

GLOSSARY AND EXPLANATION OF KEY FIGURES*

A

Apprentices

The number of all people on multi-year vocational training courses at a BMW Group company (includes all of the consolidated and non-consolidated companies in which the BMW Group holds more than 50 % of the shares), with these training courses consisting of practical and theory sections.

Asset-backed financing transactions

A form of corporate financing involving the sale of receivables to a financing company.

B

Beyond Value Chain Mitigation (BVCM)

Beyond Value Chain Mitigation (BVCM) refers to all investments and measures that a company takes in addition to its Science Based Targets (SBTs) to reduce emissions outside its value chain. This includes activities that avoid or reduce greenhouse gas emissions as well as those that remove greenhouse gases from the atmosphere and store them. BVCM is strongly recommended by the Science Based Targets initiative (SBTi) to validated companies in addition to CO₂ reduction in their own value chain. The BMW Group is committed to this reduction hierarchy and already actively manages both direct and indirect carbon emissions from its plants in line with the 1.5°C pathway set by the Science Based Targets initiative (SBTi), which involves implementing significant measures in our value chain, plus additionally engaging in BVCM to address emissions outside our own value chain. We voluntarily back these initiatives without them counting towards the BMW Group's CO₂ reduction targets.

BVCM involves, for example, purchasing certificates on the voluntary carbon market. Criteria such as additionality, permanence, and certification by independent institutions following international standards (Gold Standard) contribute to the quality of the certificates employed, thereby bolstering the efficacy of our commitment beyond our internal value chain.

It is also important to us that projects in the Global South create a social benefit in line with the Sustainable Development Goals (SDGs). These include, for example, initiatives that create health benefits such as avoiding open fires in enclosed spaces.

Bond

A securitised debt instrument in which the issuer certifies its obligation to repay the nominal amount at the end of a fixed term and to pay a fixed or variable rate of interest.

Business volume in balance sheet terms

The sum of the balance sheet line items "Leased products" and "Receivables from sales financing" (current and non-current), as reported in the balance sheet for the Financial Services segment.

C

Capitalisation rate

Capitalised development costs as a percentage of research and development expenditure.

Capital expenditure ratio (excluding capitalised development costs)

Investments in property, plant and equipment and other intangible assets (excluding capitalised development costs) as a percentage of Group turnover.

Capital expenditure ratio (excluding right-of-use assets and capitalised development costs)

Investments in property, plant and equipment (excluding right-of-use assets in accordance with IFRS 16) and other intangible assets (excluding capitalised development costs) as a percentage of Group turnover.

Carbon dioxide equivalents/CO₂e

CO₂e is a unit of measurement used to standardise the climate impact of various greenhouse gas (GHG) emissions, such as methane or nitrous oxide. This is necessary because the individual gases do not all contribute equally to the greenhouse effect. In addition, the expert committee at the United Nations (Intergovernmental Panel on Climate Change, IPCC) has defined "global warming potential" (GWP). This is an index used to express warming impact compared with CO₂ so that all GHGs are aggregated. For example, over a period of 100 years, methane has 28 times the impact of CO₂, while for nitrous oxide the impact is 265 times higher.

Carbon emissions in the supply chain, including in transport logistics, as well as in upstream fuel production (well-to-tank) are referred to as CO₂e. Climate-impacting gases under Scope 1 and 2 are not recognised for reasons of materiality.

* Part of the Combined Management Report.

Carbon emissions: Scope 1 to Scope 3

The carbon emissions generated by a company are reported in various categories. The Greenhouse Gas Protocol, a partnership between the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), distinguishes between Scope 1, Scope 2 and Scope 3 emissions, based on their various sources. Whereas direct emissions (Scope 1) are generated within a company through the combustion of fossil fuels, Scope 2 refers to the indirect emissions caused by the consumption of electricity and heat from externally generated sources of energy. Additional indirect (Scope 3) emissions are generated in the upstream and downstream stages of the value chain, for instance in the supply chain (upstream) and in the subsequent use of products and services (downstream).

