, Chairman
- DELTON Technology SE<sup>\*,\*\*</sup>, Chairman
- Frankfurter Allgemeine Zeitung GmbH\*
- AQTON SE<sup>\*,\*\*</sup>, Chairman
- Entrust Corp. <sup>\*,\*\*</sup>
- SOLARWATT GmbH<sup>\*,\*\*</sup>

Note: Mr. Quandt is the sole shareholder of DELTON Health AG, DELTON Technology SE and AQTON SE. Mr. Quandt holds majority interests in Entrust Corp. and SOLARWATT GmbH.



**Stefan Schmid**<sup>1</sup> (b.1965)  
Member since 2007, elected until the AGM 2024  
Deputy Chairman of the Supervisory Board  
Chairman of the BMW AG Works Council Dingolfing

- <sup>1</sup> Employees of the enterprise
- <sup>2</sup> Union representative
- <sup>3</sup> Executive employee of the enterprise
- \* Not listed on the stock exchange
- \*\* Group mandate

- Memberships of other statutory supervisory boards
- Memberships of comparable boards in Germany and abroad



**Dr. Kurt Bock** (b. 1958)  
 Member since 2018, elected until the AGM 2023  
 Deputy Chairman of the Supervisory Board  
 Chairman of the Supervisory Board of BASF SE

- Mandates**
- BASF SE, Chairman
  - FUCHS PETROLUB SE, Chairman (until 3 May 2022)



**Rachel Empey** (b. 1976)  
 Member since 2021, elected until the AGM 2025  
 Member of supervisory boards

- Mandates**
- Fresenius Kabi AG<sup>\*,\*\*</sup>, Deputy Chairwoman (until 31 August 2022)
  - Fresenius Medical Care Management AG<sup>\*,\*\*</sup> (until 31 August 2022)
  - ZF Friedrichshafen AG\* (since 15 März 2023)



**Christiane Benner**<sup>2</sup> (b. 1968)  
 Member since 2014, elected until the AGM 2024  
 Deputy Chair of IG Metall

- Mandates**
- Continental AG, Deputy Chairwoman



**Dr.-Ing. Heinrich Hiesinger** (b. 1960)  
 Member since 2017, elected until the AGM 2026  
 Chairman of the Supervisory Board of ZF Friedrichshafen AG

- Mandates**
- Deutsche Post AG
  - Fresenius Management SE\*
  - ZF Friedrichshafen AG\* , Chairman



**Dr. Marc Bitzer** (b. 1965)  
 Member since 2021, elected until the AGM 2025  
 Chairman and Chief Executive Officer of Whirlpool Corporation

- Mandates**
- Simex Trading AG\*
  - Whirlpool Corporation\*\*, Chairman



**Bernhard Ebner**<sup>1</sup> (b. 1978)  
 Member since 2021, appointed until the AGM 2024  
 Chairman of the BMW AG Works Council Landshut

<sup>1</sup> Employees of the enterprise  
<sup>2</sup> Union representative  
<sup>3</sup> Executive employee of the enterprise  
 \* Not listed on the stock exchange  
 \*\* Group mandate

— Memberships of other statutory supervisory boards  
 — Memberships of comparable boards in Germany and abroad



**Johann Horn**<sup>2</sup> (b. 1958)  
Member since 2021, appointed until the AGM 2024  
Head of Bavaria Region, IG Metall

**Mandates**

- Siemens Healthcare GmbH\*



**Gerhard Kurz**<sup>3</sup> (b. 1963)  
Member since 11 July 2022, appointed until the AGM 2024  
Head of Purchasing, Quality Management Powertrain at BMW AG



**Dr. h.c. Susanne Klatten** (b. 1962)  
Member since 1997, elected until the AGM 2024  
Entrepreneur

**Mandates**

- ALTANA AG\*<sup>\*\*</sup>, Deputy Chairwoman
- SGL Carbon SE, Chairwoman (until 9 May 2023)
- SprinD GmbH\*
- UnternehmerTUM GmbH\*, Chairwoman

Note: Dr. h.c. Klatten is the sole shareholder of ALTANA AG and holds a significant non-controlling interest in SGL Carbon SE. The mandates at SprinD GmbH and UnternehmerTUM GmbH are primarily an expression of her corporate citizenship.



