* Not part of ESRS reporting.

02

COMBINED MANAGEMENT REPORT

OVERVIEW OF THE BMW GROUP

OVERVIEW OF THE BMW GROUP

BUSINESS MODEL AND ORGANISATION

Contains disclosures pursuant to ESRS 2 SBM-1

The BMW Group develops, manufactures and sells premium automobiles and motorcycles. Its BMW, MINI, Rolls-Royce and BMW Motorrad brands are among the best known in the world. The BMW Group occupies leading market positions in both the premium segment and the financial services sector.

Bayerische Motoren Werke Aktiengesellschaft (BMW AG), based in Munich, Germany, is the parent company of the BMW Group. The BMW Group comprises BMW AG itself and all subsidiaries over which BMW AG has either direct or indirect control. ↗ List of Investments The BMW Group is subdivided into the ↗ Automotive, Motorcycles and Financial Services segments and the Other Entities segment.

BMW AG assumes central responsibility for the management of the Automotive, Motorcycles and Financial Services operating segments.

At the end of the reporting year, the BMW Group employed 154,540 people worldwide[1].

The BMW Group's global sales organisation includes sales companies and importers with representation in more than 140 countries. The sales system is structured as a multi-level sales model, where sales and customer support are handled in stages by BMW AG, its sales companies or importers, as well as sales partners. Vehicle maintenance and repair work is also carried out for customers within the sales network.

[1] Excluding the joint operation Spotlight; see ↗ ESG Glossary and Explanations of Key Figures for a definition.
[2] ↗ Consumption and Carbon Disclosures.

New vehicles are sold primarily via the sales network. In this process, independent sales partners acquire the vehicles from the BMW Group and sell them to end customers in their own name and on their own account (wholesale model). In some markets, the BMW Group also sells vehicles, particularly MINI models, directly to end customers (agency model).

SEGMENTS

Contains disclosures pursuant to ESRS 2 SBM-1

Automotive segment
With its BMW, MINI and Rolls-Royce automobile brands, the BMW Group caters to a wide range of expectations and requirements from private and business customers and public authorities around the world. The essence of the BMW brand lies in the sport-tuned interplay between vehicle components and the dynamic driving experience synonymous with the brand. The attractive, extensive product portfolio is tailored precisely to accommodate different customer needs. The wide range of drivetrain systems available reflects the BMW Group's technology openness. The systems range from all-electric drivetrains (BEVs[1]) and cutting-edge plug-in hybrids (PHEVs[2]) to the latest combustion engines. The model portfolio includes automobiles ranging from the premium compact class to the luxury class. The BMW 5 series and the BMW X2[3] were among the models with the strongest growth rates in the reporting year. The BMW M brand complements the range of models, offering modern high-performance vehicles for customers who prize handling in particular.

The BMW Group is leading the way in shaping tomorrow's mobility, with the NEUE KLASSE model generation elevating its entire product portfolio to a new level. This new generation puts the spotlight on personal driving experience by consistently combining three strategic focus areas: electromobility, digitalisation and circularity.

The MINI brand is all about maximising the driving fun in the premium compact segment, with the new MINI family combining a digital experience, innovative technologies and the typical go-kart feeling associated with the brand. The best-selling model in 2025 was the MINI Countryman[3], which is available with a choice of an all-electric or combustion drivetrain.

The Rolls-Royce brand is steeped in tradition and offers automobiles in the ultra-luxury class, with a focus on meeting bespoke customer specifications and offering an exclusive, personal service. Its most successful models include the Rolls-Royce Cullinan[3] and the all-electric Rolls-Royce Spectre[3].

The global sales network of the BMW Group's Automotive segment currently comprises around 3,400 BMW, over 1,600 MINI and 147 Rolls-Royce establishments. The BMW Group's most lucrative automobile markets in the reporting year 2025 were Europe, the USA and China. ↗ Automotive Segment

Motorcycles segment
BMW Motorrad develops, manufactures and sells motorcycles and scooters in the Sport, Tour, Roadster, Heritage, Adventure and Urban Mobility categories. As well as motorcycles for private use, BMW Motorrad also makes special-purpose vehicles (official vehicles) for operational use.

BMW Motorrad is the leading manufacturer of motorised two-wheelers in the premium segment and sells its products through roughly 1,300 dealerships in some 100 countries worldwide. The most important markets for BMW Motorrad are Germany, France, Italy, the USA and Brazil. ↗ Motorcycles Segment

Financial Services segment
The Financial Services segment completes the BMW Group's range of mobility services, offering tailored financial solutions. The Financial Services segment's main lines of business comprise credit financing and the leasing (including insurance and service products) of BMW Group brand automobiles and motorcycles to retail customers. It also handles financing for dealerships and customer deposits. Operating under the brand name Alphabet, the BMW Group is a partner in the international cross-brand fleet business. Its services consist mostly of vehicle fleet financing for large customers, comprehensive management services for corporate car fleets and management of the Group's own fleet. ↗ Financial Services Segment

The BMW Group is a leading provider of financial services in the automotive sector. It offers these services in more than 50 countries worldwide via subsidiaries and cooperation arrangements with local financial service providers and importers. The most important markets for the Financial Services segment are the USA, Germany, the UK and China.

LOCATIONS

Global overview
The BMW Group operates on a worldwide basis. The BMW Group's largest automobile and motorcycle markets are located in Europe, particularly in Germany and the UK, as well as in the USA and China.

[1] Battery electric vehicle ↗ Electrified Vehicles.
[2] Plug-in hybrid electric vehicle ↗ Electrified Vehicles.
[3] ↗ Consumption and Carbon Disclosures.

LOCATIONS WORLDWIDE

● **Sales subsidiaries and Financial Services**
1 Headquarters
2 Canada
3 USA
4 Mexico
5 United Arab Emirates
6 Brazil
7 Argentina*
8 South Africa
9 Russia
10 India
11 China
12 South Korea
13 Japan
14 Thailand
15 Malaysia
16 Singapore*
17 Indonesia*
18 Australia
19 New Zealand

* Sales locations only.

■ **Production outside Europe**
BMW Group plant Araquari, Brazil
BMW Group plant Chennai, India
BMW Group plant Manaus, Brazil
BMW Group plant Rayong, Thailand
BMW Group plant Rosslyn, South Africa
BMW Group plant San Luis Potosí, Mexico
BMW Group plant Spartanburg, USA
BMW Brilliance Automotive, China (3 plants)
◘ Spotlight Automotive, China (Joint operation)
□ **Partner plants outside Europe**
Partner plant, Chongqing, China
Partner plant, Chu Lai, Vietnam
Partner plant, Hosur, India
Partner plant, Jakarta, Indonesia
Partner plant, Cairo, Egypt
Partner plant, Kulim, Malaysia
▲ **Research and Development outside Europe**
BMW Group Technology Office USA, Mountain View, USA
BMW Group Engineering and Emission Test Center, Oxnard, USA
BMW Group Design, Technology and ConnectedDrive Lab, Shanghai, China
BMW Group Development China, Beijing, China
BMW Group Development and Technology Office, Tokyo, Japan
BMW Group Development USA, Woodcliff Lake, USA
BMW Group IT Technology Office, Greenville, USA
BMW Group IT Technology Office, Nanjing, China
BMW Group IT Technology Office, Singapore
BMW Group IT DevOps Hub, Chennai, India
BMW Group IT DevOps Hub, Rosslyn, South Africa
BMW do Brasil Entwicklung, Araquari, Brazil
BMW Group Technology Office Tel Aviv, Tel Aviv, Israel
BMW Group R&D Center Seoul, Seoul, South Korea
BMW Group Prototype Testing, Rosslyn, South Africa
BMW Brilliance Automotive, Shenyang, China
BMW Techworks, Pune, India

41 Sales subsidiaries and Financial Services locations worldwide

32 Production and assembly plants

18 Countries with research and development locations

LOCATIONS IN EUROPE

- **Sales subsidiaries and Financial Services**
1 Germany
2 Norway
3 Denmark
4 Sweden
5 Finland*
6 The Netherlands
7 UK
8 Ireland
9 Belgium/Luxembourg
10 France
11 Switzerland
12 Italy
13 Slovenia*
14 Spain
15 Portugal
16 Czech Republic
17 Poland
18 Austria
19 Slovakia
20 Hungary*
21 Romania*
22 Bulgaria*
23 Greece

* Sales locations only.

- **Production in Europe**
BMW Group plant Berlin
BMW Group plant Dingolfing
BMW Group plant Eisenach
BMW Group plant Landshut
BMW Group plant Leipzig
BMW Group plant Munich
BMW Group plant Regensburg
BMW Group plant Wackersdorf
BMW Group plant Steyr, Austria
BMW Group plant Hams Hall, UK
BMW Group plant Oxford, UK
BMW Group plant Swindon, UK
Rolls-Royce Manufacturing Plant, Goodwood, UK
BMW Group plant Debrecen, Hungary
- **Partner plants in Europe**
Partner plant, Graz, Austria (contract manufacturing)
- **Research and Development in Europe**
BMW Group Research and Innovation Centre (FIZ), Munich, Germany
BMW Car IT, Munich, Germany
BMW Group Autonomous Driving Campus, Unterschleißheim, Germany
BMW Group Designworks, Munich, Germany
BMW Group Lightweight Construction and Technology Center, Landshut, Germany
BMW Group Vehicle Testing, Aschheim, Germany
BMW Group Diesel Competence Center, Steyr, Austria
Critical TechWorks S.A., Porto/Lisbon, Portugal
BMW France, S. A. S., Miramas, France
Rolls-Royce Motor Cars Ltd., Goodwood, UK
BMW Group Vehicle Testing, Arjeplog, Sweden
BMW Group Vehicle Testing, Granada, Spain
BMW Group Vehicle Testing, Sokolov, Czech Republic
BMW Group IT DevOps Hub, Bukarest, Romania

THE BMW GROUP STRATEGY

For the BMW Group, the further development of the corporate strategy is a continuous process that begins with the environmental analysis. There, trends of significant importance for the automotive industry are regularly examined, evaluated and the underlying assumptions are reviewed. The overarching corporate strategy and the strategic goals of the BMW Group serve as the reference point for the departments to define specific directions and implementation measures. This is done based on strategic fields of action and success-critical tasks.

The flexible strategy process enables planning in scenarios that take into account the increasingly complex business environment. The BMW Group's strategy is also based on fundamental values. ↗ Compliance

A feedback-based planning and control system translates the strategy into annually revised, long-term corporate planning. A target system encompassing aspects of finance, customers, processes, learning, and development monitors the implementation of the strategy. ↗ Performance Indicators and Performance Management

ENVIRONMENTAL ANALYSIS

Contains disclosures pursuant to ESRS 2 SBM-1, SBM-3

The success of a company largely depends on its ability to recognise changes in the environment early, consider alternative development scenarios, effectively manage risks and seize opportunities that may arise from changes ↗ Risks and Opportunities. To achieve this, the BMW Group consistently observes the conditions in key regions and analyses trends and developments that may impact future business operations. This is grounded in a regularly updated environmental analysis focused on selected thematic areas. The regular ↗ Dialogue with Stakeholders conducted by the Company through the established BMW Group XChange formats, enhances the insights gained from the environmental analysis.

In addition to the existing development directions, several trends are increasingly gaining momentum, particularly regarding digital technologies, consumer behaviour, and the political environment. The currently most significant trends with long-term impacts on the business model of the BMW Group are categorised based on the influencing factors of society, technology, economy, ecology and politics.

Society

Individual mobility remains a fundamental human need. Vehicle ownership continues to depend significantly on income, household size and location. On-demand mobility (ODM) services, especially in urban areas, will continue to be used primarily as a supplementary option. Supported by the use of digital technologies (especially AI), innovative usage concepts are gaining importance.

Technology

For the BMW Group, as a technology-oriented company, trends and developments in this area are of particular importance. Changes occur continuously, the market environment is evolving very dynamically and new forms of collaboration are emerging. Offerings related to artificial intelligence (AI) expand possibilities in almost all areas of life. Today, modern vehicles are already among the most complex digital products in consumer hands. Customers are shaping their requirements for vehicles with regard to the digital ecosystems they use daily. Automobiles are expected to provide reliable support in everyday life, seamlessly integrate into personal living environments and create a holistic experience. Software updates and upgrades have become standard. ↗ Innovations and Product Technologies

Alongside digitalisation, the shift towards automated and autonomous driving remains one of the key expectation for the future of mobility. There are varying development speeds and functional characteristics observed across different regions, with the use of AI being a significant driver of this development.

Globally, electromobility remains the most relevant drivetrain technology on the journey towards climate neutrality. However, varying speeds of adoption can still be observed in different countries. In addition, climate-neutral fuels are taking on an ever more prominent role, alongside the long-term prospects for climate-neutral hydrogen-based drivetrain systems. We can assume that vehicles with combustion engines will continue to be offered alongside electric vehicles. A key factor for the success of electromobility is addressing the existing uncertainties. These include regulatory issues, the swift and comprehensive installation of charging infrastructure, the development of electricity prices versus fuel prices and the availability of raw materials.

To meet the generally increasing demand for climate-neutral energy through electricity from renewable sources*, the corresponding capacities would need to be expanded quickly. However, the resulting increase in the share of renewable energies would lead to greater fluctuations in electricity generation and thus to new challenges for grid stability. Together with the limited capacities of the distribution networks, this would require further efforts for the sustainable success of electromobility. ↗ Innovations and Product Technologies

Economy
Economy and ecology are closely linked and influence each other. In addition to CO_2 emissions, resource efficiency will gain importance. There are also increasing requirements for secondary materials and recycling, such as quota mandates. At the same time, this can lead to cross-industry initiatives and opportunities for new business models. ↗ Circular Economy and Resource Use

Competition between different political systems dominates international politics. Sanctions, tariffs and subsidies are altering international trade flows and are giving rise to geopolitical risks that require the Group to secure its international supply chains.

Ecology
Governments around the world are working to translate the goals of the Paris Agreement on CO_2 reduction into national laws. An ambitious climate policy orientation is an important foundation for successful business operations. Therefore, preparing for the effects of climate change (risk management) and actively working to mitigate it (targets and actions) are equally vital.

Politics
Politics, regulations and trade restrictions are narrowing the scope of what businesses can do across the entire automotive value creation model. The global trade wars currently being waged in the form of tariffs, export controls and import restrictions are characterised by continued considerable volatility. Furthermore, internationally varying legislation on similar issues significantly contributes to the complexity of the situation by creating a heterogeneous regulatory landscape. The need to ensure consistent compliance with the resultant requirements in the development of future vehicle projects is frequently associated with high costs and increasingly poses a challenge for the automotive industry.

CORNERSTONES OF THE STRATEGY

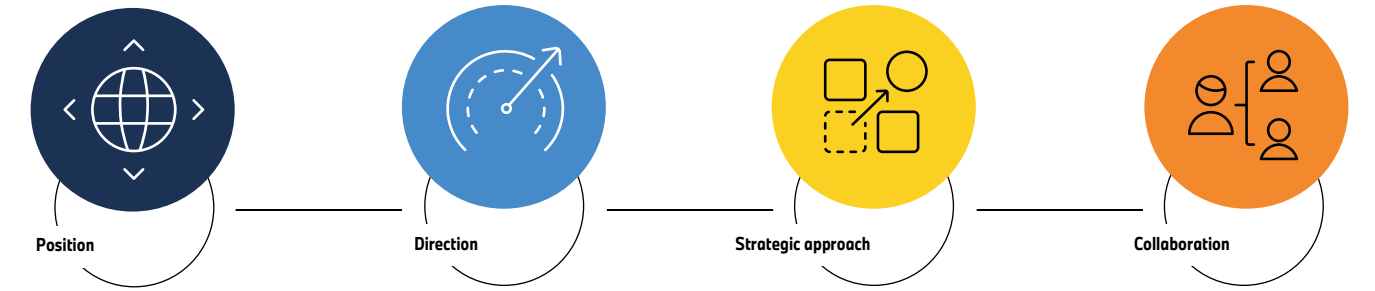
Contains disclosures pursuant to ESRS 2 SBM-1, SBM-3

The BMW Group Strategy is aligned with the Company's purpose: "The BMW Group exists to move body, heart and mind." This purpose is the driving force, the guiding principle and the orientation for our employees, and represents the BMW Group's commitment to our active role in society. Its long-term focus and guides us purposefully into the future.

Transitioning to the specific content of the BMW Group Strategy, the BMW Group Impact further develops the Company's long-term strategic vision and emphasizes the ambition to contribute to societal advancement. "We make individual mobility more human, intelligent and responsible – creating an inspiring future for all of us."

* See ↗ Glossary for a definition of electricity from renewable sources.

The BMW Group Strategy



Position - What does the BMW Group stand for?[1]

With its innovative products, the BMW Group represents first-class individual mobility. The key focus areas of the Group's strategy are (1) a technology-open portfolio of highly efficient drivetrain technologies with a strong focus on electromobility, (2) further digitalisation of customer interfaces as well as the development of corresponding products and complementary services, and (3) sustainability across the entire value chain, including the circular economy.