Carbon emissions from BMW Group locations per vehicle produced (Scope 1 and 2)

This key indicator is calculated from the direct and indirect carbon emissions of BMW Group locations relating to the number of vehicles produced during the year under report. The carbon emissions result from energy consumption in the BMW Group plants as well as non-manufacturing sites. Electricity from on-site renewable generation, Power Purchase Agreements for green electricity and Energy Attribute Certificates (e.g. guarantees of origin) are all taken into account. The conversion is based on emission factors for electricity, district heating and fuels from the German Association of the Automotive Industry (VDA) in the most current valid version and occasionally local emission factors. This key indicator is the basis for measuring the strategic target by 2030 with regard to Scope 1 and 2 emissions. The reporting indicator is t CO₂ per vehicle produced.

CO₂e emissions from the supply chain including transport logistics per vehicle produced (Scope 3 upstream)

A methodology tailored specifically for BMW was created to assess the supply chain and logistics emissions in terms of their CO₂e equivalents. Due to the absence of supplier-specific CO₂e values throughout the entire supply chain, a model incorporating industry averages and, when accessible, supplier-specific data is used. This method draws upon components of ISO 14040/44 and follows common practice in preparing life cycle analyses

(LCA). However, it should be noted that this approach may not be directly comparable with methods or values employed by other companies. Due to a lack of data availability, various estimates, assumptions and average values are used to determine the key indicator. The aim is to improve the quality of the model for calculating key metrics in future years. This will be achieved by boosting transparency in supply chains and expanding the detail of the model, all while maintaining consistency in calculations over time.

The indicator quantifies greenhouse gas emissions (CO₂e) produced during production (GHG Protocol Scope 3 upstream category 1), including the transportation of purchased goods and services for production ("inbound"), as well as the global vehicle distribution of BMW Group automobiles ("outbound") (collectively GHG Protocol Scope 3 upstream category 4). Contrary to the definition of the scopes of the GHG Protocol, the following are not included: motorcycles, racing vehicles and aftersales products, including their transport logistics, as well as purchased IT cloud services and engineering or development services.

Baseline calculation of supply chain emissions

The initial calculation of the supply chain CO₂e emissions for a representative selection of vehicles is based on their bill of materials. This selection reflects the range of vehicle classes (from premium compact to luxury) and types of drive (petrol, diesel, PHEV and BEV) produced during the period under review.

For the representative vehicles, the CO₂e emissions of all installed components are calculated on the basis of their material composition and related processing steps. Up to around 60,000 individual entries are evaluated in each case. The CO₂e value of the relevant vehicle is calculated by adding these contributions together.

For the vast majority of vehicle models produced that are not included in the representative vehicles, there is no individual CO₂e calculation available on a bill of materials basis. A modular scaling calculation method has been developed to include these in the overall result:

The bill of materials of the representative vehicles is divided into sections (modules) according to functional criteria, and these are assessed in terms of their total CO₂e emissions. Previously unassessed vehicle derivatives can now be custom-built using these basic components, with different building blocks selected based on the specific technical features of the target vehicles, including engine type, all-wheel drive or body style. Components that do not fit are scaled from existing ones. The scaling techniques are based on empirical data derived from similar analyses as well as on expert evaluations. This encompasses the scaling of detailed bodywork calculations ranging from sedans to touring models with identical engine specifications.

For example, in the baseline calculation for 2023, there is a 520i listed as a bill of materials vehicle, but no 520i Touring. To ensure that the latter is accurately represented, the calculated CO₂e emissions for components like the drivetrain, wheels, seats and so on remain unchanged, while the body values are multiplied by a scaling factor when calculating the Touring model.

The methodology outlined above depends on the established "LCA for Experts" database (previously known as "GaBi") from Sphera to ascertain CO₂e factors for energy, raw materials and manufacturing processes. In this process, the current datasets are consistently used, starting with the 2023 reporting year. Retrospectively from 2019 until the release of the current datasets at the end of February 2023, data from 2019 are used to calculate CO₂e emissions.