**André Mandl**<sup>1</sup> (b. 1984)  
Member since 4 April 2022, appointed until the AGM 2024  
Chairman of the BMW AG Works Council Regensburg/Wackersdorf



**Dr. Dominique Mohabeer**<sup>1</sup> (b. 1963)  
Member since 2012, elected until the AGM 2024  
Member of the BMW AG Works Council Munich



**Jens Köhler**<sup>1</sup> (b. 1964)  
Member since 2021, appointed until the AGM 2024  
Chairman of the BMW AG Works Council Leipzig

- <sup>1</sup> Employees of the enterprise
- <sup>2</sup> Union representative
- <sup>3</sup> Executive employee of the enterprise
- \* Not listed on the stock exchange
- \*\* Group mandate

- Memberships of other statutory supervisory boards
- Memberships of comparable boards in Germany and abroad



**Anke Schäferkordt** (b. 1962)  
Member since 2020, elected until the AGM 2025  
Member of supervisory boards

**Mandates**

- BASF SE (until 29 April 2022)
- Serviceplan Group Management SE\*
- Wayfair Inc.



**Dr. Thomas Wittig**<sup>3</sup> (b. 1960)  
Member from 2019 to 31 May 2022  
Former Senior Vice President Financial Services

**Mandates**

- BMW Bank GmbH\*\*,\* , Chairman (until 29 April 2022)
- BMW Automotive Finance (China) Co. Ltd.\*,\*\*, Chairman (until 30 April 2022)



**Prof. Dr. Dr. h.c. Christoph M. Schmidt** (b. 1962)  
Member since 2021, elected until the AGM 2025  
President of the RWI – Leibniz Institute for Economic Research Essen, University Professor

**Mandates**

- Basalt-Actien-Gesellschaft\*
- Thyssen Vermögensverwaltung GmbH\*



**Werner Zierer**<sup>1</sup> (b. 1959)  
Member from 2001 to 31 March 2022  
Former Chairman of the BMW AG Works Council Regensburg/Wackersdorf



**Dr. Vishal Sikka** (b. 1967)  
Member since 2019, elected until the AGM 2024  
CEO & Founder, Vianai Systems, Inc.

**Mandates**

- GSK plc (since 18 Juli 2022)
- Oracle Corporation

- <sup>1</sup> Employees of the enterprise
- <sup>2</sup> Union representative
- <sup>3</sup> Executive employee of the enterprise
- \* Not listed on the stock exchange
- \*\* Group mandate

- Memberships of other statutory supervisory boards
- Memberships of comparable boards in Germany and abroad



**Sibylle Wanke**<sup>2</sup> (b. 1964)  
Member since 4 January 2022, appointed until the AGM 2024  
First Authorised Representative and Head of IG Metall's Munich Office

**Mandates**

- KraussMaffei Group GmbH\*, Deputy Chairwoman
- MAN Truck & Bus SE\* (since 2 September 2022)

## TARGETS AND TARGET ACHIEVEMENT REGARDING THE PROPORTION OF WOMEN SERVING AT EXECUTIVE MANAGEMENT LEVELS I AND II

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For the first two executive management levels below the Board of Management, for the time frame from 1 January 2021 to 31 December 2025, the Board of Management has set a target that 10 % to 15 % of senior executives shall be women.

At 31 December 2022, the proportion of female senior executives was 11.8 % at executive management level I and 10.5 % at executive management level II.

Management levels are defined in terms of their functional level and are based on a comprehensive job evaluation system based on Mercer.

Further information on the topic of employee diversity within the BMW Group is provided in the chapter "Diversity, Equal Opportunity and Inclusion" in the BMW Group Report 2022.

## INFORMATION ON CORPORATE GOVERNANCE PRACTICES APPLIED BEYOND MANDATORY REQUIREMENTS

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### Core values and guiding principles

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Within the BMW Group, the Board of Management, the Supervisory Board and the employees base their actions on the five core values that form the basis of the BMW Group's success:

### Responsibility

We make resolute decisions and personally stand by them. This frees up space for entrepreneurial action.

### Appreciation

We reflect on our own actions, respect one another, provide clear feedback and acknowledge achievements.

### Transparency

We acknowledge concerns and identify inconsistencies in a constructive way. We act with integrity.

### Trust

We rely on one another. This is the best and quickest way to achieve our goals.

### Openness

We think in terms of opportunities and are not afraid of change. We learn from our mistakes.

## Compliance Code and social responsibility towards employees and along the supply chain

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With its core values and guiding principles in mind, the BMW Group is aware of its corporate and social responsibility towards its employees and in the entire supply and value chain. To this end, the Company has adopted a Compliance Code that is implemented using a variety of different measures. The Code is available at: [www.bmwgroup.com/compliance-code](http://www.bmwgroup.com/compliance-code).

