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BMW  
GROUP



ROLLS-ROYCE  
MOTOR CARS LTD

# BMW GROUP JUST TRANSITION POLICY



**BMW GROUP**  
Responsibly shaping the journey to Net Zero.



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## 1. INTRODUCTION

### 1.1. MOTIVATION AND OBJECTIVES FOR A "JUST TRANSITION"

The BMW Group pursues a 360° approach to sustainability, considering environmental concerns (Environment) as well as social and societal aspects (Social) based on integrity in action (Governance). This approach ensures the long-term economic success of the BMW Group.

The BMW Group is clearly committed to the Paris Climate Agreement and has set ambitious targets for reducing CO<sub>2</sub>e emissions. The Net Zero target, referring to the entire value chain, is to be achieved by no later than 2050.

As a global premium automobile manufacturer, the transformation to electromobility is an essential component of decarbonization for the BMW Group. This change not only entails technological and product-specific changes but also presents new challenges for the people who work at the BMW Group worldwide and along its complex value chain. The BMW Group therefore sees itself as responsible for actively, proactively, and equitably shaping this fundamental transformation process in the spirit of a Just Transition. In doing so, the BMW Group aligns itself with the ["Guidelines for a just transition towards environmentally sustainable economies and societies for all"](#) of the International Labour Organization (ILO).

Technological advancements and the transformation of the automotive industry continuously demand the acquisition of new skills and competencies, particularly in emerging areas such as electrical/electronics, electromobility, and digitalization, with a focus on artificial intelligence. Therefore, actively shaping a responsible transformation process for its employees lies at the heart of the Just Transition approach of the BMW Group.



Change itself is nothing new to the BMW Group. From its beginnings as an aircraft engine factory to becoming a publicly traded automobile and motorcycle manufacturer, it has already mastered profound transformations in its history and can draw on relevant experience, competencies, and successful processes.

### 1.2. APPLICATIONS AND SCOPE

This policy represents the integrative Just Transition approach of the BMW Group. The processes and procedures described apply to BMW AG and all subsidiaries over which BMW AG has a controlling influence, either directly or indirectly.

## 2. TARGET GROUPS AND STAKEHOLDERS

The BMW Group takes a holistic approach to implementing a Just Transition. The focus is therefore on its own employees, but it also considers the impacts on and opportunities for partners (e.g. suppliers, sales partners), customers, and local communities.

## 3. FIELDS OF ACTION AND MEASURES

### 3.1. EMPLOYEES

Our employees are our strength. Supporting and developing them is a key success factor for us. Lifelong learning is therefore an integral part of everyday work at the BMW Group. In addition to future-proof jobs, we offer first-class, needs-based training opportunities. The successful development and satisfaction of our employees are reflected in the positive results of our employee surveys, as well as a low global employee turnover rate over the years.

#### 3.1.1. HUMAN RESOURCES PLANNING

The company's long-term strategic personnel planning forecasts personnel requirements for the next six years. This planning is updated annually on the basis of the company's forecast performance. It enables an early identification of restructuring requirements and ensures responsible restructuring. This means that employees in areas with decreasing personnel needs are retrained to secure their long-term employability and preserve their deployment options within the company.

A works agreement for employment protection secures the framework of forward-looking personnel planning for BMW AG employees.

#### 3.1.2. TRAINING AND EDUCATION

With numerous training offerings, particularly in innovation fields such as digitalization and electrification, we specifically promote individual skills, investing in the long-term high performance and employability of our employees – today and in the future.

Vocational training is a relevant component of skills transformation and ensures the availability of numerous skilled workers to shape the future of mobility. The BMW Group offers a comprehensive range of training programs for many apprentices and dual study students at our locations worldwide. Existing training programs are continuously expanded to include new competencies, such as in the fields of automation, system and high-voltage technology, additive manufacturing procedures, and handling generative artificial intelligence. The BMW Group offers young people an attractive and future-oriented range of educational and career opportunities.

Our academic young talent programs ensure that we meet our needs for top talent in critical fields – continuously, strategically, and sustainably.

The training programs on offer at the BMW Group Academy reach numerous participants worldwide. These programs provide training for all specialist areas of the BMW Group globally, from e-mobility to data analytics to predictive maintenance. This makes us an important enabler for transformation in the automotive industry.

A system-supported, regular process is used to analyze training needs, identifying individual training requirements for employees and ensuring targeted trainings to address future requirements. Based on the required competencies, the identified needs are matched with specific training. With a forward-looking training portfolio and tailored qualification offerings, the BMW Group drives skill development and transformation.

#### 3.1.3. CORPORATE STRATEGY AND CHANGE MANAGEMENT

The BMW Group continuously evolves its strategic direction. Employees are a key influencing factor in the corporate strategy. In transformation processes, this ensures that affected employees and stakeholders stay informed, engaged, and empowered.

### 3.2. HUMAN RIGHTS

The BMW Group acknowledges its societal responsibility and is particularly aware of its corporate responsibility as a company to uphold human rights and related environmental standards. This applies not only to its own operations but also to its global upstream and downstream value chain. Among other things, this includes the prohibition of child and

forced labor as well as the rights of local communities and indigenous peoples. The BMW Group also respects the right of all employees to form trade unions and participate in collective bargaining to negotiate working conditions.

Further information on our commitment and our position on human rights can be found in the [Policy Statement on Respect for Human Rights](#).

### 3.3. STAKEHOLDER ENGAGEMENT

The BMW Group workforce is actively involved in shaping the future direction of the company, whether through works council meetings, company-wide employee surveys, internal idea management, or internal information events.