The CO₂e emissions of supply chains vary across different regions of the world. For this reason, we allocate the production sites of the vehicles to one of three regions: Europe, Asia or the USA. We then calculate the emissions for the entire vehicle supply chain using the Sphera datasets that are valid for that region. The particularly emission-intensive components, battery cells and catalytic converter coating are specifically calculated based on their actual production region, regardless of the vehicle's manufacturing location.

Given the significant impact of battery cell production on the vehicles' total CO₂e emissions, a detailed calculation model is used

to assess the cells. In addition to the actual assembly sites of the battery cells, the material compositions and related production processes, it also accounts for the unique characteristics of the cell chemistry (anode and cathode) as well as the emissions associated with supplier-specific energy consumption.

This approach gives each vehicle built during the period under review its specific CO₂e value for supply chain emissions. The total fleet value of CO₂e supply chain emissions is calculated by adding up the CO₂e contributions of all vehicles produced in the reporting year.

Share of the reported value attributable to the supply chain

The reduction in CO₂e emissions compared to the BMW Group's baseline is the result of emission-reducing measures in the supply chain that were contractually agreed with suppliers and verifiably implemented during the reporting year (e.g. electricity from renewable sources, use of recycled materials). Agreements with suppliers of aluminium and precious metals as well as high-voltage storage cells resulted in particularly high reduction contributions.

The CO₂e value for these components and materials before the implementation of measures is initially determined using the "LCA for Experts" database on the basis of the type and quantity of material. The emission-reducing measures are then deducted. The calculation of the effect is also carried out using industry average values from "LCA for Experts" for green electricity and secondary raw materials.

The total emission-reducing measures for all components and raw materials in the vehicles produced in the reporting year that are evaluated in this manner is subtracted from the baseline value. This results in the share of supply chain CO₂e emissions in the reporting value of the overall indicator. The methodology for calculating the supply chain CO₂e emissions outlined above marks a key improvement over the previous approach. This improvement allows for the inclusion of agreed-upon emission-reducing measures at the level of individual components and raw materials, among other factors. Until 2022, each vehicle in the

fleet was allocated the supply chain CO₂e value of the most similar vehicle from a small selection of vehicles that already had TÜV-validated life cycle assessments available. The reporting metric is then obtained by adding the transport logistics CO₂e emissions, the calculation of which is described in the following section.

An external service provider commissioned by BMW conducts the verification of measures at affected suppliers and their subcontractors at the impacted manufacturing sites. A defined method is used to ensure that the contractually agreed emissions-reducing measures are implemented clearly and without duplication in the reporting year. There are some limitations regarding the clear and non-repetitive allocation of material flows with secondary raw materials. Due to the lack of regulatory mandates, there is currently neither a requirement for the recording and documentation of material flows for secondary materials across the supply chain (for example on delivery notes), nor is there a government-operated/regulatory registry similar to that of green energy certificates that facilitates the distinct allocation of secondary materials to specific customers without duplication. Therefore, the secondary material quota is confirmed using system extracts from the relevant suppliers' Enterprise Resource Planning (ERP) systems, along with details and evidence of secondary material procurement through mass balances. Furthermore, written confirmation is obtained from suppliers and n-tier suppliers (via declarations of conformity) to clearly attribute secondary materials to BMW products, preventing any possibility of double-counting with other customers.

Transport logistics' share of the reporting value

This indicator takes into account transport logistics emissions in the reporting year. Firstly, inbound and outbound transport flows are documented using IT-enabled billing and movement data to calculate the CO₂e emissions in tonnes and the transport volume in tonne-kilometres.

In inbound logistics (production supply), all transport flows of individual component parts for automobile manufacturing (BMW, MINI and Rolls Royce) are considered. This includes

transportation from the Tier 1 supplier's shipping location to the receipt of goods at individual production plants worldwide, including partner plants and excluding contract manufacturing sites. In outbound logistics (vehicle distribution), all transport flows of new vehicles transported from the production sites through compounds and national distributors to individual dealerships worldwide are considered. Exceptions include partial volumes from partner plants.