The BMW Group is committed to the ambitious Paris Agreement targets and is taking ambitious steps in its efforts towards progressive, holistic decarbonisation, on the basis of the Science Based Targets initiative (SBTi). For the BMW Group, holistic means decarbonising the emissions generated by its vehicles over their entire life cycle – from raw materials to kilometres driven. ↗ Transition plan to achieve Net Zero emissions by 2050

Carbon-equivalent targets are presented in absolute values (tonnes CO_2e) in line with the sustainability reporting requirements as set out by the ESRS. The relative targets introduced in 2021 (expressed as reduction per vehicle) for Scope 1 and 2 (BMW Group locations) and Scope 3 (Purchased goods and services, Logistics, Use phase, in each case for the Automotive segment) were therefore converted to absolute targets in 2024. The BMW Group's overall target claim remains unchanged with this adaptation and take account of growth forecasts and interaction between the scopes. Accordingly, by the target year of 2030, the BMW Group aims to reduce its CO_2e emissions by at least 40 million tonnes CO_2e compared to the base year of 2019 – from 150.1 million tonnes CO_2e to 108.6 million tonnes CO_2e. During the reporting year, the BMW Group also set a target for 2035 to ensure that these reduction efforts would be continued, and it is planning to cut emissions by at least a further 20 million tonnes CO_2e. These actions are intended to achieve a reduction of at least 60 million tonnes CO_2e versus the base year of 2019. ↗ Path to achieving the CO_2e reduction targets The resilience of the BMW Group's business model to face the challenges posed by climate change should be ensured by incorporating all relevant aspects, risks and opportunities into its corporate planning. A comprehensive digital reporting system also guarantees that climate perspectives are consistently taken into account. Moreover, the BMW Group Strategy considers uncertainties in key framework conditions and the limits of political controllability of markets. Flexibility is therefore also a focal point of the climate dimension of the BMW Group's corporate strategy.

While the BMW Group maintained its strong position in sales of electrified vehicles in 2025, markets remain highly fragmented, illustrating the extent to which demand, especially for electric vehicles, also depends on regional factors. A comprehensive and sufficiently rapid expansion of charging infrastructure, calculable and sustained cost benefits and an expansion of cost-effective energy with zero carbon equivalent emissions remain the key factors for success. The BMW Group is actively working on numerous projects and initiatives to improve the framework conditions for electromobility. This includes its contribution to the expansion of charging infrastructure and the use of electricity from renewable sources* in our joint ventures IONITY and IONCHI. Beyond this work to expand the charging infrastructure, the BMW Group also supports customers in using the vehicles efficiently in a number of ways, for example, by offering flexible contract options for charging our all-electric vehicles (BMW Charging and MINI Charging), by showing customers their own driving style in the My BMW and MINI apps and by offering bidirectional charging for BMW.

* See ↗ Glossary for a definition of electricity from renewable sources.

The BMW Group also intends to continue its efforts to significantly reduce its direct CO_2e emissions (Scope 1 and 2). As in the past, the Company remains committed to energy efficiency measures, electricity generated in-house from renewable sources, the purchase of electricity from renewable sources via Power Purchase Agreements and the use of Energy Attribute Certificates (e.g. guarantees of origin). The remaining emissions are largely attributable to the use of natural gas. In this respect, the BMW Group faces the challenge of replacing natural gas with non-fossil energy sources such as biogas, green hydrogen or electricity from renewable sources. However, the transition to alternative energy sources depends largely on their availability, the technical retrofitting of the systems, the political framework conditions and economic efficiency.

Steering indicators such as CO_2e emissions over the entire product life cycle are important performance indicators during the development phase of our vehicle projects ↗ Performance Indicators and Performance Management. The Board of Management discusses a status report on sustainability every quarter and identifies appropriate measures as required.

By implementing the sustainability targets (absolute CO_2e targets for 2030 and 2035) enshrined in the Group's overall strategy at corporate level and applying targets to new vehicle models (for example carbon-equivalent targets at derivative level, availability of different drivetrains and design features), the BMW Group creates transparency for its customers in terms of its sustainability performance. Certified life cycle assessments demonstrate how the action taken by the BMW Group affects the environmental vehicle footprint both before and after purchase. At the same time, studies involving various customer groups (e.g. potential new customers, early buyers, existing customers and customers who are considering BMW) that have been carried out in major markets allow customers to experience sustainability concepts themselves and ensure that input from the studies is incorporated in the sustainability strategy in a continuous strategy development cycle.

Sustainability aspects (ESG criteria) are built into individual market strategies across our Group-wide organisation. Best practices in the fields of environmental protection, social sustainability, corporate citizenship and governance are also exchanged within an international sustainability network.

Direction – What drives the BMW Group?

The BMW Group stands for exciting products and ensures its entrepreneurial independence through strong profitability. With its innovative strength, the BMW Group shapes the future of individual mobility. Exciting products are the fundamental prerequisite for the highest customer satisfaction, attractive brands and a strong competitive position.

Economic performance plays a significant role in the BMW Group's long-term corporate governance. This is supported by our ambitious financial targets for strategic key figures, such as the EBIT margin in the Automotive segment (between 8% and 10%), a RoCE in the Automotive segment of at least 18% and an EBT margin in the Group of more than 10%. ↗ Performance Indicators and Performance Management

Key factors for customer satisfaction and enthusiasm, as well as the economic success of the BMW Group, are the quality and reliability of all products and services. Therefore, the Company has set a holistic understanding of quality aimed at providing the best customer experience. With this in mind, a quality programme entitled "Q^3 – Passion for Perfection" was successfully established across the entire BMW Group in reporting year 2025 by means of a package of actions and targets. This programme is accompanied by ongoing efforts to maintain quality through both preventative and reactive measures.

Digitalisation is being consistently advanced beyond the vehicle in corporate and customer processes, as well as throughout the automotive value chain, driving ↗ Innovations and Product Technologies, strengthening the resilience and entrepreneurial flexibility of the BMW Group. There are corresponding initiatives in all areas of the Group intended to accelerate internal processes and workflows across the organisation and consistently realise digital potential. There is also an overarching action plan to operationalise digital transformation along the entire value chain. The synergistic approach of the four digital areas of focus – processes, data, technology and people – serves as the central framework for effectiveness in the digital age. It is a common language, an organising principle and a communicative basis for the digital transformation across the Group. The Board of Management Digitalisation Committee, set up in 2024, further emphasises its relevance and ensures the cross-departmental networking and continuity of processes, data and IT up to Board level. ↗ Board of Management – duties, composition, expertise

One key topic in relation to digitalisation is the systematic use of generative artificial intelligence (GenAI). GenAI is used at the BMW Group to support the Company's digital advancement by increasing efficiency, fostering innovation and enhancing customer experience. The BMW Group internal GenAI is used strategically to better and more efficiently manage the complexity of the business and to promote accessibility to corporate IT. This enables the assurance of affordability and quality while ensuring high speed in decision-making and process flows. The goal is for all employees to acquire the same foundational knowledge of digitalisation and to recognise and leverage the potentials within their own areas of responsibility for the benefit of the BMW Group.

Strategic approach – Where is the BMW Group heading?

The BMW Group places the customer experience at the centre of its marketing and sales activities. In an increasingly digital environment with changing customer needs, the Company is focusing on a forward-looking sales structure that emphasises the digitalisation of the customer interface and direct customer access. The aim is to provide the best premium customer experience in the industry.

In future, customers will be able to decide whether to initiate the ordering process for their vehicle at an agent or online. Furthermore, they can seamlessly switch between both worlds, as the BMW Group is decisively and consistently advancing the digital sale (online sale) of vehicles.

A key element of the newly aligned sales structure is the transition to direct sales. Following the pilot market in South Africa, MINI was the first Group brand to implement the new sales model in China in 2023. Since the new approach was rolled out in Europe at the start of 2024, a gradual process of transition to an agency model has been underway for the MINI brand. By 2025, 23 markets in Europe had switched over to the new direct sales model. The plan for the BMW brand is for the new model to be adopted from 2027 onwards.

The new sales model benefits customers, sales partners and the BMW Group equally. The BMW Group relies on the existing network of sales partners, leveraging a central strength of the Company: a highly effective and established sales structure. Thus, today's sales partner will continue to act as active intermediaries between the BMW Group and our customers.

Offerings in the Financial Services segment are continually being expanded to include comprehensive services, including insurance. As part of our strategic direction in the financial services business, we aim to make our product offerings accessible to all customer groups across all channels. In doing so, the BMW Group is offering its customers personalised offers designed to meet their specific needs. ↗ Financial Services Segment

The BMW Group consistently places the needs of its customers at the centre by combining forward-looking technologies, exciting products and personalised support into a comprehensive experience. This allows the Company to meet a wide range of demands and expectations worldwide. The focus areas are drivetrains with an emphasis on electromobility as well as digitalisation, sustainability and the circular economy.

The NEUE KLASSE sets a new standard for digitalisation and vehicle performance. Its new technology toolkit and the new design language will be rolled out across the entire vehicle portfolio, encompassing all drivetrain types, by the end of the decade. The new technologies include BMW Panoramic iDrive, combined with a new display and user interface system stretching across the entire width of the windscreen, as well as the new Heart of Joy control unit, which not only significantly enhances the driving experience but also delivers a further boost to efficiency, which also means a longer range. ↗ Innovations and Product Technologies

Furthermore, the NEUE KLASSE aims for a higher level of sustainability throughout the entire vehicle life cycle, including the supply chain. To accomplish this, the BMW Group is increasingly integrating secondary materials and implementing more resource-efficient production methods while obtaining a greater proportion of its electricity from renewable sources. ↗ Circular Economy and Resource Use

The first NEUE KLASSE vehicle is the new BMW iX3*, which is being built at the new plant in Debrecen in Hungary. ↗ Production Network It is based on new cluster architecture (NCAR), which is focused entirely on battery electric vehicles (BEVs). The new sixth-generation BMW e-drive technology will significantly enhance range, charging time and manufacturing costs. At the same time, the BMW Group is continuing to refine its highly efficient combustion engine technologies, which means that customers will still be able to choose from state-of-the-art vehicles across all brands and vehicle classes, independent of the drivetrain system.

The BMW Group recognised the importance of electromobility early on. By the close of 2025, the BMW Group had offered 16 all-electric models. A new version of the BMW iX* with a range of up to 701 km (Worldwide Harmonized Light Vehicles Test Procedure, WLTP) was launched in spring 2025. A facelift for the BMW i4* in summer saw its range extended to as much as 613 km (WLTP) and its power output increased by up to 10%, depending on model and equipment, with energy consumption reduced by up to 5.9% at the same time. Thanks to the attractive product portfolio, intelligent vehicle architectures and flexible production facilities, the number of deliveries increased to 442,059 all-electric vehicles in 2025, a rise of 3.6% (2024: 426,536 automobiles). ↗ Automotive Segment

The increase in customer demand for fully electric vehicles is dependent on the societal acceptance of electromobility and the development of the framework conditions, particularly the expansion of infrastructure, the evolution of energy costs and the respective regional regulations. The BMW Group is anticipating that the share of all-electric vehicles will continue to rise, albeit with regional differences (strategic target of 50% by 2030). The dynamic nature of external factors may lead to considerable volatility in the drivetrain mix. With this in mind, the BMW Group is keeping a watchful eye on developments and analysing the courses of action that may be necessary.

Hydrogen fuel cell technology has the potential to serve as another all-electric pillar in the drivetrain portfolio, in addition to battery electric drivetrains. The BMW Group plans to launch the BMW iX5 Hydrogen, its first series-produced fuel cell electric vehicle (FCEV) in 2028. In order to develop this new generation of fuel cell drivetrain technology, the BMW Group and the Toyota Motor Corporation are expanding their close, ten-year-plus partnership and combining their technological expertise and innovative strength.

* ↗ Consumption and Carbon Disclosures.

The result of this collaboration will be a jointly developed fuel cell drivetrain system used in individual BMW and Toyota FCEV models. Working with Toyota in the development and procurement process will create synergies and scale effects that reduce the cost of the fuel cell technology. Furthermore, both companies continue to advocate for governments and investors to create suitable framework conditions for the early adoption of hydrogen mobility. In addition to its development work on the new BMW iX5 Hydrogen, the BMW Group is actively engaging in efforts to set up hydrogen filling stations. It is in this context that the Hydrogen Mobility at Scale (HyMoS) initiative was founded. A collaborative project involving a number of industry partners and organisations, its objectives include developing and supporting hydrogen ecosystems for mobility purposes.

With regard to electromobility on two wheels, BMW Motorrad is continuing to set new standards with innovative designs. The Vision CE showcased at IAA Mobility 2025 presented a concept of what the future of urban electromobility might look like – even dispensing with the need for a helmet and protective gear. With its CE04 electric scooter, BMW Motorrad remains the leader in the urban mobility ≥ 11 kW segment. The continued success of electromobility in the two-wheeler segment will also depend on consistent regulatory standards. ↗ Motorcycles Segment

The BMW Group offers customers a 360° approach with an appropriate charging ecosystem. In addition to charging options at home and at work, BMW Charging and MINI Charging also offer public charging. The Company is also actively participating in the expansion of charging infrastructure in the most significant markets worldwide. Since 2017, the BMW Group has been strengthening the development of the European fast-charging network through its joint venture with IONITY. In the USA, the BMW Group is working with seven other automotive manufacturers to expand the fast-charging network in North America through the IONNA joint venture established in 2023. In China, the BMW Group, together with Mercedes-Benz, founded the joint venture IONCHI in early 2024, which likewise operates a local fast-charging network. ↗ Access to public charging networks

Circular economy is a key focus for the BMW Group in the drive towards more resource-efficient mobility. The concept revolves around keeping materials circulating in the best possible way, ensuring that resources are used sustainably and retain their value over time. This approach opens up a range of opportunities across the entire value chain. Reusing valuable resources also reduces reliance on primary raw materials and their fluctuating prices. Furthermore, the use of high-quality secondary materials should reduce the carbon footprint of vehicles even further. For these reasons, the BMW Group is taking additional steps to increase the content of recycled materials and returns selected production residues to the supplier or material processor, enabling those materials to be recovered and returned in a new production process. Recycled and reused materials are already being used in BMW Group vehicles production today. Circular economy requires holistic thinking – from product design to vehicle recycling. ↗ Resource Use and Circular Economy

Collaboration –
How does the BMW Group achieve this?*

The BMW Group is constantly striving for the best results. It supports its employees in further developing their strengths. The Company promotes and demands strong teams, whose members complement each other's strengths, collaborate in a connected manner and develop optimal solutions in a complex environment. The BMW Group regards the different talents and points of view of its employees as key elements in its competitiveness and capacity for innovation. ↗ Own Workforce The share of management positions occupied by women, for example, is one metric for progress in this area. This is considered a strategic target and is also a significant performance indicator for corporate management. The target at BMW AG is for women to occupy 20–25% of management positions by 2030. ↗ Performance Indicators and Performance Management

Through long-established, stable relationships with external partners, the BMW Group aims to achieve maximum impact through trustworthy collaboration. ↗ Purchasing and Supplier Network Together with cooperation partners, the Company realises potential in terms of access to expertise, profitability and technology footprint. Cooperation partners include technology companies such as Momenta, Qualcomm and Valeo. ↗ Innovations and Product Technologies

The development of the automotive industry, particularly with regard to electrification and digitalisation, is associated with profound changes. The BMW Group is proactively addressing the resulting challenges for the employment structure through targeted skills development and restructuring ↗ Own Workforce One example of this is the integrative Just Transition approach, which is being used to ensure that the transformation is carried out in a way that is socially responsible for both employees and partners. The realignment of our main plant in Munich in 2025 is an example of this. By 2027, the transformation of a full plant, including the production of internal combustion engines, to 100% electromobility will be implemented while production continues. Already today, the BMW Group develops and manufactures electrified drivetrain components for its current electrified vehicles at its German locations (Munich, Dingolfing, Landshut, Leipzig and Regensburg) as well as in China (Shenyang). In 2025, the BMW Group opened its first production site for sixth-generation high-voltage batteries at its new plant in Debrecen in Hungary. This will be followed over the next few years by further lines of this type at sites in San Luis Potosí (Mexico), Woodruff near Spartanburg (USA), Shenyang (China) and the new facility in Irlbach-Straßkirchen (Germany), along with the development of corresponding competencies. In this context, the BMW Group is making significant investments to drive continuous transformation. In doing so, it is also taking into account all sustainability-related aspects. ↗ Production Network, ↗ Own Workforce

PERFORMANCE INDICATORS AND PERFORMANCE MANAGEMENT

Contains disclosures pursuant to ESRS 2 SBM-1, SBM-3

The BMW Group's strategic targets are derived from the findings of the ↗ Environmental Analysis in an ongoing strategic process and subsequently translated into a system for measuring performance ↗ Cornerstones of the Strategy. The resulting target system is therefore a key instrument for anchoring strategy throughout the Company. For corporate management purposes, the strategic targets are backed by effective performance indicators.

Long-range corporate planning for the Company as a whole and its segments is geared towards the structure of the BMW Group target system. In this way, the targets set out in the planning are regularly compared with the BMW Group's strategic goals.

Once approved by the Board of Management and the Supervisory Board, the target amounts decided upon within the strategic target system become the basis of planning for the current reporting year and for the target agreements with BMW Group managers and the members of the Board of Management ↗ Remuneration Report. The following summarises the key performance indicators defined in DRS 20, which also form the basis for performance management within the BMW Group.

In accordance with sustainability recording based on ESRS, the absolute values in millions of tonnes of carbon equivalent emissions for Scope 1 and Scope 2 emissions, as well as Scope 3 (purchased goods and services, logistics and use phase), are used as key performance indicators in relation to CO_2e emissions ↗ Path to achieving the CO_2e reduction targets. Carbon emissions from the new EU vehicle fleet will remain a key performance indicator due to statutory requirements. These will, however, no longer be considered the most important performance indicator in light of the new overarching indicator for Scope 3 emissions.