Moreover, workforce involvement occurs both directly and indirectly via employee representations based on German co-determination law. BMW AG is a co-determined company. This means that the Supervisory Board is equally composed of shareholder and employee representatives. Additionally, works councils in Germany have extensive co-determination rights, allowing them to represent workforce interests in various areas and actively participate in corporate decisions. At the European level, the BMW EURO Works Council meets twice yearly with Group management and representatives from other international production sites. Through trusted dialogue, we collaborate as partners to establish key personnel and economic frameworks for the BMW Group, together creating the foundation for future-ready corporate structures.

The BMW Group is also in regular dialogue with affected communities near its properties as well as indirectly affected communities at raw material sourcing sites, such as indigenous populations, based on value chain due diligence in on-site projects.

The BMW Group maintains an active and transparent dialogue with policymakers, trade unions, associations, and non-governmental organizations (NGOs) to openly and



constructively shape political conditions for its business activities. Further information on stakeholder representation can be found on the [Advocacy page of the BMW Group website](#).

More about our stakeholder engagement can be found in the [BMW Group Stakeholder Engagement Policy](#).

### 3.4. VALUE CHAIN

Supporting our value chain begins with appropriate training and education of our partners on new requirements and topics.

To this end, the BMW Group has developed the Partner Academy. Successful collaboration requires a shared understanding of product, process and production quality, supply security, competitive prices, innovation, and the consistent integration of the sustainability commitment of the BMW Group. In close cooperation with specialist departments, the Partner Academy offers needs-based, cost-effective qualification initiatives for all BMW Group suppliers.

To help ensure the future viability and resilience of BMW Group sales partners, and in recognition of their important role in the customer journey, measures such as online training on general ESG topics and BMW Group products are provided.

The BMW Group also integrates the needs and expectations of customers in the context of Just Transition and aims to involve them in the journey toward Net Zero. For example, we offer educational videos that empower customers to gain a comprehensive understanding of electromobility at the BMW Group, build their knowledge, and make the most of our products.

### 3.5. CORPORATE SOCIAL ENGAGEMENT

With a multinational workforce, the BMW Group is an integral part of global society. Accordingly, the BMW Group sees itself as part of the solution to possible future challenges and questions as a corporate citizen. For this reason, the BMW Group supports global educational projects, creates a network for responsible leaders, promotes activities in the

areas of social mobility, interculturality, and equal opportunities, as well as sports and culture.

More about the corporate social engagement of the BMW Group can be found on the [Society initiatives page of the BMW Group website](#).

## 4. EXAMPLES OF A JUST TRANSITION

The BMW Group has a multitude of good examples of successful transformations to look back on. Managing transformation and, therefore, a Just Transition is at the core of strategic work. The following selected examples from our plants in Munich, Dingolfing, and San Luis Potosí highlight our efforts and provide insights.

### 4.1. MUNICH, GERMANY

The main plant of the BMW Group in Munich has a long history of transformations. After more than 75 years of manufacturing combustion engine vehicles, this site will exclusively produce fully electric models starting in 2027. The restructuring of the plant during ongoing production will secure the location for the long term. The Munich plant is a successful example of the seamless transition into the era of electromobility.



For instance, by 2024 around 1,200 employees formerly working in engine production had already moved to other manufacturing roles at either the main plant in Munich or alternative sites, having received the necessary training for these transitions. Employees were involved in the transition from the very beginning. The Munich plant will be the first location

in the existing BMW Group production network to fully transition to e-mobility by the end of 2027. [\(full press article\)](#)

### 4.2. DINGOLFING, GERMANY

The BMW Group plant in Dingolfing has been in existence for over 50 years. Already at the beginning of the 2010s, space was created here for electromobility. As of 2024, over 2,500 people were already working in electric drive production at the Dingolfing plant (2010: around 200) – many of whom had previously worked in different areas of vehicle production.

The Dingolfing plant, as the electrification hub of the BMW Group, will continue to play a significant role in the future, supporting the establishment of new sites in various ways. Currently, comprehensive training programs are being implemented for the new plant in Debrecen. Additionally, some employees will be deployed at the new high-voltage battery location in Irlbach-Straßkirchen. The Austrian BMW Group engine plant in Steyr also benefits from the expertise of Dingolfing's electric motor production. [\(full press article\)](#)

### 4.3. SAN LUIS POTOSÍ, MEXICO

The plant in San Luis Potosí is also playing a key role in the transformation toward electromobility within the BMW Group. The plant will soon produce only fully electric models and establish its own high-voltage battery assembly facility. Approximately 1,000 additional employees will produce next-generation batteries for electric vehicles. These employees have been trained accordingly or recruited externally or through the training program.





The site is also a successful example of how the BMW Group integrates society into the transformation. In addition to training programs in nearby institutions to provide perspectives, the BMW Group also attaches importance to the needs of local affected communities. Central to this effort is resource-conserving automobile production in this very dry region. The water used in the paint shop is treated and reused, while electricity comes from the plant's solar power facility. This actively helps protect the basic needs of nearby communities. [\(full press article\)](#)

## 5. RESPONSIBILITIES

The development of a holistic Just Transition approach is integrated within the strategy function for social sustainability, in close coordination with relevant specialist departments (e.g. human resources, procurement, sales, compliance). Implementation is carried out by the designated specialist departments.

## REFERENCES

[BMW Group website Download Center](#)

[BMW Group website advocacy](#)

[BMW Group website Society](#)

[BMW Group Stakeholder Engagement policy](#)

[BMW Group policy statement on respect for Human Rights](#)

[Guidelines for a just transition towards environmentally sustainable economies and societies for all](#)