Further information can be found in the BMW Group Report in the section "Compliance and Human Rights". In the area of human rights and social standards, we are bound by statutory requirements such as the German Supply Chain Due Diligence Act as well as by various internationally recognised guidelines and standards. The Company has adopted the content and principles of these standards internally. These include the OECD's guidelines, the ICC Business Charter for Sustainable

Development, the UN Guiding Principles on Business and Human Rights, as well as the guidelines of the UN Global Compact and the International Labour Organization (ILO). In addition, we are actively committed to implementation of the National Action Plan on the Economy and Human Rights (NAP), of which we are a member. Dialogue has been established with the automotive industry in collaboration with the Federal Ministry of Labour and Social Affairs. The goal is to provide direction to companies in industries with particular human rights challenges, and to support them with appropriate implementation of human rights due diligence procedures.

Decisive for us are compliance with values and rights such as freedom of employment, non-discrimination, freedom of association and the right to collective bargaining, the ban on child labour, appropriate remuneration, legally compliant working times and compliance with work and safety regulations.

The BMW Group not only sets high standards for itself, but also expects its suppliers and partners to meet the environmental and social standards it sets. Key to this is our close partnership with all our suppliers and partners and our encouragement of their commitment to sustainability.

Sustainability aspects are embedded in the procurement process based on the BMW Group's Supplier Code of Conduct (SCoC), which forms part of our global purchasing terms and conditions. The SCoC, the purchasing terms and conditions and further information on purchasing can be found on the BMW Group's website at: [www.bmwgroup.com/environmental-and-social-standards](http://www.bmwgroup.com/environmental-and-social-standards).

In preparation for the German Supply Chain Due Diligence Act, existing measures to comply with the law throughout the supply chain were further developed in terms of organisation and content. Details on this can be found in the BMW Group Report in the section "Compliance and Human Rights", while further information on protection of employee health and safety at the

workplace can be found in the section "Employees and Society". Additional information is also available on the BMW Group's website at [www.bmwgroup.com/human-rights](http://www.bmwgroup.com/human-rights) under "Respect for people and the environment".

### **Goal-oriented management of sustainability**

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Curbing climate change is one of the key challenges of our time and requires political and economic effort, as well as effort on the part of society at large. The BMW Group is playing its part. We systematically review and assess the risks and opportunities connected with social and environmental factors for the BMW Group and the economic, environmental and social impact of our business activities. In this regard, we consider ourselves to be clearly committed to the Paris Climate Agreement. We aim to achieve net zero emissions throughout our value chain by 2050. As part of this commitment, back in 2020 the BMW Group set ambitious, science-based goals which it aims to achieve by 2030. These goals have been validated by the Science Based Targets Initiative (SBTi). We wish to achieve these goals by further reducing our vehicles' carbon footprints and emissions, on top of the reductions we have already achieved in the past. Further information can be found in the BMW Group Report in the section "CO<sub>2</sub> Emissions".

### **LINKS RELATED TO THE STATEMENT ON CORPORATE GOVERNANCE**

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#### **AGM voting results:**

[www.bmwgroup.com/agm](http://www.bmwgroup.com/agm)

#### **Articles of Incorporation of BMW AG and Rules of Procedure of the Board of Management and the Supervisory Board:**

[www.bmwgroup.com/provisions](http://www.bmwgroup.com/provisions)

#### **BMW Group Compliance Code:**

[www.bmwgroup.com/compliance-code](http://www.bmwgroup.com/compliance-code)

#### **BMW Group Report 2022 including the Auditor's Report:**

<https://report.bmwgroup.com>

#### **Curricula vitae of the members of the Board of Management and the Supervisory Board of BMW AG:**

[www.bmwgroup.com/company-portrait](http://www.bmwgroup.com/company-portrait)

#### **Declarations of Compliance:**

[www.bmwgroup.com/compliancedeclaration](http://www.bmwgroup.com/compliancedeclaration)

#### **Environmental and social standards in the supplier network:**

[www.bmwgroup.com/environmental-and-social-standards](http://www.bmwgroup.com/environmental-and-social-standards)

#### **Remuneration Report, remuneration system and remuneration resolution:**

[www.bmwgroup.com/remuneration](http://www.bmwgroup.com/remuneration)

#### **Report of the Supervisory Board on the Financial Year 2022:**

[www.bmwgroup.com/report-sb](http://www.bmwgroup.com/report-sb)

#### **Respect for people and the environment:**

[www.bmwgroup.com/human-rights](http://www.bmwgroup.com/human-rights)



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