From the 2026 financial year onwards, the key performance indicator of the share of women in management positions will apply to BMW AG. As part of this year's strategy review, the focus of the key performance indicator is on BMW AG.

Group
- Profit before tax (EBT)
- Number of employees at the end of the year
- Share of women in management positions (in %; up to 2025)
- Share of women in management positions at BMW AG (in %; as of 2026)[1]
- Carbon-equivalent emissions for Scope 1 and 2 (in millions of tonnes CO_2e)[2]

Automotive segment
- Profit before financial result as a percentage of revenues (EBIT margin, in %)
- Return on capital employed (RoCE, in %)
- Deliveries (in units)
- Share of all-electric cars in deliveries (in %)
- Carbon-equivalent emissions for Scope 3 (purchased goods and services [excluding customer support], transport logistics, use phase; in millions of tonnes CO_2e)

Motorcycles segment
- Profit before financial result as a percentage of revenues (EBIT margin; in %)
- Return on capital employed (RoCE, in %)
- Deliveries (in units)

Financial Services segment
- Return on equity (RoE) in %

[1] Refers to BMW AG in Germany.
[2] In 2025, excluding locations where the Group does not have operational control, including biogenic emissions. From 2026, including locations where the Group does not have operational control, excluding biogenic emissions.

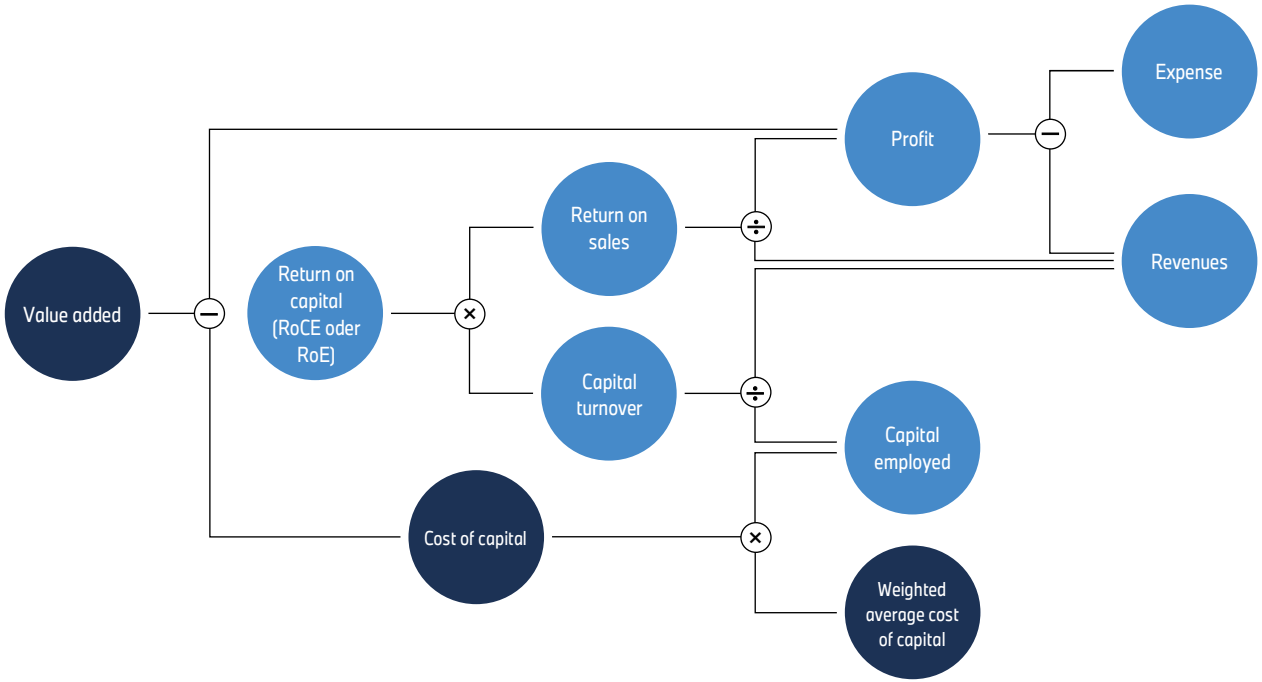
Performance management

The BMW Group's performance management system follows a value-based approach that focuses on profitability, consistent Company growth, value enhancement for capital providers, sustainability, climate change mitigation and job security. Capital is considered to be employed profitably when the amount of profit generated exceeds the cost of equity and debt capital on a sustained basis. This strategy also secures the desired degree of corporate autonomy in the long term.

The BMW Group's performance management system is based on a multilayered structure. Operational performance is managed primarily at segment level. In order to influence long-term corporate performance, additional key performance figures are taken into account within the management system at Group level. In this context, the value added serves as one of several indicators to measure the contribution made to enterprise value during the financial year.

This aspiration to add value is measured at both Group and segment level by means of the key performance indicators. The link between value added and the relevant value drivers is presented in a simplified form below.

BMW Group – Value drivers



Managing sustainability

The BMW Group's long-term corporate strategies are determined by the Board of Management. Responsibility for implementing the Group's sustainability goals also lies with the Board of Management. Significant decisions are therefore evaluated from the point of view of sustainability. This ensures that sustainability issues are systematically integrated into decision-making processes and into remuneration at top management levels. As part of the procedures for managing sustainability on an integrated basis at corporate level, a Group target system has been created that addresses environmental, social and governance issues. The allocation of sub-targets to specific areas and products ensures consistency in the management and responsibility model. For example, carbon-equivalent reduction targets have been set specifically for projects working on the development of new vehicles. The Board of Management creates transparency on the current status of target management on a quarterly basis during the year.

Managing operational performance at segment level

At segment level, operational performance is managed using an aggregated approach based on returns on capital employed Depending on the business model, the segments are measured on the basis of return on capital employed or return on equity.

Return on capital employed (RoCE) is used for the Automotive and Motorcycles segments and return on equity (RoE) for the Financial Services segment. These indicators combine a wide range of relevant economic information, such as profitability (return on sales) and capital efficiency (capital turnover) to measure segment performance and the development of enterprise value.

Automotive segment

The most comprehensive key performance indicator used for the Automotive segment is RoCE, which provides information on the profitability of capital employed and business operations. Value driver analyses are used to interpret the causes of a change in RoCE and derive suitable measures to influence its development.

The capital employed items taken into account reflect the focus of operational segment management. Capital employed is calculated as the sum of intangible assets, property, plant and equipment and net working capital, the latter comprising inventories and trade receivables less trade payables. The amount of capital employed increased in light of the full consolidation of BMW Brilliance in the 2022 BMW Group Financial Statements. The increase arose primarily due to the takeover of property, plant and equipment and intangible assets, as well as the capitalisation of reacquired rights in conjunction with the purchase price allocation. The RoCE will be impacted temporarily by the higher capital base as well as the related amortisation expense expected to be recorded.

The strategic target for RoCE is 18%.

Due to the special significance of RoCE for the BMW Group, the Automotive segment is also managed on the basis of a number of additional key performance indicators that have a significant impact on RoCE and hence on segment performance. These value drivers include deliveries and the operating return on sales (EBIT margin: segment profit before financial result as a percentage of segment revenues) as a key figure for profitability in the segment.

Furthermore, the Automotive segment manages its compliance with fleet carbon emissions requirements in regulated markets. This also includes the share of all-electric cars in deliveries reported since financial year 2023 ↗ Performance Indicators and Performance Management. Given that compliance with regulatory requirements is a significant factor in the BMW Group's success, business decisions relating to vehicle projects also take targets for fleet carbon emissions into account.

$$\text{RoCE Automotive or Motorcycles} = \frac{\text{Profit before Financial result}}{\text{Average capital employed}}$$

Return on capital employed (Automotive segment)

	Profit before financial result in € million		Average capital employed in € million		Return on capital employed in %	
	2025	2024	**2025**	2024	**2025**	2024
Automotive	6,259	7,893	69,710	69,205	9.0	11.4

Motorcycles segment

The Motorcycles segment is largely managed according to the same logic applied to the Automotive segment. The principal key performance indicator is the return on capital employed (RoCE). The strategic RoCE target set for the Motorcycles segment is 18%.

The main value drivers are the deliveries and the operating return on sales (EBIT margin: segment profit before financial result as a percentage of segment revenues) as the key performance indicator for segment profitability.

Financial Services segment

The performance of the Financial Services segment is measured on the basis of the return on equity (RoE), a key performance indicator commonly used in the banking sector. Within the BMW Group, RoE is defined as segment profit/loss before tax, divided by the average amount of equity capital in the Financial Services segment. The target is a return on equity of at least 14%.

$$\text{RoE Financial Services} = \frac{\text{Profit before tax}}{\text{Average equity capital}}$$

Return on capital employed (Motorcycles segment)

	Profit before financial result in € million		Average capital employed in € million		Return on capital employed in %	
	2025	2024	**2025**	2024	**2025**	2024
Motorcycles	178	198	1,386	1,281	12.8	15.5

Return on equity (Financial Services segment)

	Profit before tax in € million		Average equity capital in € million		Return on equity in %	
	2025	2024	**2025**	2024	**2025**	2024
Financial Services	2,401	2,538	16,744	16,775	14.3	15.1

Strategic management at Group level

Group profit/loss before tax provides a comprehensive measure of the Group's overall corporate performance after elimination effects and enables a transparent comparison over time. Other key performance indicators at Group level are the size of the workforce at the year-end as well as the share of women in management positions. By 2030, the BMW AG aims for a share of women in management positions within a target corridor of 20-25%. ↗ Cornerstones of the Strategy

The information provided by these key performance indicators at Group level is complemented by the two financial performance indicators of pre-tax return on sales and value added. Value added, as a highly aggregated performance indicator, also provides an insight into capital efficiency and the (opportunity) cost of capital required to generate Group profit. A positive value added means that a return on investment above the cost of capital has been achieved.

Capital employed comprises the amount of Group equity and pension provisions as well as the financial liabilities of the Automotive and Motorcycles segments employed on average at the end of each of the last five quarters.

The earnings amount corresponds to Group profit/loss before tax, adjusted for interest expense incurred in conjunction with the pension provisions and on the financial liabilities of the Automotive and Motorcycles segments (profit/loss before interest expense and tax). The cost of capital is the minimum rate of return expected by capital providers in return for the capital employed. Since capital employed comprises an equity capital (e.g. share capital) and a debt capital element (e.g. bonds), the overall cost of capital is determined on the basis of the weighted average rates for equity and debt capital, measured using standard market procedures. The pre-tax weighted average cost of capital (WACC) for the BMW Group in 2025 was 12%, unchanged from the previous year.

Value added Group

	Earnings amount		Cost of capital (equity + debt capital)		Value added Group	
in € million	**2025**	2024	**2025**	2024	**2025**	2024
BMW Group	10,433	11,178	12,099	11,973	– 1,666	– 795

Value added Group = **Earnings amount – Cost of capital**

= **Earnings amount – (cost of capital rate x capital employed)**

In order to determine the internal rate of return, risk-adjusted cost of capital rates are based on the average of actual rates in recent years. In light of the long-term nature of product and investment decisions, the following internal rates of return are used in conjunction with segment management:

in %	**2025**	2024
Automotive	12.0	12.0
Motorcycles	12.0	12.0
Financial Services	13.4	13.4

Value-based management for project decisions

Operational business in the Automotive and Motorcycles segments is largely shaped by the life-cycle-dependent character of investment projects that have a substantial influence on future performance. Project-related decisions are therefore a crucial element of financial management in the BMW Group. Project decisions are based on calculations derived from the expected cash flows of each individual project. Calculations are made for the complete term of a project, incorporating future years in which the project is expected to generate cash flows.

Project decisions are taken on the basis of net present value and the internal rate of return calculated for the project. The net present value indicates the extent to which the project will be able to generate future net cash inflows over and above the cost of capital. A project with a positive net present value enhances future value added and therefore results in an increase in enterprise value. The project's internal rate of return measures the average return on the capital employed in the project. For all project decisions, the project criteria and long-term impact on periodic results are measured and incorporated in the long-term Group plan. This approach enables an analysis of the impact of project decisions on periodic earnings and rates of return for each year during the term of the project.

Board of Management remuneration

Performance criteria for the variable remuneration paid to members of the Board of Management are based on the key strategic targets and performance indicators. More information can be found in the ↗ Remuneration Report.

INNOVATIONS AND PRODUCT TECHNOLOGIES

Thanks to its remarkable capacity for innovation, the BMW Group makes great strides in technological development while focusing on the needs of its customers. The Group's innovative designs are helping to shape the future of individual mobility.

In the reporting year 2025, the NEUE KLASSE made its debut with the world premiere of the BMW iX3[1]. The all-new model generation represents a huge leap in technology, driving experience and design, and underscores the Company's high innovative prowess. In the future, the entire product range, irrespective of drivetrain technology, will benefit from the innovations introduced by the NEUE KLASSE. The second NEUE KLASSE model, the BMW i3, will be launched in 2026. By 2027, 40 new and revised models featuring NEUE KLASSE technologies and the new design language will be rolled out worldwide.

BMW Panoramic iDrive: a comprehensive infotainment technology package for the NEUE KLASSE

The new BMW iX3[1] gives customers the opportunity to enjoy their first experience with BMW Panoramic iDrive – a central element and key component of the NEUE KLASSE. The new display and user interface exemplifies the systematic implementation of the BMW strategy of combining technology, design and user experience in a holistic, software-defined vehicle platform. With BMW Panoramic iDrive and Operating System X, the BMW Group offers an infotainment technology package that is to be integrated in all future NEUE KLASSE models.

BMW Panoramic iDrive combines the latest display and interaction solutions with all-new electronics and software architecture. The software underpinning the innovative BMW Panoramic iDrive is BMW Operating System X, an in-house BMW development based on the Android Open Source Project (AOSP). It lays the groundwork for a high degree of personalisation, regular over-the-air updates and seamless integration of the My BMW app. The upshot is that the vehicle becomes part of the customer's digital ecosystem.

One of the highlights is the new BMW Panoramic Vision display, which projects useful information across the full width of the windscreen. This feature, combined with the optional 3D head-up display and a 17.9-inch free-cut-design central display, creates a clearly structured and intuitive information and control system.

The further developed BMW Intelligent Personal Assistant will use Large Language Model (LLM) technology for the first time, thus allowing for natural and context-sensitive voice interaction. The system, which is learning all the time, reacts proactively to situations on the road and helps users to configure personalised routines. This turns the vehicle into an intelligent and adaptive assistant for everyday driving.

Focus on China: BMW Panoramic iDrive with Operating System X

BMW Operating System X for the Chinese market offers an array of exclusive digital features, including the AI-based BMW Intelligent Personal Assistant for China. The Large Language Model (LLM) integrated into the BMW Intelligent Personal Assistant is the result of a collaboration with Chinese technology company Alibaba. As the 2025 reporting year progresses, "AI Reasoning by Deepseek" will gradually be rolled out as an additional feature for the BMW Intelligent Personal Assistant, establishing seamless interconnectivity between the vehicle and the outside world.

Digital technologies driving innovation, efficiency and the customer experience

Digitalisation enables vehicle software to be kept up to date for the entire service life of the vehicle and allows further features to be added subsequently. Thanks to Remote Software Upgrade, software updates can be installed without visiting the workshop.[2] This means customers regularly receive new features in the areas of infotainment, driver assistance, comfort and safety.

Furthermore, BMW ConnectedDrive upgrades enable customers to buy additional digital services after the initial vehicle purchase. These are flexible and customisable and can be activated at any time. Together with the high connectivity of current BMW models, which includes 5G technology and cloud-based services, the vehicle is becoming an integral part of its user's digital life.

[1] ↗ Consumption and Carbon Disclosures.
[2] The availability and content of Remote Software Upgrades depend on the country, model, equipment and software version installed.

The new generation of vehicles gradually being rolled out in global markets, starting with the new BMW iX3*, has been systematically designed and developed as a digitally controlled product. In addition to a new on-board electrical system with a zonal architecture, AI technologies are increasingly being integrated into the vehicles for use in the infotainment systems. These innovative technologies are turning the automobile into a software-defined vehicle.

Next-generation automated driving

In 2025, the Company became the first automotive manufacturer in Germany to receive international UNECE approval for innovative driver assistance systems in accordance with UN Regulation No. 171 for Driver Control Assistance Systems (DCAS).

The BMW iX3* is the first model to feature the latest generation of the Highway and City Assistant. With this system, the BMW Group is upgrading the capabilities of the Highway Assistant, enabling it to operate at up to 130 km/h on selected highways and adding extra features for driving in urban areas. At market launch in Germany, the system helps drivers to stop at red lights and to move away again automatically when they turn green. Additional functions for the complex situations often encountered in driving in urban areas are gradually being rolled out via Remote Software Upgrade. With features such as these, the BMW Group is combining continuous innovation with the highest safety standards.

BMW Symbiotic Drive establishes a seamless transition between driver assistance systems and driver control, and is reaching the next stage of development in NEUE KLASSE vehicles. In addition to symbiotic steering, the BMW iX3* is the first model to feature symbiotic braking. When the driver assistance features are switched on, the driver can influence the system to suit their preferences at any time by making slight adjustments to the steering and brakes, without switching off the driver assistance features. The system remains actively supportive. The more than two dozen patent applications filed by the BMW Group as a result of the development of these technologies underscore the innovative nature of the symbiotic braking system. With advances like these, the BMW Group is living up to its claim to continually redefine the driving experience in an intelligent, safe and forward-thinking manner.