CO₂e emissions are calculated for the gross weight (component weight including packaging and shipping material) as well as the specific vehicle weight and the distance travelled in kilometres. This calculation is based on the respective CO₂e emission factor, which varies depending on the technology and mode of transport (road, sea, rail or air). The CO₂e emission factors used are derived from contemporary standards such as the GLEC Framework V3.0 and ISO 14083, supplemented by supplier-specific values whenever possible.

In a second step, an average, derivative-specific inbound CO₂e value is assigned to each vehicle produced from the CO₂e assessed transport flows, based on plant location and type of drive, and an outbound CO₂e value is assigned based on the factory-market relationship. If inbound and/or outbound CO₂e values for individual derivatives are missing in the recorded transport streams (step 1), these are supplemented on the basis of existing derivatives with similar transport routes. Consequently, each manufactured vehicle is allocated an inbound and outbound CO₂e factor based on the production site and intended market. The share of CO₂e emissions attributed to transport logistics within the "supply chain and logistics emissions" metric is determined by aggregating the inbound and outbound CO₂e emissions of all vehicles manufactured in the reporting year. This approach applies to the CO₂e contributions from transport logistics in the base year and in 2022.

CO₂e emissions for the years 2019 to 2021 were calculated in previous corporate reports using a variety of emissions factors. Between 2019 and 2022, the recording or assessment of CO₂e from transport movements was consistently improved. Among other things, a new IT system was introduced in 2022 to expand

the recording of transport flows and their CO₂e assessment. In line with the range of factors and data sources used for emissions from 2022 onward, a retrospective assessment of transport logistics emissions is carried out for the years 2019 to 2021, following the same methodology as from 2022 onward. This involves using factory- or market-specific inbound and outbound CO₂e emissions data from 2022 for the vehicles produced in each corresponding year. Vehicle variants from 2019 to 2021 that are no longer produced in 2022 will be supplemented on the basis of existing derivatives with similar transport routes.

Carbon emissions of the new vehicle fleet in the EU (Scope 3 downstream, tank-to-wheel)

The average carbon emissions of a manufacturer's fleet (use phase) are calculated on the basis of the weighted average of carbon emissions across all vehicles newly registered during the reporting period. This is based on the volume of new registrations by a manufacturer in the EU, including Norway and Iceland, in the calendar year and the individual vehicle-specific carbon emissions determined in accordance with the WLTP type test procedure. The BMW Group's fleet carbon emissions figure, as measured internally, includes a legally permitted allowance for eco-innovations with minor significance. The performance indicator for reporting purposes is g CO₂ per kilometre driven.

Carbon emissions of the new vehicle fleet worldwide including upstream emissions (Scope 3 downstream, well-to-wheel)

This indicator documents the progress made by the BMW Group in its strategic objective of reducing carbon emissions during the use phase including upstream emissions (drivetrain energy supply) by an average rate of at least 50% per kilometre driven by 2030 (base year 2019). For the purpose of this calculation, volume-weighted average fleet carbon emissions are calculated for the core markets EU (27 EU countries including Norway and Iceland plus UK) (driving cycle: Worldwide Harmonized Light Vehicles Test Procedure; basis: vehicle registrations), USA (driving cycle: United States Combined; basis: production volume) and China (driving cycle: Worldwide Harmonized Test Cycle, subject to China-specific framework conditions for testing; basis: import or local production volumes) before deduction of legally

permitted credit factors (e.g. supercredits and eco-innovations) and standardised according to the WLTP (European) driving cycle. These core markets account for more than 80% of the BMW Group's sales. The calculated figures are increased by 10% to account for possible discrepancies between cycle values and real emissions, as required by the Science Based Targets initiative. This indicator also includes the upstream emissions of the energy sources (fossil fuels and electricity used for charging), in line with the well-to-wheel approach. This covers the entire impact chain behind vehicle motion, i.e. from the generation and supply of power to its conversion into drivetrain energy. This approach also includes the environmental impacts associated with the production of fuel and electricity. For example, to calculate the volume of emissions resulting from upstream electricity (drivetrain energy supply), the BMW Group uses the energy report published by the International Energy Agency (IEA; reference basis: previous year) as a basis in order to assess the emissions associated with the electricity mix in its core markets. The performance indicator for reporting purposes is g CO₂ per kilometre driven.