New drivetrain for the NEUE KLASSE

The sixth generation of BMW e-drive technology includes a new drivetrain with an all-new high-voltage battery design. It is one of the most remarkable innovations of the NEUE KLASSE.

In addition to advanced, highly efficient electric motors, it incorporates completely new high-voltage batteries with cylindrical cells. The batteries increase range by 30% compared with the fifth generation, with an even greater improvement in some models. In the case of the new BMW iX3*, this means a range of up to 805 km (based on the Worldwide Harmonised Light Vehicles Test Procedure, WLTP). The charging speed is 30% faster and the cylindrical cells offer a 20% increase in volumetric energy density compared with the prismatic cells used in the fifth generation.

Development in China for China: cooperation with Momenta

In cooperation with Momenta, a leading provider of ADAS technology in China, the BMW Group is developing driver assistance solutions specifically for the BMW product range offered in China, starting with the NEUE KLASSE.

This collaboration is based on the BMW philosophy of "smart, symbiotic and safe", combining intelligent interaction, control and driver assistance systems to ensure maximum benefit and safety for the driver in every situation.

The BMW Group and Momenta are working together on developing a Level 2+ driver assistance system that covers all scenarios – from leaving a car park to navigating around urban areas and from the highway back to the car park.

The partnership focuses on software development and integration specifically tailored to Chinese road networks, traffic conditions and user expectations, and involves making use of advanced AI algorithms and data-driven development methods.

* ↗ Consumption and Carbon Disclosures.

The role of charging as a key enabler for electromobility
In addition to the evolution in charging capacity in the NEUE KLASSE, the BMW Group is focusing on all other aspects relating to the customer charging experience. A well-developed, customer-friendly charging infrastructure will pave the way for the rapid and widespread use of electromobility. It is for this reason that the BMW Group remains committed to achieving standardised framework conditions and is developing and supporting offers that enable comprehensive and customer-friendly charging. Customers will be offered solutions for charging at home. The BMW Group also supports the expansion of public charging infrastructure through its cooperations. The BMW Group has put its own large charging network in place for its employees at its locations in Germany.

Integrating electrified vehicles in the energy system
The BMW Group conducts its own research and development with the aim of integrating electrified vehicles into the power grid. This research focuses on smart charging technologies such as those optimised for load, solar power or price, as well as bidirectional charging. ↗ BMW ChargeForward enables customers in the USA to synchronise their charging behaviour with the current grid load and the use of renewable energy. The technology has been available to all drivers of electrified vehicles in the USA since late 2023.

In this context, the joint venture ChargeScape LLC was founded in the USA together with our partners Ford, Honda and Nissan in 2024. ChargeScape provides an open software platform for OEMs and energy providers that offers US customers smart home charging of their electric vehicles. This is intended to optimise the use of renewable energies and help to stabilise the grid.

Thanks to the ChargeForward service and the integration with ChargeScape, BMW customers in the USA have access to smart charging programmes from a current roster of seven energy suppliers. This also opens up access to smart charging rewards, which offers users incentives for smart, grid-friendly charging.

Customers in Europe have the option of working with a range of energy suppliers to optimise their charging activities. With its Remote Charging Control service, the BMW Group enables affiliated electricity suppliers to offer smart charging features such as price-optimised charging.

Access to public charging networks
With BMW and MINI Charging, the BMW Group offers its customers attractive EV charging tariffs and convenient charging solutions whether they are on the road, at home or at work. Customers can use a large number of public charging points via their BMW or MINI charging card and the My BMW or MINI app. Digital Charging Solutions GmbH (DCS) provides broad access to various charging networks throughout Europe. DCS is one of Europe's leading providers of digital charging solutions and a joint venture between the BMW Group, Mercedes-Benz and bp.

BMW and MINI customers have access to 3.4 million charging points[1] worldwide through the navigation system or the relevant vehicle app. In Europe alone, easy access to a network with over 1 million charging points is provided through the public BMW/MINI Charging service.

In Europe, these also include fast-charging stations run by IONITY, a company set up by the BMW Group, with a charging capacity of between 350 and 400 kilowatts (kW). IONITY currently operates 840 stations with more than 5,900 charging points in a total of 24 countries, which are publicly accessible, brand-independent and designed in accordance with the European Combined Charging System (CCS) charging standard. They are also powered by 100% electricity from renewable sources[2]. In addition to the BMW Group, Mercedes-Benz, Ford, Porsche, Volkswagen, Audi, Hyundai, Kia and BlackRock are all involved in the long-established IONITY joint venture. IONITY offers an efficient, high-power charging network for electric vehicles right across Europe.

The BMW Group has also expanded its cooperation arrangements aimed at extending charging infrastructure in the USA and China in recent years.

In late 2023, the BMW Group set up IONNA together with General Motors, Honda, Hyundai, Kia, Mercedes-Benz and Stellantis. The partners are working together with the aim of establishing a public charging network in the USA and Canada. Toyota joined IONNA as an additional partner in July 2024. The first charging stations went into operation in late 2024. At the end of the reporting year, 80 charging stations accommodating more than 760 charging points were operational in the USA. In addition, an adapter allowing all-electric vehicles from BMW Group brands to be charged with charging infrastructure using the NACS connectors that are widespread in the USA was introduced in 2025.

In March 2024, BMW Brilliance Automotive Ltd. (BBA) and Mercedes-Benz China founded Beijing IONCHI New Energy Technology Ltd. with a view to developing the charging infrastructure in the Chinese market. By the end of 2025, the network had already grown to more than 460 charging stations with over 2,500 charging points. The goal is further expansion, with a particular focus on high-performance charging. Additional charging stations are being set up, with particular attention being paid to regions with high concentrations of electrified vehicles.

The networks are available to drivers of all brands but offer extras such as additional charging speed and a booking service to customers driving vehicles from the partner brands involved.

The BMW Group also promotes the use of renewable energy. For each charging process conducted via BMW and MINI Charging in Europe, the equivalent amount of energy consumed is fed into the power grid as electricity from renewable sources[2], which is certified via Energy Attribute Certificates (EACs).

[1] Total number of charging points displayed on BMW front ends (vehicle and app). The network can be accessed by registered customers wherever a local partner is available.
[2] See ↗ Glossary for definition of electricity from renewable sources.

Bidirectional charging: making the BMW iX3* a flexible energy storage device at home and a mobile power bank on the road

In addition to faster public charging, the bidirectional charging functionality is another major innovation in the BMW iX3*. The energy stored in the high-voltage battery can be used not only for the drivetrain but also outside the vehicle.

- **Vehicle-to-Home (V2H):** With the new bidirectional BMW Wallbox Professional, the BMW iX3* can, when combined with a domestic photovoltaic (PV) installation, be used as a system to store home-generated solar power. Thanks to the smart connection between the Wallbox and the house, electricity can flow in both directions, either to charge the vehicle's high-voltage battery or to supply domestic electrical appliances. This gives customers a way to cut both their charging costs and their domestic electricity bills.
- **Vehicle-to-Grid (V2G):** The BMW Group and E.ON are continuing their long-standing strategic partnership. As of February 2026, private customers will be able to order the complete product package, comprising the BMW Wallbox Professional, E.ON's V2G electricity tariff and the necessary smart meter system. This offer will allow BMW NEUE KLASSE electric vehicles to be integrated into the public electricity grid, starting with the BMW iX3*. Customers will see financial benefits for every hour that their vehicles are plugged in, and they will be contributing to the future of energy at the same time.
- **Vehicle-to-Load (V2L):** The Vehicle-to-Load function turns the new BMW iX3* into a mobile power bank supplying electricity directly from the electric vehicle's high-voltage battery. It is capable of supplying multiple electrical devices simultaneously. Combining the newly developed Multifunction Charger (MFC) with the Vehicle-to-Load (V2L) discharge adapter opens up a variety of options for flexible use.

From pilot fleet to series production: the new BMW iX5 Hydrogen

The BMW Group is launching a vehicle with five different drivetrain technologies for the first time. The new BMW X5, which the Company will be presenting in 2026, will enable customers to choose between a battery-powered drivetrain, plug-in hybrid, petrol, diesel and, from 2028 onwards, hydrogen fuel cell technology.

Following successful international trials with the pilot fleet, the plan is for the BMW iX5 Hydrogen to launch in 2028, making it the first hydrogen-powered series production model.

The drivetrain technology is based on the third generation of the fuel cell system developed by the BMW Group in collaboration with the Toyota Motor Corporation. This technological development allows for a more compact design and a more powerful and efficient system, and it increases range and power output while also cutting energy consumption. The first prototypes are already being built at the BMW Group's Competence Centres in Munich and at its Steyr plant. The BMW Group plant in Landshut is also supplying additional components for the drivetrain system.

In November 2025, the BMW Group received a grant for research and development on its fuel cell technology from the German Federal Ministry of Transport (BMV) and the Bavarian State Ministry of Economic Affairs, Regional Development and Energy (StMWi) as part of the European IPCEI (Important Projects of Common European Interest) initiative. This funding will help to cover the considerable development costs.

Next steps in the development of all-solid-state batteries

Since 2022, the BMW Group and Solid Power, Inc. have been jointly investing in the development of all-solid-state batteries (ASSBs) as part of their technology transfer agreement. The latest milestone was the integration of large pure ASSB cells manufactured by Solid Power in a BMW i7 test vehicle. Samsung SDI joined the project in October 2025 and will be carrying out development and validation of the ASSB technology in the automotive sector. The new collaboration marks a crucial step towards ASSB technology and pools the complementary technical strengths of three industry leaders.

As part of the agreement, Solid Power will supply sulphide-based solid electrolytes to Samsung SDI. Samsung SDI will integrate these as separators and catholytes and use them for cell production. These cells will then be assessed using performance parameters to determine whether they meet the requirements agreed between Samsung SDI and the BMW Group. Finally, the partners will work towards developing and manufacturing ASSB cells that can be integrated into a future generation of evaluation vehicles.

HVO100: a solution for fleet customers

In addition to the electrification of the vehicle fleet, fuels based on renewable raw materials, known as carbon-neutral fuels (CNFs), offer potential for CO_2e reduction. It is also possible to improve the carbon footprints of existing vehicles in Europe by increasing the renewable content of the fuel they use. The BMW Group is trialling a new technical solution with the goal of verifying that the diesel BMW models in a fleet can be run exclusively on HVO100. HVO stands for "hydrotreated vegetable oil", while the suffix "100" indicates that it is used as a 100% undiluted fuel. Data on the refuelling process from the vehicle are compared against data from the fleet operator's payment system. The aim is to provide a complete record of the fuel used to fill up the vehicle. This represents a major step towards a CNF-only fleet for fleet customers.

The first contracts with operators of large diesel BMW fleets in Germany and Italy are due to be signed soon. These test fleets, alongside the internal fleet already launched by the BMW Group, will deliver important data and findings that will help to refine the technology further.

* ↗ Consumption and Carbon Disclosures.

All diesel models produced in Germany since the first quarter of 2025 have been fuelled with HVO100 before being delivered to sales partners. This underscores the BMW Group's commitment to making practical decarbonisation a reality today.

In addition, Neste MY Renewable Diesel™ HVO100 is being used at BMW Group plants in Munich, Dingolfing, Regensburg and Leipzig. According to Finnish company Neste, which makes the fuel, it is capable of cutting well-to-wheel CO_2e emissions by as much as 90% compared with fossil-based diesel.

Lower CO_2e fuels for petrol vehicles as well

The BMW Group, Lother GmbH and German eFuel One GmbH are working in partnership with the aim of promoting the use of petrol with lower CO_2e emissions. The partners are confident that advanced biofuels and RFNBOs (renewable fuels of non-biological origin) such as e-fuels can be part of a more climate-friendly future for mobility.

This highlights the BMW Group's comprehensive approach of believing that all technologies, from electromobility to diesel and petrol engines using renewable fuels, can play a part in climate change mitigation.

The BMW Group is planning to use e-fuels as first-fill fuels for new vehicles with petrol engines at selected production sites in Germany as of 2028. All BMW Group vehicles with petrol engines and approval for E10 can run on this type of fuel.

German eFuel One GmbH is planning to build Germany's first commercial production facility for e-fuels. In this case, imported e-methanol is to be used to produce high-quality MtG (methanol-to-gasoline), a renewable alternative to fossil fuels.

This type of e-fuel is a synthetic petrol based on the DIN EN 228 standard for E10 petrol, made entirely from non-fossil-based CO_2. It offers an alternative to conventional fossil-based petrol and is compatible with existing vehicles – with no need for any technical modifications.

Global tech expertise at the international network of BMW Group Technology Offices

From Silicon Valley to Shanghai, from Seoul to Tel Aviv – the BMW Group's Tech Offices are key hubs in the Company's international innovation network. Their mission is to identify groundbreaking technologies in their regions and apply them to create sustainable solutions for transport, digitalisation and the environment.

The teams at the Tech Offices work across multiple disciplines and focus on technology scouting, open innovation and research, as well as the development of proof-of-concept projects. Together with start-ups, universities, industry partners and tech giants, they help to create pioneering innovations that can be fed directly into the BMW Group's global research and development operations.

Each Tech Office focuses on a specific field – from artificial intelligence and software-defined vehicles to electromobility and smart city ecosystems. Maintaining a presence in the world's leading centres of innovation ensures that the BMW Group remains agile, forward-looking and innovative. With their global perspective and specialist expertise within their respective regions, the Tech Offices are making a crucial contribution to technological excellence and the Company's pursuit of innovation leadership. Global dialogue with start-ups is an important source of inspiration for the BMW Group. ↗ BMW i Ventures invests in technology start-ups. The ↗ BMW Startup Garage serves as the BMW Group's venture client unit and is tasked with finding innovations that represent a significant benefit for products, services, systems and processes. The purpose of the programme is to evaluate start-ups and to enable them to become suppliers and partners.

The trend research conducted by the Technology Offices enables the BMW Group to anticipate the technological developments of tomorrow. The results are made publicly available in the ↗ Trend Radar, where scientific institutions, start-ups and potential partners can make use of them.

The BMW Group Tech Office in Silicon Valley is located in one of the world's foremost centres of innovation. Working closely with top tech companies, start-ups, venture capitalists and universities gives the Company early access to the latest trends, groundbreaking technologies and digital business models.

The team is mostly concerned with artificial intelligence, software development and what the user experience will look like in the future. At the same time, it maintains partnerships and conducts pilot projects to evaluate new technologies in close collaboration with the BMW Group's research and development operations. By precisely analysing trends and thereby identifying opportunities at an early stage, the Silicon Valley Tech Office creates strategic added value for the BMW Group. With an open-minded approach, vision and creativity, it is shaping the technologies and experiences that will define the products, services and customer journey of the future at the BMW Group.

Software expertise at the BMW Group

The BMW Group began developing its own software more than 20 years ago, and it has been systematically expanding its global network ever since. A diverse engineer ecosystem is now operating at the Group's international technology sites and was recently joined by the new BMW TechWorks IT and software hubs in Romania and India. ↗ Locations

The teams are working on global IT projects covering the entire value chain and are also developing the software-defined vehicle (SDV) – the next generation of connected vehicles.

Artificial intelligence
AI is a key technology that can make a substantial contribution to efforts to improve efficiency, quality and customer satisfaction and will play a major role in advancing the digital transformation of the BMW Group.

A self-service platform enables employees to develop AI-based solutions rapidly. AI agents and agentic workflows that can handle complex tasks largely by themselves are being used with increasing regularity.

AI is becoming a major feature in vehicles, with smart voice assistants, personalised recommendations and driver assistance features delivering a steady stream of improvements to interactions between customer and vehicle.

AI applications along the value chain include the following examples:
- Development: image-generating AI for design processes
- Coding support for IT and vehicle development
- Communication with customers: in-vehicle voice applications, AI-assisted customer chat (BMW/MINI Assistant)
- Marketing, Sales and Financial Services: AI-generated marketing copy and images, AI-assisted sales and customer support processes
- Service and support: AI knowledge management
- Purchasing: AI-assisted bid comparison, knowledge management, support for internal purchasing processes
- Production: AI quality platform to analyse sensor and image data in real time, pilot project involving humanoid robots

Worldwide cooperations and partnerships
To ensure its long-term success, the BMW Group enters into targeted cooperations and partnerships with companies from various industries. Several of the Group's largest collaborations and investments are listed below.

Since 2022, the BMW Group and Qualcomm Technologies have been working together to develop solutions for automated driving. They are focusing on active safety technologies based on the New Car Assessment Programme (NCAP), extending to advanced Level 2 driver assistance systems associated with highly automated driving. The joint development will celebrate its market launch in 2026 with the BMW iX3* and will subsequently be rolled out across the entire BMW model range. Within the terms of the cooperation, some 1,300 specialists are working together at various locations worldwide, including sites in Germany, the USA, Sweden, China, Romania and the BMW Test Centre in Sokolov in the Czech Republic.

Continuing their long-term supplier relationship, the BMW Group has collaborated with Valeo Comfort and Driving Assistance SAS since early 2023 on the joint development of highly automated parking functions.

Since the launch of the first BMW voice assistant (BMW Intelligent Personal Assistant) in 2018, voice interaction has become an increasingly important part of the BMW iDrive display and operating concept. The next generation of the voice assistant is based on Alexa Custom Assistant technology. This new technology has been included in vehicles ex-factory since 2024 and is available for previously manufactured automobiles via Remote Software Upgrade, facilitating a more natural dialogue between drivers and vehicles.

The HERE mapping service was acquired by BMW, Audi and Mercedes-Benz in 2015. Bosch, Aumovio, Intel, Mitsubishi (MC), NTT (Nippon Telegraph and Telephone Corporation of Japan) and Pioneer are also current shareholders. The participation in HERE ensures access to scalable, high-resolution maps for existing and new vehicles as well as geodata services and navigation software.

* ↗ Consumption and Carbon Disclosures.

PRODUCTION NETWORK

Contains disclosures pursuant to ESRS 2 SBM-1

The BMW Group has a highly flexible production network. This means that the BMW Group is capable of manufacturing vehicles with both all-electric and plug-in hybrid drivetrains as well as conventional combustion engines on a single line; this enables the Company to tailor the product range to suit a wide variety of customer wishes and needs.

The production system is based on the strategic vision of the BMW iFACTORY, with a keen focus on electrification, profitability, sustainability and digitalisation. People will continue to form the basis in the future of production. The BMW iFACTORY utilises innovative technologies that facilitate flexible, efficient production with the aim of minimising the use of resources, and, with that in mind, applies digital solutions in the fields of data science, AI, virtual planning and development.

Component production for electrified vehicles

The Competence Centre at the BMW Group's Dingolfing plant plays a central role in the manufacture of fifth-generation electrified drivetrains because battery modules, high-voltage batteries and electric motors are all produced at the site. The Company produces fifth-generation high-voltage batteries at four other sites worldwide.

At the same time, the network is being prepared to produce next-generation electrified drivetrains. The sixth-generation electric motors come from the engine manufacturing plant in Steyr, Austria, where they are produced alongside diesel and petrol engines.

In line with the "local for local" principle, the BMW Group's high-voltage battery assembly facilities worldwide are set up in or close to the Group's vehicle plants ↗ Expanding resilient supply chains. The Debrecen site in Hungary already began series production of high-voltage batteries in 2025. Additional pro-duction facilities for sixth-generation high-voltage batteries are being established in Irlbach-Straßkirchen (Germany), Woodruff near Spartanburg (USA), San Luis Potosí (Mexico) and Shenyang (China).

The Cell Manufacturing Competence Centre (CMCC) in Parsdorf near Munich plays a key role for the BMW Group. In a pilot, it is enabling the BMW Group to accurately replicate the value-added processes involved in manufacturing battery cells. In addition, manufacturing technologies for high-voltage battery assembly are being developed in Parsdorf and Hallbergmoos, while prototypes and small modular versions of the high-voltage battery are being manufactured and tested at the Research and Innovation Centre (FIZ) in Munich. The BMW Group uses the knowledge gained to work in close collaboration with its series production partners for battery cells at a later stage. The strategy enables the BMW Group to set new standards regarding the quality, performance, cost and ecological sustainability of battery cells.

Electromobility in the production network

Electromobility has been growing in importance for the BMW Group for many years. The NEUE KLASSE features a vehicle architecture designed specifically for all-electric drivetrains. It is initially being built at the Debrecen plant in Hungary in the form of the BMW iX3*. Furthermore, production of the BMW i3 will begin at the Munich plant in 2026. The aim is to gradually transfer the new vehicle architecture to the global production network over the next years. The BMW Group plans to produce all-electric vehicles at its plant in Spartanburg (USA), and at least six all-electric X models are scheduled to be manufactured there by 2030. The Group currently produces automobiles and motorcycles with electrified drivetrains at 16 ↗ Locations worldwide and at two partner plants.

* ↗ Consumption and Carbon Disclosures.

BMW Group vehicle plants

Location	Country	Production programme 2025 (series)	Drivetrain portfolio
Araquari	Brazil	BMW 3 Series, BMW X1[1], BMW X4, BMW X5[1]	ICE, PHEV
Berlin	Germany	BMW motorcycles	ICE, BEV
Chennai	India	BMW 2 Series, BMW 3 Series, BMW 5 Series, BMW 7 Series, BMW X1[1], BMW iX1[1], BMW X3[1], BMW X5[1], BMW X7[1]	ICE, BEV
Debrecen	Hungary	BMW iX1[1]	BEV
Dingolfing	Germany	BMW 4 Series, BMW 5 Series, BMW i5[1], BMW 7 Series, BMW i7[1], BMW 8 Series, BMW M, BMW iX[1]	ICE, BEV, PHEV
Goodwood (Rolls-Royce Manufacturing)	UK	Rolls-Royce Cullinan[1], Ghost[1], Phantom[1], Spectre[1]	ICE, BEV
Leipzig	Germany	BMW 1 Series, BMW 2 Series, MINI Countryman[1]	ICE, BEV, PHEV
Manaus	Brazil	BMW motorcycles	ICE
Munich	Germany	BMW 3 Series, BMW 4 Series, BMW i4[1], BMW M	ICE, BEV, PHEV
Oxford	UK	MINI Cooper[1], MINI Cooper Convertible[1]	ICE
Rayong	Thailand	BMW 2 Series, BMW 3 Series, BMW 5 Series, BMW i5[1], BMW X1[1], BMW X3[1], BMW X5[1], BMW X6[1], BMW X7[1], MINI Countryman[1] BMW Motorräder	ICE, BEV, PHEV
Regensburg	Germany	BMW X1[1], BMW iX1[1], BMW X2[1], BMW iX2[1]	ICE, BEV, PHEV
Rosslyn	South Africa	BMW X3[1]	ICE, PHEV
San Luis Potosí	Mexico	BMW 2 Series, BMW 3 Series, BMW M	ICE, PHEV
Shenyang (Dadong)	China	BMW 5 Series, BMW i5[1], BMW iX3[1], BMW X5[1]	ICE, BEV
Shenyang (Tiexi)	China	BMW 2 Series, BMW 3 Series, BMW i3, BMW X1[1], BMW iX1[1], BMW X3[1]	ICE, BEV
Spartanburg	USA	BMW X3[1], BMW X4, BMW X5[1], BMW X6[1], BMW X7[1], BMW XM[1], BMW M	ICE, PHEV

Jointly controlled vehicle plants

Location	Country	Production programme 2025 (series)	Drivetrain portfolio
Zhangjiagang (Spotlight)	China	MINI Cooper[1], MINI Aceman[1]	BEV

Production sites in the Group's markets

The BMW Group plants in Europe, South Africa, the USA and Mexico manufacture for the global market. The all-electric MINI Cooper[1] and MINI Aceman[1] models are built at the jointly operated Spotlight plant in China, where both models are also produced for the global market. The BMW Brilliance plants in China mainly manufacture for the local market. The BMW Group plants in Araquari (Brazil), Rayong (Thailand) and Chennai (India) primarily serve their respective regional markets and produce BMW and MINI brand models. The same applies to the BMW Group's automotive partner plants in Jakarta (Indonesia), Cairo (Egypt), Kulim (Malaysia) and Chu Lai (Vietnam). The BMW Group also awards contracts for the series production of automobiles and motorcycles to external partners (contract manufacturers). In the reporting year, Magna Steyr Fahrzeugtechnik[2] produced the BMW Z4[2] in Graz (Austria).

The BMW Group manufactures BMW motorcycles, scooters and components at its Berlin plant as well as at two international locations in Manaus (Brazil) and Rayong (Thailand). BMW motorcycles and scooters are also produced by the partner companies TVS Motor Company in Hosur (India) and Loncin Motor Co., Ltd. in Chongqing (China).

The BMW Group's production network also includes engine plants in Hams Hall (UK), Steyr (Austria) and Shenyang (China), as well as component plants at sites in Eisenach, Landshut and Wackersdorf (all in Germany) and Swindon (UK). The production network currently comprises a total of 32 plants in 15 countries.

[1] ↗ Consumption and Carbon Disclosures.
[2] Contract manufacturing.
[3] This is not the model of the NEUE KLASSE.

BMW Group global production volume

The BMW Group manufactured a total of 2,456,561 BMW, MINI and Rolls-Royce brand vehicles in the reporting year (2024: 2,513,830 units; –2.3%). BMW brand models accounted for 2,171,700 units (2024: 2,229,009 units; –2.6%), MINI for 279,476 units (2024: 278,897 units; 0.2%) and Rolls-Royce Motor Cars for 5,385 units (2024: 5,924 units; –9.1%).

Production of electrified vehicles reached a total of 597,309 units (2024: 650,324 units; –8.2%) in the reporting year 2025. Of these, 391,693 were all-electric (2024: 481,794 units; –18.7%). The number of motorcycles produced by BMW Motorrad fell by –7.4% to 199,736 units over the 12-month period (2024: 215,727 units).

BMW Group automobile production by plant*

in units	2025	2024	Change in %
Spartanburg (USA)	412,799	396,117	4.2
Dadong (China)	205,783	343,973	– 40.2
Regensburg (Germany)	356,901	342,521	4.2
Dingolfing (Germany)	279,553	297,761	– 6.1
Tiexi (China)	330,691	284,045	16.4
Leipzig (Germany)	259,430	246,195	5.4
Munich (Germany)	177,481	200,590	– 11.5
Oxford (UK)	124,283	110,939	12.0
San Luis Potosí (Mexico)	95,525	95,236	0.3
Rosslyn (South Africa)	79,160	55,516	42.6
Chennai (India)	16,380	14,568	12.4
Araquari (Brazil)	11,304	11,472	– 1.5
Rayong (Thailand)	8,304	8,666	– 4.2
Goodwood (UK)	5,385	5,924	– 9.1
Debrecen (Hungary)	4,221	92	–
Zhangjiagang – Spotlight (China)	67,831	67,561	0.4
Born – VDL Nedcar (The Netherlands)	–	7,515	– 100.0
Graz – Magna Steyr (Austria)	9,314	10,463	– 11.0
Partner plants	12,216	14,676	– 16.8
Total	**2,456,561**	**2,513,830**	**– 2.3**

* Also includes pre-series models.

PURCHASING AND SUPPLIER NETWORK

Contains disclosures pursuant to ESRS 2 SBM-1 and SBM-3, ESRS S2-1

Supply chains and supplier network

The BMW Group's Purchasing and Supplier Network division is responsible for the global procurement and quality assurance of production materials, raw materials, components, capital goods and services as well as the in-house production of vehicle components.

- The division's strategic areas of focus are as follows:
- Ensuring security of supply to the production plants
- Expanding resilient supply chains within a challenging geopolitical environment
- Procuring high-quality components at competitive prices
- Identifying and implementing innovative products and services at an early stage
- Ongoing digitalisation of all processes within the supplier network using the latest AI technology
- Integrating social and environmental standards within the supplier network
- Using in-house component production to improve efficiency and competitiveness and to empower the supplier net-work
- Continuing to improve, and adapting flexibly to a dynamic environment and changing conditions

Expanding resilient supply chains

Global supply chains are exposed to a variety of challenges. In addition to shortages in critical raw materials and access to certain technologies, complex regulatory factors such as trade restrictions, heightened security requirements, digitalisation and sustainability, as well as environmental and extreme weather events, are becoming noticeably more of an issue.

The BMW Group RiskHub[1] plays a key role in making our global supply chains more resilient to external factors. Artificial intelligence (AI) can be used to identify risks early on and take appropriate countermeasures. Moreover, the BMW Group views the development of the Catena-X digital ecosystem as one of the keys to standardised data exchange across the entire value chain and is in the process of gradually integrating its partners within the supply chain.

The BMW Group follows the approach of procuring vehicle components close to its production sites, where suitable. Local purchasing units in all key markets enable the Group to respond flexibly to regional risks and opportunities. Geostrategic factors are systematically taken into account in forecasts and when making decisions regarding the awarding of contracts.

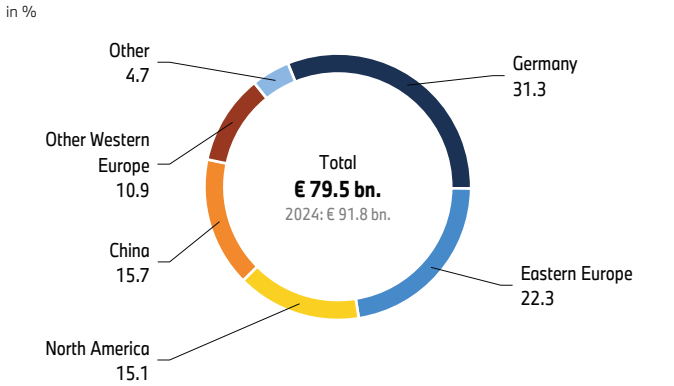
Security of supply

Maintaining supplies and deliveries to BMW Group plants is a key element of the purchasing strategy. Risks throughout supply chains are proactively identified and mitigated by means of robust measures.

Despite challenging geopolitical conditions in 2025, the BMW Group succeeded in safeguarding the stability of its supply chains thanks to risk mitigation strategies that have been developed and tested in recent years. As a result, the BMW Group was able to respond quickly and flexibly to changes taking place at short notice, such as those relating to shortages of rare earth materials and key components such as semiconductors.

In addition, it effectively limited the impact of increasingly common extreme weather events such as flooding and storms by means of targeted inventory and spare parts planning, alternative supply routes, proactive crisis management and an effective early warning system.

Regional distribution of BMW Group purchasing volume[2] 2025 – principle of local-for-local sourcing



Contribution to cost-cutting and profitability

Within the scope of its responsibility for material costs, purchasing has a key role to play and has a significant influence on the BMW Group's earnings and profitability. Reducing material costs is an important part of the Purchasing division's regular activities and can be achieved by way of efficiency gains in ongoing series production, synergy effects from awarding new contracts for future projects and negotiations on additional costs caused by inflation.

Purchasing made a major contribution to cost-cutting efforts and the BMW Group's profitability in 2025. In addition to regular purchasing activities, this contribution stemmed from an additional programme to reduce material costs being undertaken jointly by Purchasing and Development.

[1] BMW Group IT system.
[2] Direct and indirect purchasing.

Technical and commercial measures have been developed and implemented in close cooperation with suppliers by placing a broad focus on the sustainable optimisation of the cost structures of vehicle projects. The resulting effects on earnings will extend beyond 2025.

Risk management in purchasing
To ensure a stable and reliable cooperation with our supplier network, forward-looking risk management is of crucial importance. The BMW Group pursues a preventative approach that begins even before new projects are nominated. Potential supply issues are identified and assessed at an early stage, with prompt action taken to minimise their impact. To this end, the BMW Group's RiskHub analyses information from external, publicly accessible data sources to identify potential risks such as natural disasters or financial risks. It also employs state-of-the-art methods derived from the fields of artificial intelligence and big data analytics. Where required, risk assessment ex-tends to the sites of subsuppliers in the supply chain.

In order to prevent cyber risks and respond effectively to an increasing number of incidents at suppliers, the BMW Group consistently certifies its suppliers in accordance with the TISAX automotive standard. For suppliers that meet certain relevance criteria, TISAX is an integral part of the procurement process and of contracts with suppliers of both direct and indirect materials. The BMW Group also encourages resilience in the supplier network by working with suppliers on jointly analysing IT security and existing emergency processes in production operations. Internal and external training courses and informational events are organised for suppliers to provide them with detailed information on the growing extent of cyber risk.

Raw materials security and strategy
The BMW Group pursues an integrated raw materials strategy to mitigate price and supply risks, along with geopolitical and regulatory risks in the supply chain right through to the end product.

The long-term supply of critical raw materials presents a strategic challenge given global trade and geopolitical developments. To increase its security of supply, boost resilience in the supply chain and encourage the purchasing of raw materials from responsible sources, the BMW Group works closely with partners in the supply chain and secures selected raw materials such as lithium and cobalt directly where necessary.

The BMW Group also analyses trends in raw material prices and minimises fluctuations in price by means of hedging on the capital market or by signing fixed-price contracts where possible.

The processes required to comply with due diligence obligations relating to social and environmental responsibility have been refined and the necessary measures have been implemented, with a particular focus placed on the ongoing development of risk analyses. The BMW Supplier Code of Conduct defines mandatory provisions on the handling of critical raw materials. The BMW Group is also actively involved in initiatives such as the Initiative for Responsible Mining Assurance (IRMA) and the Responsible Minerals Initiative (RMI) as a means of establishing and implementing environmental and social standards in the supply chain.

In light of the key role secondary raw materials play in reducing CO2e emissions and various other environmental factors, the BMW Group focuses on the necessary technologies, market processes and extended applications of secondary raw materials. The BMW Group continues to press ahead with the expansion of the circular economy and the efficient use of resources.

Purchasing battery cells
The BMW Group is deploying a new generation of battery cells in its NEUE KLASSE models. The BMW Group pursues a local-for-local approach as set out in its purchasing strategy and to this end, is establishing supply chains for battery cells close to its production sites.

To further improve resilience, the Company also adopts the upstream value chain for critical components. This involves carefully assessing geopolitical risks and economic efficiency in the relevant regions, with a view to reducing geopolitical dependencies and their associated risks.

The increased use of secondary materials and the use of energy from renewable sources,* in particular in battery cell production, significantly reduces the Group's carbon equivalent foot-print. The measures taken in this regard are either agreed upon separately in sustainability agreements or taken into account right from the project sourcing stage.