Cash flow at risk

Similar to "value at risk" (see definition below).

Cash flow hedges

Hedges against exposures to the variability in forecasted cash flows, particularly in connection with exchange rate fluctuations.

Commercial paper

Deep-discounted bonds with a term of less than one year.

Consolidation

The process of consolidating separate financial statements of Group entities into Group Financial Statements, depicting the financial position, net assets and results of operations of the Group as a single economic entity.

Credit default swap (CDS)

Financial swap agreements, under which creditors of securities (usually bonds) pay premiums to the seller of the CDS to hedge against the risk that the issuer of the bond will default. As with

credit default insurance agreements, the party receiving the premiums gives a commitment to compensate the bond creditor in the event of default.

D

Deliveries

A new or used vehicle will be recorded as a delivery once handed over to the end user. End users also include leaseholders under lease contracts with BMW Financial Services and – in the US and Canada – dealerships when they designate a vehicle as a service loaner or demonstrator vehicle. In the case of used vehicles, end users may include dealerships and other third parties when they purchase a vehicle at auction or directly from the BMW Group. Vehicles designated for the end user which suffer a total loss in transit are also recorded as deliveries. Deliveries may be made by BMW AG, one of its international subsidiaries, a BMW Group retail outlet, or independent dealerships. The vast majority of deliveries – and hence the reporting to BMW Group of deliveries – are made by independent dealerships. In the US and Canada, the period start and end dates for the reporting of deliveries deviate immaterially from the beginning and, respectively, end of calendar years or calendar quarters and instead follow industry-standard reporting calendars. In the German-language version of the BMW Group Report, the terms "Auslieferungen" (deliveries) and "Absatz" (sales) are used interchangeably.

E

Earnings per share (EPS)

Basic earnings per share are calculated by dividing the earnings attributable to the shareholders of BMW AG for ordinary and preference shares by the average number of shares in each category. Earnings per share of preferred stock are computed on the basis of the number of preferred stock shares entitled to receive a dividend in each of the relevant financial years.

EBIT

Earnings Before Interest and Taxes. This is comprised of revenues less cost of sales, selling and administrative expenses and the net amount of other operating income and expenses.

EBIT margin

Profit/loss before financial result as a percentage of revenues.

EBT

EBIT plus financial result.

Effective tax rate

The effective tax rate is calculated by dividing the income tax expense by the Group profit before tax.

Electrified vehicles

The BMW Group uses the terms battery electric vehicle (BEV) to denote fully electric vehicles and plug-in hybrid vehicle (PHEV) to denote vehicles that can be charged and also driven on a fully electric basis.

Employees BMW Group

Since 2020, all people with active temporary or permanent employment contracts (as of 31 December in the year in question) with the BMW Group (includes all of the consolidated and non-consolidated companies in which the BMW Group holds more than 50 % of the shares) have been considered "employees of the BMW Group". This excludes apprentices, interns, temporary staff (students on work experience), temporary employees, dormant/inactive employment contracts due to maternity leave, sabbaticals, parental leave, long-term illness (as defined in the country in question), those in inactive early retirement phase, and employees accompanying their partner abroad.

Until 2019, temporary staff, postgraduate students, interns, apprentices, and people on extended sick leave or on sabbatical were also included in this definition.

Employees in the non-work phase of partial retirement working arrangements

The number of people with temporary or permanent employment contracts who have opted for retirement via partial

retirement working arrangements and who are in the non-active phase of this model (the second part, following the active phase in this model).

Equity ratio

Equity capital as a percentage of the balance sheet total.

EU Taxonomy – operating expenditure (OpEx)

Operating expenditure only comprises non-capitalised development costs, maintenance and refurbishment costs for buildings, repairs to property, plant and equipment, relevant IT costs in the Financial Services segment, non-capitalised expenses relating to short-term lease contracts, expenditure for low value assets, and purely variable remuneration. The KPI figure calculated for taxonomy-purposes is not used by the BMW Group for financial reporting purposes.