Quality assurance
The BMW Group aims to offer its customers premium vehicles that meet the most exacting quality standards. With this in mind, the Group works continuously on comprehensive quality control and assurance measures.

A wide-ranging quality programme featuring clearly defined work packages was set up in order to respond to the growing challenges arising in the supply chain and pursued in 2025 in close coordination with the Group-wide Q3 – Passion for Perfection quality programme. These programmes focused on achieving continuous quality improvement, networking and communication within the supply chain and stabilising processes through the use of specific digital technologies, amongst other methods. In-depth monitoring of quality at suppliers provides the basis for targeted process optimisation and safe-guarding overall quality in the long term.

In-house production as strategic value added
The BMW Group consistently aligns its value creation within the Company and in the supplier market with its strategic objectives. In doing so, it focuses on innovative products that set new standards in drivetrains, sustainability/circularity and digitalisation.

* See ↗ Glossary for a definition of energy from renewable sources.

Working closely with Purchasing and Quality Management, in-house production makes an essential contribution to the profitability and resilience of supply chains. It makes strategic use of technological expertise to empower suppliers and strengthen the market. Product and process innovations are adopted in-house on an industrial scale before being efficiently launched in the supplier market.

In-house production provides swift support in the event of quality or supply issues. It also actively works to pass on expertise in sustainable, digital and AI-assisted manufacturing processes, to enhance competitiveness across the entire supply chain.

Digitalisation in the supply chain
For the BMW Group, digitalisation across the entire supply chain is an essential prerequisite for ensuring resilient and flexible management.

The targeted use of digitalisation solutions applicable across the supply chain plays a major role in the ongoing enhancement of component quality and the robustness of the value chain. In particular, the BMW Group makes use of cutting-edge technologies such as artificial intelligence (AI) to enable it, for example, to carry out extremely efficient camera-based quality checks in the context of shop floor management and to safe-guard key processes in its in-house component production operations. The Group applies these innovative approaches to its supplier network so that it and its partners alike can benefit from the technological advances brought about by digitalisation.

A further example is the use of generative AI, which is used effectively across BMW Group divisions, from development to purchasing and production. Digital assistants support employees primarily with secondary activities such as document and data analysis and information procurement, thus allowing them to devote their focus to value-adding activities and direct collaboration with suppliers.

Catena-X is a pioneering initiative for digitalising supply chains in the automotive industry. The digital platform links automotive manufacturers, suppliers, sub-suppliers and recycling companies in order to tackle key challenges such as enhancing resilience, meet sustainability goals and comply with regulatory requirements through digital collaboration. Following the successful setup and go-live phases of the first use cases, the focus is now on connecting additional partner companies along the entire value chain to ensure uninterrupted N-tier collaboration.

One priority for the initiative is component tracking along multi-stage international supply chains. Digital product passports are also being established. These provide product-specific data on such components as batteries, steel, aluminium and wheels. Catena-X makes data from sub-supplier chains available, especially with regard to origin, material composition and recycling.

As part of this initiative, the BMW Group and international partners have founded the software brand Path.Era. This is an IT service helping partners in the automotive industry with the aim of creating the first industry-recognised ecosystem for digital product passports and providing digital solutions and services.

Further development in Purchasing
Purchasing also assumes a key role in collaboration across multiple disciplines between departments and vehicle product lines in order to collectively optimise material costs. At present, several initiatives are underway to further develop a consistent focus on an optimal cost position for vehicle projects prior to and after the start of series production, effective management of supplier performance and new, collaborative working models with a number of different partners. Success factors applied in previous programmes are systematically integrated into line functions and processes and implemented for the long term.

Innovations
Insights from the supplier network are systematically integrated into the departments and are subject to ongoing refinement. As a result, the BMW Group benefits from new technologies developed via its partnerships and networks. The Group also encourages communication with its strategic suppliers through a range of formats as a means of maintaining long-term momentum with regard to innovation.

The BMW Group's in-house component production focuses on innovations that can be taken forward in pilot projects before being rolled out across the network. The different departments also cooperate with the aim of sharpening their focus on identifying and developing innovative technologies. This takes various forms, including strategic dialogue with suppliers.

FINANCIAL PERFORMANCE

OVERALL ASSESSMENT BY MANAGEMENT OF THE FINANCIAL YEAR

BMW Group reinforces its role as a leading premium manufacturer amidst strong demand in Europe and the Americas and a growing range of electric vehicles

The BMW Group can look back on a solid financial year 2025. Despite significant headwinds in the form of import tariffs and unrelenting competition in China, the Company reinforced its position as one of the world's leading premium manufacturers and gained additional market share in both Europe and the Americas. Electromobility continued to grow in significance in 2025. Electrified vehicles (BEVs and PHEVs) increased to 26.1% of total deliveries. In Europe, the figure even surpassed the 40% mark, putting the BMW Group among the world's leaders in sales volume in this segment.

The BMW Group resolutely held its course in the financial year 2025. With a total of 2,463,681 BMW, MINI and Rolls-Royce brand units, deliveries improved by 0.5% on the previous year. The Europe (+7.3%) and Americas (+5.6%) regions were the driving forces behind this growth, with market share up in both regions. This offset the decline in volume in China, which remained a challenging market.

The Company adjusted its outlook for the year in October 2025. Weaker sales performance than expected in China in the second half of 2025 was among the reasons for this, as was the fact that the assumptions made at the time of the 2025 Half-Year Report regarding anticipated reductions in tariffs did not occur as expected.

Despite the adverse circumstances, the Group achieved an EBT margin of 7.7%, in line with the previous year, with profit before tax of € 10,236 million.

The EBIT margin in the Automotive segment was 5.3% and thus within the target range of 5% to 7%. The increased tariffs reduced the EBIT margin in the Automotive segment by approximately 1.5 percentage points. At the same time, the Group's consistent cost discipline led to, considerable reductions in research and development expenditure, cost of sales and administrative expenses, as well as capital expenditure. There was also a positive trend in manufacturing and material costs.

New business volume in the Financial Services segment rose to € 65.8 billion (+2.0%) despite negative currency effects. Segment profit fell short of the previous year, due in part to lower income from the sale of lease returns.

Thanks to the Group's technology openness, carbon emissions from the new vehicle fleet in the EU fell by 9.5 g CO_2/km and, at 90.0 g CO_2/km (WLTP), were once again below the required limit of 92.9 g CO_2/km (limit in 2024: 130.1 g CO_2/km).

The all-electric BMW iX3*, which will be the first model from the NEUE KLASSE to be launched in Europe in spring 2026, received a lot of attention and media coverage after it was unveiled in September.

The BMW Group remains on course. Its focus on customers, operational flexibility and cost discipline once again laid the foundations for the positive performance in 2025. The Company looks to the future with confidence based on an innovative product range, a leading position in the premium segment and the consistent implementation of its strategy.

* ↗ Consumption and Carbon Disclosures.

GENERAL AND SECTOR-SPECIFIC ENVIRONMENT*

The global economy showed stable growth in 2025 and expanded by 3.3% overall. Developing countries made the biggest contributions to this growth. Development in the major industrialised nations was somewhat slower.

The eurozone's gross domestic product (GDP) rose by 1.5% in 2025. This was a somewhat higher rate than the previous year. The interest rate cuts by the European Central Bank (ECB) in the first half of the year are likely to have played a role in this outcome. Growth in Germany (+0.3%) was relatively weak. Italy (+0.7%) and France (+0.9%) also fell below the EU average. In Spain (+2.8%), by contrast, the economy grew significantly more robustly in 2025 to some extent. The UK economy also grew by a 1.3% compared with the previous year.

The US economy grew by 2.2% year on year. Domestic consumption there remained strong. China's economy expanded by 5.0% in 2025, again in line with the country's economic targets. Nevertheless, China's economy continues to be impacted by weak domestic demand and an ongoing crisis in the property sector, with growth driven almost entirely by exports.

In Japan, GDP grew by 1.1% compared with the previous year. Strong exports, the weak yen and a revival in consumer spending helped to bring about a recovery in the Japanese economy.

Widespread interest rate cuts as inflation progresses at varying rates in different markets

Although the markets performed differently in terms of inflation, most of the major central banks cut interest rates again in 2025. In Japan, however, the central bank raised the key interest rate to its highest level in 30 years.

The euro rose over the course of the year and fluctuated between 1.04 and 1.17 US dollars to the euro, with an average annual exchange rate of 1.13 US dollars to the euro. The British pound weakened slightly in 2025, trading between 0.83 and 0.88 pounds to the euro, with an average rate of 0.86 pounds to the euro.

The Chinese renminbi fluctuated between 7.56 and 8.38 renminbi to the euro, and averaged 8.12 renminbi to the euro over the year. It was therefore 8% weaker than it had been at the end of the previous year. The weaker currency was one of the main reasons for China's continued strength in exports.

The Japanese yen fluctuated between 158 and 183 yen to the euro in 2025. The average exchange rate was 169 yen to the euro, marking further depreciation year on year. The South Korean won rose steadily from 1,505 won to the euro at the start of the year to 1,718 by the end, which equated to a year-on-year increase of 14%.

Some of the currencies of major emerging markets changed significantly against the euro. The Indian rupee depreciated by approximately 9% on average over the course of the year, and the Brazilian real depreciated by 8%. The South African rand was more stable, depreciating by approximately 2%.

Divergent trends in energy and raw material prices

Most raw material prices recorded significant increases in 2025. The prices of cobalt and precious metals in particular were much higher in the second half of the year than they had been in January. Copper, lithium and aluminium all saw significant price rises. There was a moderate increase in steel prices. The price of nickel, however, fell slightly.

After a jump at the start of the year, average crude oil prices declined again over the course of 2025. US WTI crude fell from 75 US dollars per barrel in January to 58 US dollars in December. Brent crude traded between 79 and 63 US dollars per barrel.

* Growth rates: source: Focus Economics.
Currencies: source: ECB.
Energy and raw material prices: sources: CRU, LME, Fastmarkets.
Crude oil: source: World Bank.

International automotive markets achieve slight growth again

International automotive markets grew overall in 2025 by 3.3%. Worldwide, the number of new registrations went up to 82.3 million vehicles*. Growth was evenly distributed across all regions. Overall, European markets recorded slight growth, although some specific markets did decline. The trend toward local manufacturers continued in China, with growth again dominated by vehicles priced at 150,000 renminbi or less.

Key automotive markets developed as follows during the reporting period:

International automobile markets – an overview

	Change compared to previous year in %
Europe	+ 2.2
thereof Germany	+ 1.4
thereof France	– 5.1
thereof Italy	– 2.5
thereof Spain	+ 13.1
thereof UK	+ 3.5
USA	+ 2.4
China	+ 3.2
Japan	+ 3.3
South Korea	+ 4.8
Total	**+ 3.3**

Decrease on international motorcycle markets (>500 cc)

In the 500 cc plus class, the international motorcycle markets declined year on year (–7.2%) in 2025. Overall, European markets recorded a drop of 10.7%. Among the biggest motorcycle markets, Germany (–34.3%) and Italy (–11.2%) suffered considerable declines. Spain, by contrast, saw a significant increase of 11.1% in its overall market in the 500 cc plus class. The US market fell by 5.0% compared with the previous year. The Chinese motorcycle market also declined (–17.1%). In Brazil, motorcycle registrations were significantly higher than one year earlier, with an increase of 7.6%. The number of new registrations on international motorcycle markets developed as follows in the 2025 reporting year:

International motorcycle markets 500 cc plus – an overview

	Change compared to previous year in %
Europe	– 10.7
thereof Germany	– 34.3
thereof France	– 9.5
thereof Italy	– 11.2
thereof Spain	+ 11.1
Americas	– 0.5
thereof USA	– 5.0
thereof Brazil	+ 7.6
Asia	– 6.7
thereof China	– 17.1
Total	**– 7.2**

* The market as a whole includes country-specific figures for all vehicle groups served by the BMW Group range.

COMPARISON OF OUTLOOK WITH ACTUAL OUTCOMES

After business performance was in line with expectations in the first half of 2025, the outlook for the year was adjusted in early October. This was due firstly to the fact that the targeted increase in sales in China in the second half of the year remained below expectations. Secondly, the significant reduction in commissions from local Chinese banks in connection with the brokering of financial and insurance products for end customers led to the need for financial support to strengthen dealer profitability. In addition, assumptions regarding the expected tariff reductions did not fully materialise.

The following table summarises the development of the BMW Group's key performance indicators in the financial year 2025 compared with the forecasts made in the BMW Group Report 2024 and the adjustments made during the year.

Detailed information on the BMW Group's key performance indicators is provided below in conjunction with the analysis of the Group's results of operations, financial position and net assets. The development of the most significant performance indicators is described in the relevant chapters on the Automotive, Motorcycles and Financial Services segments. An explanation of the development of other non-financial performance indicators is included in the ↗ Sustainability Statement.

BMW Group: Comparison of the outlook for 2025 with actual outcomes in 2025

	Forecast for 2025 in 2024 Group Report	Forecast revision during the year		Actual outcome in 2025
GROUP				
Profit before tax	At previous years's level	Q3: Slight decrease	€ million	10,236 (–6.7%) Slight decrease
Employees at year-end[1]	At previous years's level	Q3: Slight decrease		154,540 (–1.9%) Slight decrease
Share of women in management positions[1]	Slight increase		%	22.0 (+1.9%) Slight increase
CO_2e emissions scope 1 and 2[2]	Slight increase	Q3: Slight reduction	million tonnes	0.792 (–2.2%) Slight reduction
AUTOMOTIVE SEGMENT				
EBIT margin	Between 5 and 7		%	5.3
Return on capital employed (RoCE)	Between 9 and 13	Q3: Between 8 and 10	%	9.0
Deliveries	Slight increase		units	2,463,681 (+0.5%) At previous years's level
Share of all-electric cars in deliveries	Slight increase	Q3: At previous years's level	%	17.9% (+2.9%) Significant increase
CO_2e emissions scope 3 supply chain and use phase[3]	Slight increase	Q3: Slight reduction	million tonnes	118.7 (–5.1%) Moderate reduction
MOTORCYCLES SEGMENT				
EBIT margin	Between 5,5 and 7,5		%	5.7
Return on capital employed (RoCE)	Between 13 and 17		%	12.8
Deliveries	Slight increase	Q3: Slight decrease	units	202,563 (–3.7%) Slight decrease
FINANCIAL SERVICES SEGMENT				
Return on equity (RoE)	Between 13 and 16		%	14.3

[1] Excluding the joint operation Spotlight.
[2] Excluding locations where the Group does not have operational control, including biogenic emissions. From financial year 2026 onwards, this key performance indicator will also include locations where the Group does not have operational control, but will no longer include biogenic emissions. This figure therefore differs from the carbon equivalent footprint. See ↗ ESG Glossary and Explanations of Key Figures for a definition.
[3] CO_2e emissions from the categories of purchased goods and services (excluding customer support), transport logistics and the use phase for the Automotive segment.

FINANCIAL POSITION

EARNINGS PERFORMANCE OF THE BMW GROUP

BMW Group Condensed Income Statement

in € million	2025	2024	Change in %
Revenues	133,453	142,380	– 6.3
Cost of sales	– 112,858	– 119,485	5.5
Gross profit	**20,595**	**22,895**	**– 10.0**
Selling and administrative expenses	– 10,606	– 11,296	6.1
Other operating income and expenses	197	– 90	–
Profit before financial result	**10,186**	**11,509**	**– 11.5**
Financial result	50	– 538	–
Profit before tax	**10,236**	**10,971**	**– 6.7**
Income taxes	– 2,785	– 3,293	– 15.4
Net profit	**7,451**	**7,678**	**– 3.0**
Attributable to non-controlling interests	157	388	– 59.5
Attributable to shareholders of the BMW AG	**7,294**	**7,290**	**0.1**
Earnings per ordinary share in €	11.89	11.62	2.3
Earnings per preferred share in €	11.91	11.64	2.3

in %	2025	2024	Change in % points
Gross profit margin[1]	15.4	16.1	– 0.7
Pre-tax return on sales[2]	7.7	7.7	–
Post-tax return on sales[3]	5.6	5.4	0.2
Effective tax rate[4]	27.2	30.0	– 2.8

[1] Gross profit as a percentage of Group revenues.
[2] Group profit before tax as a percentage of Group revenues.
[3] Group net profit as a percentage of Group revenues.
[4] Income taxes as a percentage of Group profit before tax.

Group revenues by region were as follows:

BMW Group revenues by region

in %	2025	2024
Europe	44.7	42.7
Asia	28.9	32.7
Americas	24.0	22.4
Other regions	2.4	2.2
Group	**100.0**	**100.0**

EBT margin stable year on year at 7.7%

Contains disclosures pursuant to ESRS 2 SBM-1, SBM-3

Group revenues in the financial year 2025 were moderately lower than in the previous year (2025: € 133.453 million; 2024: € 142.380 million; –6.3%; adjusted for currency effects: –3.9%). The main reasons for the change in revenue were lower deliveries to the dealership organisation, intense competition across the Automotive segment and support for the local dealership organisation in China. The larger leasing portfolio and an increase in new leasing business led to an increase in revenues in the Financial Services segment. Eliminations in revenues rose year on year as a result of the growth in new leasing business. There were also negative currency effects, primarily from the US dollar, the South Korean won and the Chinese renminbi.