EU Taxonomy – capital expenditure (CapEx)

Capital expenditure is calculated on the basis of IAS 16.73(e)(i) and (iii) for property, plant and equipment, IAS 38.118(e)(i) for intangible assets and IFRS 16.53(h) for leases. In accordance with the definition of capital expenditure provided in Annex I of the Commission Delegated Regulation (EU) 2021/2178 and taking into account the adjustments made by Delegated Regulation (EU) 2023/2486, the KPI figure used for taxonomy purposes comprises additions to intangible assets, in particular capitalised development costs, additions to property, plant and equipment as well as right-of-use assets in accordance with IFRS 16, and leased-out products. Capital expenditure relating to the sale of parts to external third parties or the delivery of parts to cooperation partners are not taken into account.

EU Taxonomy – revenues

Revenues are calculated in accordance with Article 2(5) of Directive 2013/34/EU. Revenues comprise the income and earnings reported in accordance with IAS 1.82(a). Revenues relating to the sale of parts and components (e.g. after-sales business excluding the provision of repair services) and the supply of production components to third parties, insurance premiums, and interest income on deposit-taking and credit business were not

included, as these economic activities are not classified as taxonomy-eligible.

F**Fair value hedge**

A hedge against exposures to fluctuations in the fair values of balance sheet items.

Free cash flow (Automotive segment)

Free cash flow is derived from cash flows from operating and investing activities. The cash flows from investing activities from the purchase and sale of marketable securities and investment funds is not included. Cash flows from the purchase and sale of shares and the dividend payout from investments accounted for using the equity method are included in the cash flows from investing activities.

G**Goodwill**

Acquired goodwill is considered an intangible asset. It corresponds to the difference between the purchase price and the net assets of the acquired business as measured at fair value.

Gross profit margin

Gross profit as a percentage of Group turnover.

I**Interns**

The number of people completing voluntary or mandatory work experience programmes at a BMW Group company (includes all of the consolidated and non-consolidated companies in which the BMW Group holds more than 50 % of the shares) while studying for a degree.

L

Liquidity

Cash and cash equivalents as well as marketable securities and investment funds.

M

Management positions

Management positions are positions at functional levels I to IV below the Board of Management level.

Maternity protection, parental leave

The number of people with active employment contracts who are absent from work, as permitted by law, before and after the birth of a child (maternity protection) or due to parenthood, as provided for by law in the country in question (parental leave).

N

Net Zero

Reduction of Scope 1, 2 and 3 emissions (in line with the science-based principles [SBTi]) to a residual level that corresponds with achieving net zero emissions at global or sectoral level in recognised 1.5°C scenarios or sectoral pathways (corresponding to a maximum of 10% of the emissions of the chosen base year). In addition, all remaining emissions are to be neutralised by the net zero target date and beyond.

Number of training participants

The number of employees of the BMW Group participating in further education worldwide (includes all consolidated subsidiaries of the BMW Group). Data is collated on the basis of direct input by participants and, to a small extent, by extrapolation. It comprises the overall number of participants on training and qualification courses, including e-learning courses.

O

Outlook

Unless specific ranges are specified, the BMW Group uses the following terminology and ranges as a basis when forecasting key performance indicators:

At previous year's level	[- 0.9 %/+ 0.9 %]
Slight increase	[+ 1.0 %/+ 4.9 %]
Slight decrease	[- 1.0 %/- 4.9 %]
Solid increase	[+ 5.0 %/+ 9.9 %]
Moderate decrease	[- 5.0 %/- 9.9 %]
Significant increase	≥ + 10.0 %
Significant decrease	≤ - 10.0 %

P

Part time, full time

The number of employees (see definition of "Employees"), distinguishing between employees who have contractually stipulated weekly working hours as prescribed by law, in a collective wage agreement or by the company in question (full time) and employees with a contractually stipulated reduction in their number of weekly working hours, which are thus less than the respective number of full-time working hours (part time).

Payout ratio

Ratio of unappropriated profit of BMW AG in accordance with HGB to profit attributable to shareholders of BMW AG, based on the BMW Group's net profit for the year under IFRS. Until the 2021 financial year, the payout ratio corresponded to the ratio of unappropriated profit belonging to BMW AG in accordance with HGB to the net profit for the year of the BMW Group in accordance with IFRS.

People on extended sick leave

The number of people with active employment contracts who are absent from work on grounds of illness for an extended period of time (as defined in the country in question – in Germany, this means an absence of more than 42 calendar days with a given illness).

Post-tax return on sales

Group net profit as a percentage of Group revenues.

Pre-tax return on sales

Group profit / loss before tax as a percentage of Group revenues.

R

Research and development expenditure

The sum of research and non-capitalised development costs and investments in capitalised development costs not including the associated scheduled amortisation.

Research and development expenditure ratio

Research and development expenditure as a percentage of Group turnover.

Research and development locations

The engineering, IT and process expertise required for the (pre-) development of hardware and software for all BMW Group products and services is combined at the Group's international research and development locations.

Return on capital employed (RoCE)

RoCE in the Automotive and Motorcycles segments is measured on the basis of relevant segment profit before financial result and the average amount of capital employed – at the end of the last five quarters – in the segment concerned. Capital employed corresponds to the sum of intangible assets, property, plant and equipment and net working capital, the latter comprising inventories and trade receivables less trade payables.

Up to the financial year 2021, capital employed corresponds to the sum of all current and non-current operational assets, less

liabilities that generally do not incur interest. The deductible capital consisted of capital shares that are available to the operational business, largely without interest.

Return on equity (RoE)

RoE in the Financial Services segment is calculated as segment profit before taxes, divided by the average amount of equity capital – at the end of the last five quarters – attributable to the Financial Services segment.

S

Sabbatical

The number of people with active employment contracts who are absent from work for at least one month and for not more than six months due to an employee-funded leave of absence ("sabbatical").

Spending on employee training and development

Investment in training comprises all costs incurred in the reporting year for vocational training within the consolidated subsidiaries of the BMW Group, including personnel costs for trainers and apprentices as well as other costs and investments related to vocational training. The investments in further training are calculated for all consolidated subsidiaries of the BMW Group. The investments in further training are calculated for all consolidated subsidiaries of the BMW Group. This includes preparation and implementation costs, opportunity costs and investments made in order to provide such further education. These costs also include notional depreciation, measured on the basis of inventory lists.

T

Temporary employees

People who the BMW Group (includes all consolidated and non-consolidated companies in which the BMW Group holds more than 50 % of the shares) has hired from a temporary employment agency to work on a temporary basis.

Temporary staff/working students

The number of people employed on an hourly basis as temporary staff at a BMW Group company (includes all of the consolidated and non-consolidated companies in which the BMW Group holds more than 50 % of the shares) while studying for a degree.

V

Value at risk

A measure of the potential maximum loss in value of an item during a set time period, based on a specified probability.

W

Well-to-wheel

The well-to-wheel method takes into account the entire impact chain behind vehicle motion – from the generation and supply of drivetrain power to its conversion into energy. This approach also includes the environmental impacts associated with the production of fuel and electricity. For example, the BMW Group uses the current energy report from the International Energy Agency (IEA; reference basis: previous year) as the basis for calculating emissions from electrified vehicles (provision of electrical energy). As a result, this approach can be divided into the following two components:

The well-to-tank method takes into account the carbon emissions from the supply chain as well as the upstream fuel supply from the oil well or the energy generation source. As such, this approach considers the impact chain that arises until the energy is supplied to the vehicle, but does not include the vehicle itself.

By contrast, the tank-to-wheel method takes into account the impact chain of energy received (fuel, electricity) until it is converted into kinetic energy by the vehicle. As such, this approach considers the impact chain that arises during the use of the vehicle.

Working hours/working times

Contractually stipulated weekly hours of work.