The Group's cost of sales decreased moderately in the reporting year by 5.5% to € 112,858 million (2024: € 119,485 million). Lower manufacturing costs in the Automotive segment were a factor in the decrease. There were also impacts from higher customs expenses attributable primarily to additional tariffs in the USA but also to EU anti-subsidy tariffs. The tariffs reduced the EBIT margin in the Automotive segment by approximately 1.5 percentage points. Contrary to the previous outlook, the agreed tariff reduction for the import of automobiles and parts into the EU from 10% to 0% (retroactively to 1 August 2025) was not implemented by the EU. Warranty expenses declined in the reporting year. The previous year was impacted by additions to warranty provisions in connection with the supplied Integrated Braking System (IBS). In the Financial Services segment, cost of sales went up due to the increased volume and higher expenses for risk provisions.

The Group's research and development expenses fell significantly by 10.4% year on year. Research and development expenditure was moderately below last year's level at € 8,319 million (2024: € 9,078 million; –8.4%). This was in line with planning, despite the ongoing product developments and intensive preparations for the launch of the first NEUE KLASSE models. The research and development expenditure is related primarily to the cross-series digitalisation and electrification of the vehicle fleet. It also included expenditure relating to the development of NEUE KLASSE models such as the BMW iX3* and the successors to the BMW X5 and the BMW 7 Series. The capitalisation rate rose to 41.2% (2024: 38.8%) due to the project phases.

Selling and administrative expenses saw an expected moderate decline compared with the previous year of 6.1% to € 10,606 million (2024: € 11,296 million). This was due to lower costs for IT and for communications and marketing. The ratio of selling and administrative expenses to revenues was 7.9%, in line with last year's level (2024: 7.9%).

Depreciation and amortisation on property, plant and equipment and intangible assets in the reporting year totalled € 8,692 million (2024: € 8.650 million) and is reported in cost of sales as well as in sales and administrative expenses.

The net amount of other operating income and expenses went up year on year.

Due primarily to the various effects on revenues described above, profit before financial result fell to € 10,186 million (2024: € 11,509 million; –11.5%).

The financial result improved significantly compared with the previous year to € 50 million (2024: € –538 million). This was attributable to fair value measurement gains on interest rate hedges and foreign currency transactions in the financial year, as opposed to losses in the previous year.

Accordingly, Group profit before tax of € 10.236 million – as forecast – was down slightly year on year (2024: € 10.971 million). The EBT margin was 7.7%, in line with last year's level (2024: 7.7%).

BMW Group cost of sales

in € million	2025	2024	Change in %
Manufacturing costs	68,571	75,680	– 9.4
Cost of sales relating to financial services business	32,414	30,277	7.1
thereof interest expense relating to financial services business	5,196	4,902	6.0
Research and development expenses	6,848	7,642	– 10.4
thereof amortisation of capitalised development costs	1,956	2,089	– 6.4
Expenses for service contracts, telematics and roadside assistance	2,933	2,885	1.7
Warranty expenditure	972	1,964	– 50.5
Other cost of sales	1,120	1,037	8.0
Cost of sales	**112,858**	**119,485**	**– 5.5**

* ↗ Consumption and Carbon Disclosures.

BMW Group research and development expenses

in € million	2025	2024
Research and development expenditure	8,319	9,078
Capitalised development costs	– 3,427	– 3,525
Amortisation	1,956	2,089
Research and development expenses	**6,848**	**7,642**

BMW Group performance indicators relating to research and development expenses

in %	2025	2024	Change in % points
Research and development expenditure ratio[1]	6.2	6.4	– 0.2
Capitalisation rate[2]	41.2	38.8	2.4

Income tax expense of € 2,785 million (2024: € 3,293 million; –15.4%), was significantly lower than in the previous year due to tax income resulting from the revaluation of deferred tax in Germany as a consequence of the Act to Increase Investment and Strengthen Germany as a Business Location, as well as the decline in pre-tax profit. Due to the revaluation of deferred tax, the effective tax rate was 27.2% (2024: 30.0%).

At 154,540[3] employees at the reporting date (2024: 157,457 employees; –1.9%), the size of the workforce was slightly lower year on year because some temporary contracts in China were not extended as a result of lower production volume

Share buyback programme continued as planned

At the Annual General Meeting of BMW AG held on 11 May 2022, the shareholders authorised the Board of Management to acquire treasury shares via the stock exchange, up to a maximum of 10% of the share capital in place at the date of the resolution or – if this value is lower – of the share capital in place at the time that the authorisation is exercised, and to redeem those shares without any further action required by the Annual General Meeting.

The second share buyback programme, as authorised by the Annual General Meeting on 11 May 2022, came to an end at the beginning of April 2025. On 24 June 2025, the Board of Management decided to withdraw 18,660,741 ordinary shares and 4,244,903 preferred shares from this second buyback programme and reduce the share capital by € 22,905,644 accordingly. This figure equates to 3.59% of share capital prior to redemption and the reduction in share capital.

As a result of the resolution taken at the BMW AG Annual General Meeting on 14 May 2025, the Board of Management is authorised until 13 May 2030 to acquire treasury shares via the stock exchange representing a total of up to 10% of the existing share capital in place at the date on which the resolution was adopted or – if lower – at the date on which the authorisation is exercised. The authorisation to acquire treasury shares that was previously in place, issued by the Annual General Meeting on 11 May 2022, was revoked.

On 20 May 2025, the Board of Management approved a third share buyback programme, as authorised by the Annual General Meeting on 14 May 2025. The programme has a volume of up to € 2 billion (total purchase price excluding incidental acquisition costs). The buyback programme pertains to ordinary and preferred shares. The volume of preferred shares is limited to a maximum of € 350 million. The programme will be concluded by 30 April 2027 at the latest.

The first tranche of the third share buyback programme was successfully completed on 8 December 2025. As part of this first tranche, a total of 7,498,153 ordinary shares and 1,773,313 preferred shares were repurchased between 21 May 2025 and 8 December 2025. A total purchase price (excluding incidental acquisition costs) of around € 750 million was paid for the shares repurchased as part of this tranche.

As at 31 December 2025, BMW AG held a total of 8,682,146 treasury shares, corresponding to a nominal amount of € 8,682,146. This corresponds to 1.41% of the share capital in place at 31 December 2025.

The second tranche of the third share buyback programme will be carried out with a volume of up to € 625 million for ordinary shares in the period from 2 January 2026 to 31 August 2026 at the latest.

On 16 December 2025, the Board of Management decided to propose at the Annual General Meeting on 13 May 2026 and at a separate meeting of holders of preferred shares taking place on the same day that all preferred shares be converted into ordinary shares of equal value. The plan is to convert these shares by amending the Articles of Incorporation without any need for supplementary payments by holders of preferred shares.

[1] Research and development expenditure as a percentage of Group revenues.
[2] Capitalised development costs as a percentage of research and development expenditure.
[3] Excluding the joint operation Spotlight.

FINANCIAL POSITION OF THE BMW GROUP

The consolidated cash flow statements for the Group and the Automotive and Financial Services segments show the sources and applications of cash flows for the 2025 and 2024 reporting years, classified according to operating, investing and financing activities. Cash and cash equivalents in the cash flow statements correspond to the amounts disclosed in the balance sheet.

Cash flows from operating activities are determined indirectly, starting with Group/segment profit before tax. By contrast, cash flows from investing and financing activities are based on actual payments and receipts.

Net cash inflow from operating activities came to € 8,228 million for the BMW Group and consisted primarily of profit before tax and depreciation and amortisation of total tangible, intangible and investment assets. Working capital also had a positive effect on net cash inflow due to the reduction in inventories. The rise in leased products due to growth in new business and receivables from sales financing as a result of increased customer financing, as well as income taxes paid and the expected high utilisation of warranty provisions, all combined to reduce cash inflow.

The increase in cash inflow from operating activities year on year was due largely to a smaller rise in receivables from sales financing in the Financial Services segment, lower Group income tax payments and the change in working capital in the Automotive segment. This was offset in particular by the higher volume-related increase in leased products in the Financial Services segment, the changes in provisions – especially in the Automotive segment – and the lower profit before tax.

Net cash outflow from the BMW Group's investing activities came to € 9,952 million, a significant portion of which was related to investments in the Automotive segment. As expected, the figure was much lower than the previous year.

The cash inflow from financing activities totalled € 1,373 million and was related largely to changes in long-term financial liabilities, in particular for the purpose of funding the larger portfolio in the Financial Services business.

The decrease in cash inflow from financing activities compared with the previous year stemmed mainly from changes to short-term financial liabilities, due in particular to the repayment of liabilities to banks incurred in the previous year.

Dividend payments to BMW AG shareholders (2025: € 2,649 million; 2024: € 3,781 million) and other shareholders and the acquisition of treasury shares reduced cash inflow from financing activities.

BMW Group cash flows

in € million	2025	2024	Change
Cash inflow (+)/outflow (–) from operating activities	8,228	7,566	662
Cash inflow (+)/outflow (–) from investing activities	– 9,952	– 11,369	1,417
Cash inflow (+)/outflow (–) from financing activities	1,373	5,766	– 4,393
Effects of exchange rate and changes in composition of segment	– 82	– 3	– 79
Change in cash and cash equivalents	**– 433**	**1,960**	**– 2,393**

Free cash flow for the Automotive segment was as follows:

Free cash flow Automotive segment

in € million	2025	2024	Change
Cash inflow (+)/outflow (–) from operating activities	13,794	16,791	– 2,997
Cash inflow (+)/outflow (–) from investing activities	– 9,781	– 11,100	1,319
Adjustment for net investment in marketable securities and investment funds	– 773	– 839	66
Free cash flow Automotive segment	**3,240**	**4,852**	**– 1,612**

In the Automotive segment, net cash inflow from operating activities came to € 13,794 million and consisted primarily of profit before tax and depreciation and amortisation of tangible, intangible and investment assets and interest received. The change in working capital amounted to € 941 million (2024: € 173 million). The reduction in inventories was partially offset by the decrease in trade payables. However, income taxes paid and the expected high utilisation of warranty provisions reduced cash inflow. As at 31 December 2025, claims for refunds of customs duties in the USA amounted to a mid three-digit million amount. These were offset by liabilities payable for customs duties of a similar amount.

The year-on-year reduction in cash inflow from operating activities resulted primarily from the lower pre-tax profit and a significant decrease in warranty provisions. Conversely, the greater reduction in inventories year on year in particular had a positive effect on cash inflow in working capital.

Net cash outflow from investing activities amounted to € 9,781 million, a significant portion of which was related to investments in property, plant and equipment and intangible assets totalling € 10,813 million (2024: € 12,006 million), mainly in connection with the Group's continued expansion of electromobility and the digitalisation of the product range. In line with the planning, cash outflow from investing activities was down significantly year on year.

As at 31 December 2025, the Automotive segment's free cash flow amounted to € 3,240 million (2024: € 4,852 million).

Automotive net financial assets comprised the following:

Net financial assets – Automotive

in € million	2025	2024	Change
Cash and cash equivalents	15,425	14,882	543
Marketable securities and investment funds	214	1,001	– 787
Intragroup net financial assets	31,362	33,844	– 2,482
Financial assets	**47,001**	**49,727**	**– 2,726**
Less: external financial liabilities*	– 2,613	– 3,948	1,335
Net financial assets Automotive	**44,388**	**45,779**	**– 1,391**

* Excluding derivative financial instruments.

Cash and cash equivalents held by the Financial Services segment changed as follows:

Cash flows Financial Services segment

in € million	2025	2024	Change
Cash inflow (+)/outflow (–) from operating activities	– 5,701	– 8,387	2,686
Cash inflow (+)/outflow (–) from investing activities	– 42	– 81	39
Cash inflow (+)/outflow (–) from financing activities	5,794	8,538	– 2,744
Effects of exchange rate and changes in composition of segment	76	– 57	133
Change in cash and cash equivalents	**127**	**13**	**114**

In the Financial Services segment, net cash outflow from operating activities came to € 5,701 million, and consisted primarily of the increase in leased products and receivables from sales financing. Profit before tax reduced net cash outflow.

The lower cash outflow from operating activities year on year resulted to a large extent from the previous year's greater increase in receivables from sales financing, as well as higher tax payments.

This was offset by the more pronounced volume-related increase in leased products in the current financial year.

Cash inflow from financing activities totalled € 5,794 million. Compared with the previous year, there was a decrease in intragroup refinancing to finance the increase in leased products and receivables from sales financing, as well as lower cash inflows from short-term external financial liabilities.

FINANCING ACTIVITIES

A broad range of instruments on international money and capital markets is used to finance worldwide operations. The funds raised are used almost exclusively to refinance the BMW Group's Financial Services business. The overall objective of Group financing is to ensure the solvency of the BMW Group at all times, focusing on three areas:

1. The ability to act through permanent access to strategically important capital markets

2. Autonomy through the diversification of refinancing instruments and investors

3. A focus on value through the optimisation of financing costs

Financing measures undertaken at corporate level ensure access to liquidity for the Group's operating subsidiaries at standard market conditions and consistent credit terms. Funds are acquired in line with a target liability structure, comprising a well-balanced mix of financing instruments. The use of longer-term instruments to refinance the Group's Financial Services business and the maintenance of a sufficiently high liquidity reserve serves to rule out any liquidity risk intrinsic to the portfolio. This conservative financial approach also has a favourable effect on the Group's rating. Further information is provided in the Liquidity Risks section under ↗ Risks and Opportunities.

Focused capital market management, very good ratings and the high level of acceptance enjoyed by the BMW Group on the world's debt capital markets enabled it to refinance itself on those markets on favourable terms during the period under report. In addition to bonds, the BMW Group also issued commercial paper.

Furthermore, retail customer and dealership financing receivables, rights and obligations from leasing contracts, as well as collateral interests in the financed vehicles, were transferred to structured entities that securitise them and place them as collateralised securities on the capital market as part of the Group's asset-backed securities financing arrangements (ABS financing).

Specific banking instruments, such as the customer deposits at the Group's own banks in Germany and the USA, were also deployed for financing purposes. In addition, loans were taken from international banks.

During the reporting period, the BMW Group issued bonds totalling approximately € 14.6 billion. The BMW Group refinanced itself by means of 144A transactions with a total volume of 6.8 billion US dollars on the US capital market and by means of Panda bonds with a volume of 6.5 billion Chinese renminbi on the Chinese capital market. Furthermore, the BMW Group issued, among others, two euro benchmark bonds totalling € 4.3 billion, as well as two pound sterling benchmark bonds of 0.7 billion British pounds and two Canadian bonds of 0.9 billion Canadian dollars on the international capital markets. ABS transactions with a total financing volume equivalent to € 16.2 billion were executed in 2025, including both new and rolled-over ABS transactions. During the reporting period, the BMW Group was party to ABS transactions in the following markets: Australia, Canada, China, France, Germany, Japan, South Africa, South Korea, Switzerland, the UK and the USA.

The following table provides an overview of amounts utilised at 31. Dezember 2025 in connection with the BMW Group's money and capital market programmes:

Programmes	Programme volume	Amount utilised
in € billion		
Euro medium-term notes	50.0	29.8
Commercial paper*	13.0	3.5

* Measured at the exchange rate as of 31 December 2025.

The BMW Group continued to deploy solid liquidity-related measures throughout 2025 to ensure its ability to act flexibly and independently at all times.

As at 31 December 2025, the liquidity reserve amounted to € 19.5 billion, slightly below the previous year's level (2024: € 20.8 billion).

The BMW Group also has access to a syndicated credit line, which was renewed in July 2023. The syndicated credit line of € 8 billion has a term without exercising extension options until June 2028 and is provided by a consortium of 43 international banks.

As at the reporting date, the credit line has not been used. Further information in respect of financial liabilities of the BMW Group is provided in ↗ note [36] to the Group Financial Statements.

NET ASSETS POSITION OF THE BMW GROUP

BMW Group Condensed Balance Sheet at 31 December

in € million	2025	in %	2024	in %	Change in %	Currency-adjusted change* in %
ASSETS						
Intangible assets	19,915	7.5	20,220	7.6	– 1.5	0.7
Property, plant and equipment	39,903	15.0	39,581	14.8	0.8	4.4
Leased products	53,024	19.9	48,838	18.2	8.6	13.9
Investments accounted for using the equity method	526	0.2	553	0.2	– 4.9	– 3.9
Other investments	891	0.3	1,099	0.4	– 18.9	– 11.7
Receivables from sales financing	90,039	33.9	93,718	35.0	– 3.9	1.9
Financial assets	5,028	1.9	3,399	1.3	47.9	51.7
Deferred and current tax	4,054	1.5	4,560	1.7	– 11.1	– 4.3
Other assets	9,506	3.6	9,256	3.5	2.7	6.0
Inventories	21,281	8.0	24,387	9.1	– 12.7	– 8.6
Trade receivables	2,946	1.1	2,834	1.1	4.0	8.1
Cash and cash equivalents	18,854	7.1	19,287	7.2	– 2.2	– 0.7
Total assets	**265,967**	**100.0**	**267,732**	**100.0**	**– 0.7**	**3.9**
EQUITY AND LIABILITIES						
Equity	97,906	36.8	95,003	35.5	3.1	6.5
Pension provisions	203	0.1	222	0.1	– 8.6	– 4.0
Other provisions	14,194	5.3	16,373	6.1	– 13.3	– 9.9
Deferred and current tax	4,974	1.9	3,752	1.4	32.6	33.9
Financial liabilities	110,469	41.5	111,261	41.6	– 0.7	5.3
Trade payables	12,488	4.7	14,126	5.3	– 11.6	– 8.7
Other liabilities	25,733	9.7	26,995	10.1	– 4.7	– 0.1
Total equity and liabilities	**265,967**	**100.0**	**267,732**	**100.0**	**– 0.7**	**3.9**

* The adjustment for exchange rate factors is calculated by applying the relevant current exchange rates to the prior-year figures.

The Group's total assets were slightly higher year on year at the end of the 2025 reporting year when adjusted for currency effects. Negative currency effects, particularly those related to the US dollar and the Chinese renminbi, led to a 0.7% decrease in total assets.*

As at the reporting date, intangible assets were at the same level as the previous year when adjusted for currency effects. Additions to capitalised development costs were offset to a large extent by the amortisation recognised on reacquired rights and dealership relationships from the acquisition of BMW Brilliance.

Adjusted for currency effects, property, plant and equipment was up by 4.4% year on year. Investments in connection with the NEUE KLASSE were the main driver behind this increase. The capital expenditure ratio reached 5.4% (2024: 6.4%); excluding right-of-use assets, it amounted to 4.9% (2024: 5.7%).

Leased products were significantly higher than in the previous year when adjusted for currency effects due to the growth in new leasing business. There was a solid increase in the number of vehicles managed to 1,891,731 vehicles (2024: 1,740,720 vehicles; +8.7%).

Receivables from sales financing were up slightly at the end of the reporting period on a currency-adjusted basis. This was due primarily to the growth in retail customer financing based on a higher average financing volume. By contrast, there was a decrease in dealership financing, especially in China.

The total number of financed vehicles fell by 2.6% compared with the 2024 Group Financial Statements to 3,394,476 vehicles (2024: 3,485,273 vehicles).

Group equity increased to € 97,906 million. The increase came primarily from the Group net profit of € 7,451 million (2024: € 7,678 million).

Equity attributable to shareholders of BMW AG rose by € 3,382 million to € 95,697 million (2024: € 92,315 million). This increase was due mainly to the net profit for the year attributable to shareholders of BMW AG amounting to € 7,294 million. The dividend payout amounting to € 2,649 million reduced both Group equity and equity attributable to shareholders of BMW AG. With € 1,250 million, the continued share buyback programme also reduced equity attributable to shareholders of BMW AG.

Other provisions recorded a moderate downturn year on year when adjusted for currency effects. This was the result of a reduction in warranty obligations, due in particular to high utilisation of warranty provisions in line with planning.

Financial liabilities increased compared with the previous year when adjusted for currency effects due to a rise in bond volumes. This resulted from an increase in financing requirements arising from the higher volume of business in the Financial Services segment.

BMW Group equity ratio*

in %	31.12.2025	31.12.2024	Change in % points
Group	36.8	35.5	1.3
Automotive segment	41.5	40.5	1.0
Financial Services segment	10.0	10.3	– 0.3

* Equity in each case as a percentage of corresponding total assets.

COURSE OF BUSINESS AND SEGMENTS

Contains disclosures pursuant to ESRS 2 SBM-1

AUTOMOTIVE SEGMENT

The BMW Group concludes the reporting year with growth in deliveries

With its BMW, MINI and Rolls-Royce brands, the BMW Group provides a broad yet customised range of premium automobiles to meet different customer needs. The BMW Group's technology openness is reflected in the drivetrain systems available, encompassing all-electric models (BEVs), state-of-the-art plug-in hybrids (PHEVs) and highly efficient combustion engines.

The BMW Group reinforced its strong market position in the reporting year 2025. In Europe and the USA in particular, the BMW brand gained market share and maintained its claim as leader in the premium segment. Vehicles with electrified drivetrains (BEVs and PHEVs) again enjoyed a high customer demand and played a significant role in the overall sales growth.

The BMW Group's global deliveries[1] rose to 2,463,681 units in the reporting year, in line with the previous year's level (2024: 2,450,854 units; +0.5%). Solid growth rates in deliveries were reported in Europe (+7.3%) and the Americas (+5.6%) in particular. China remained a challenging market, with deliveries falling by 12.5%.

The BMW brand delivered a total of 2,169,739 units to customers in the reporting year (2024: 2,200,217 units; –1.4%). At 288,278 units delivered, MINI achieved double-digit growth rates following the previous year's overhaul of the entire product range (2024: 244,925 units; +17.7%). Rolls-Royce delivered a total of 5,664 luxury vehicles to its customers (2024: 5,712 units; –0.8%).

Strong demand for electrified vehicles

Every vehicle class and every brand offers at least one electrified vehicle option to customers of the BMW Group. Demand for electrified vehicles (BEVs and PHEVs) remained high in the 2025 reporting year. Accordingly, deliveries of electrified vehicles rose to 642,071 units in the reporting period (2024: 593,150 units; +8.2%). Deliveries of all-electric vehicles increased to 442,059 units (2024: 426,536 units; +3.6%).

The share of electrified vehicles in deliveries grew to 26.1% in 2025 (2024: 24.2%). All-electric vehicles accounted for 17.9% of all units delivered (2024: 17.4%). The increasing electrification of the product portfolio also had a positive effect on the development of fleet carbon emissions. ↗ Climate Change Mitigation and Adaptation

BMW Group deliveries of electrified models

in units	2025	2024	Change in %
BEV	442,059	426,536	3.6
PHEV	200,012	166,614	20.0
Total	**642,071**	**593,150**	**8.2**
in %			
BEV-Anteil	17.9	17.4	2.9
PHEV-Anteil	8.1	6.8	19.1
xEV-Anteil	**26.1**	**24.2**	**7.9**

2


2

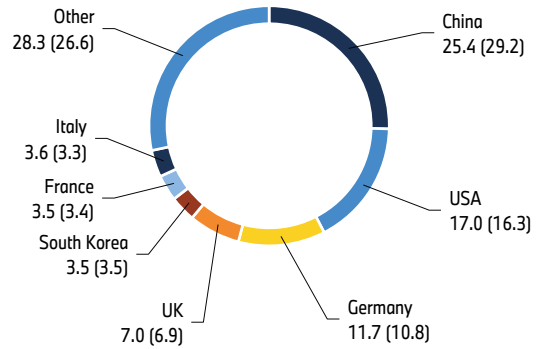
[1] See ↗ Glossary for a definition of deliveries. Retail vehicle deliveries during a given reporting period do not correlate directly to the revenues that the BMW Group recognises for the corresponding reporting period.
[2] ↗ Consumption and Carbon Disclosures.

BMW Group deliveries of vehicles by region and market

in 1,000 units	2025	2024	2023	2022	2021
Europe	1,017.6	948.5	943.0	878.5	949.1
thereof Germany	288.5	265.7	272.6	254.3	266.8
thereof UK	171.4	168.8	159.2	157.3	164.3
Americas	509.9	482.7	482.0	441.5	451.7
thereof USA	419.2	399.3	397.3	363.5	368.0
Asia	874.1	963.6	1,073.1	1,031.0	1,067.9
thereof China	626.0	715.2	826.3	793.5	847.9
Other markets	62.1	56.1	56.1	48.6	52.8
Total	**2,463.7**	**2,450.9**	**2,554.2**	**2,399.6**	**2,521.5**

BMW Group – largest automobile markets in 2025 (2023)

in % of sales



BMW gains additional market share in Europe and the USA

The core BMW brand maintained its strong market position in 2025 and gained additional market shares in Europe and the USA in particular. In doing so, the brand again confirmed its leadership in the premium segment. BMW delivered a total of 2,169,739 units to customers in the reporting year (2024: 2,200,217 units; –1.4%). Disregarding the downward trend in China, the brand recorded sales growth of 4.2%. In China, the BMW brand's monthly deliveries amounted to roughly 50,000 units, in line with the trend reported in October.

In addition, there was an rise in deliveries of PHEV models in particular. With a significant increase of 21.8%, deliveries of BMW PHEVs reached 199,883 vehicles (2024: 164,172 units). Among the most successful models in the reporting year were the models in the X family, such as the BMW X1*. The BMW 5 Series and the BMW X2* achieved strong growth rates. The BMW iX1* was the brand's most successful BEV model, with all-electric models accounting for more than a quarter of all BMW X1* units delivered in 2025. The all-electric drivetrain is popular among customers of the BMW 4 Series as well. Almost half of these models were delivered to customers in the variant of the all-electric BMW i4* version.

New BMW brand products

The BMW brand resolutely continued on its strategic trajectory in the financial year 2025 by launching a number of groundbreaking models. The first of these was the new version of the all-electric BMW iX*, which was rolled out to global markets in spring 2025. The exclusive presentation of the BMW Speedtop concept was a highlight of Concorso d'Eleganza Villa d'Este in May 2025. The three-door re-interpretation of the sporty Touring line, limited to a production run of 70 vehicles, picked up the baton from the BMW Skytop roadster concept, which turned a lot of heads at the previous year's event. The second half of the year was dominated by the NEUE KLASSE. The new BMW iX3*, the first model in the all-new generation of vehicles, was unveiled at IAA Mobility in Munich in September. Even before its market launch in spring 2026, the BMW iX3* is already seeing very high demand. Pre-orders extend well into 2026. Meanwhile, the BMW 3 Series is celebrating a very special anniversary, marking 50 years as the brand's most popular vehicle class, synonymous with the BMW driving pleasure. There is not long to wait for the next milestone, which is due in spring 2026. That is when the new BMW i3, the second NEUE KLASSE model, is set to make its public debut.

* ↗ Consumption and Carbon Disclosures.

Deliveries of BMW vehicles by model series

in units	2025	2024	Change in %	Share of BMW deliveries 2025 in %
BMW 1 Series/BMW 2 Series	214,175	198,226	8.0	9.9
BMW 3 Series/BMW 4 Series	477,180	519,228	– 8.1	22.0
BMW 5 Series/BMW 6 Series	299,582	250,674	19.5	13.8
BMW 7 Series/BMW 8 Series	53,399	56,542	– 5.6	2.5
BMW Z4	9,744	10,482	– 7.0	0.4
BMW X1/X2	436,769	413,386	5.7	20.1
BMW X3/X4	321,186	370,198	– 13.2	14.8
BMW X5/X6	256,941	275,318	– 6.7	11.8
BMW X7	58,089	59,949	– 3.1	2.7
BMW iX	35,055	38,365	– 8.6	1.6
BMW XM	7,608	7,813	– 2.6	0.4
BMW i3/i8	11	36	– 69.4	–
BMW total	**2,169,739**	**2,200,217**	**– 1.4**	**100.0**
thereof BEV	335,528	368,475	– 8.9	15.5
thereof PHEV	199,883	164,172	21.8	9.2

BMW M still in the fast lane

BMW M GmbH continued its success story in the reporting year and set another new record. With a total of 213,449 performance and high-performance vehicles delivered, BMW M exceeded the record figure from the previous year (2024: 206,587 units; +3.3%). In other words, almost one in ten of all BMW vehicles delivered was a BMW M model.

The most successful BMW M GmbH model in 2025 was the BMW X3 M50*. In the high-performance class, the BMW M2 Coupé and the BMW M5* particularly impressed, enjoying widespread acclaim from the international trade press.

BMW M also presented two special limited edition models, the BMW M3 CS Touring and the BMW M2 CS, which embody the brand's motorsport DNA in spectacular style. Both high-performance models are limited to a 12-month production run.

* ↗ Consumption and Carbon Disclosures.

Deliveries of MINI vehicles by model variant*

in units	2025	2024	Change in %	Share of MINI deliveries 2025 in %
MINI Hatch (3- and 5-door)	140,301	128,635	9.1	48.7
MINI Convertible	22,491	18,994	18.4	7.8
MINI Clubman	557	10,693	– 94.8	0.2
MINI Countryman	93,304	80,971	15.2	32.4
MINI Aceman	31,625	5,632	461.5	11.0
MINI total	**288,278**	**244,925**	**17.7**	**100.0**

Deliveries of Rolls-Royce automobiles by model variant*

in units	2025	2024	Change in %
Phantom	376	413	– 9.0
Ghost	993	808	22.9
Wraith/Dawn	2	11	– 81.8
Cullinan	3,291	2,590	27.1
Spectre	1,002	1,890	– 47.0
Rolls-Royce total	**5,664**	**5,712**	**– 0.8**

Worldwide growth for the MINI family

2025 was a successful year for MINI. Following the previous year's overhaul of the entire product range, the brand achieved significant sales growth in 2025, delivering 288,278 vehicles (2024: 244,925 units; +17.7%). The brand's sales of all-electric vehicles reached a new milestone, with MINI delivering more than 100,000 all-electric vehicles to customers within a single year for the first time. At 105,529 units in total (2024: 56,171 units; +87.9%) sales of BEVs as a share of total deliveries increased to 36.6% in 2025 (2024: 22.9%). In other words, more than a third of all MINI vehicles delivered were all-electric models.

The most successful model in the reporting year was the MINI Countryman*. The MINI Convertible*, the 2025 version of which again combines the brand's typical go-kart feeling with the exhilarating experience of open-top driving, also achieved double-digit growth. The high-performance John Cooper Works models, available both with combustion engines and with all-electric drivetrains, were also very successful. The MINI family welcomed the MINI Paul Smith Edition in early 2026. The cooperation with the British designer is available in the production versions of the MINI Cooper* and the MINI Convertible* for the first time.

Rolls-Royce ends year consistent with expectations

Rolls-Royce Motor Cars delivered 5,664 ultra-luxury hand-built automobiles to clients around the world in the year 2025 (2024: 5,712 units; –0.8%). This figure is fully consistent with the Company's planning.

Rolls-Royce Cullinan* was the most requested model in 2025, followed by Spectre*, Ghost* and Phantom*. Black Badge Spectre* was launched in the second quarter of the year. 2025 marked 100 years of Rolls-Royce Phantom*. The anniversary of this storied nameplate was marked with the Phantom Centenary* Private Collection. Limited to only 25 examples, the most technologically complex and creatively ambitious Private Collection the marque has ever made was entirely allocated to clients through the marque's network of Private Offices, before it was publicly communicated.

* ↗ Consumption and Carbon Disclosures.

Automotive segment earnings performance in line with expectations

Automotive segment revenues remained moderately down on the previous year at € 117.557 million (2024: € 124.917 million; –5,9%; adjusted for currency effects: –3.4%). The main reasons for the change in revenue were lower deliveries to the dealership organisation, intense competition across the automotive business and support for the local dealership organisation in China. Negative currency effects, primarily from the Chinese renminbi, the US dollar and the South Korean won, also impacted revenue.

The cost of sales in the segment totalled € 103.206 million, slightly less than in the previous year (2024: € 107.729 million; –4,2%). The decrease in manufacturing costs due to volume and material expenses contributed to the reduction. Higher customs expenses from additional tariffs in the USA as well as the EU anti-subsidy tariffs had a negative impact. These reduced the EBIT margin in the Automotive segment by approximately 1.5 percentage points. Scheduled amortisation amounting to approximately € 1.3 billion (2024: € 1.3 billion) arising on the purchase price allocation of BMW Brilliance was included in cost of sales in the reporting period. This equated to an impact of 1.1 percentage points on the EBIT margin. Warranty expenses fell in the reporting year. The previous year was impacted in particular by increased additions to warranty provisions in connection with the supplied Integrated Braking System (IBS).

In line with planning, despite the ongoing product campaigns and intensive preparations for the launch of the first NEUE KLASSE models, research and development expenditure was moderately below last year's level at € 8,319 million (2024: € 9,078 million; –8.4%). The research and development expenditure was related primarily to the cross-series digitalisation and electrification of the vehicle fleet. It also included expenditure relating to the development of NEUE KLASSE models such as the BMW iX3* and the successors to the BMW X5 and the BMW 7 Series.

Selling and administrative expenses saw an expected moderate decline in the reporting period to € 8,431 million (2024: € 9,357 million; –9.9%). This decrease was associated with lower costs for IT and for communications and marketing.

The net amount of other operating income and expenses improved year on year.

The various factors described above had a corresponding impact on earnings. At € 6.259 million, profit before financial result in the Automotive segment was significantly lower than in the previous year (2024: € 7.893 million; –20.7%).

At 5.3%, the EBIT margin of the segment was in the target range of 5% to 7% in the reporting year (2024: 6.3%; –1.0 percentage points).

The financial result of the Automotive segment was € –314 million, significantly above the previous year (2024: € –349 million).

The result from equity accounted investments, which was positively affected by the sale of FREE NOW Europe, was a contributing factor in this.

Profit before tax remained significantly lower in 2025 than in the previous year at € 5.945 million (2024: € 7.544 million).

The Automotive segment's return on capital employed (RoCE) for 2025 was 9.0%, and within the adjusted target range of 8% to 10% (2024: 11.4%; –2.4 percentage points). The decrease was due primarily to the decline in profit before financial result compared with the previous year.

* ↗ Consumption and Carbon Disclosures.

MOTORCYCLES SEGMENT

BMW Motorrad maintains segment leadership
Deliveries* in the Motorcycles segment surpassed 200,000 units again in reporting year 2025. With a total of 202,563 units delivered, BMW Motorrad consolidated its strong market position in the premium 500 cc plus segment amidst challenging geopolitical circumstances, once again confirming its segment leadership (2024: 210,385 motorcycles; –3.7%).

Europe stable, markets in USA and China contracting
A total of 118,814 motorcycles were delivered to customers in European markets in 2025, similar to the level recorded one year earlier (2024: 118,704 units; +0.1%). Solid growth was reported in Spain, with deliveries up by 7.7% to 14,005 units (2024: 13,009 units). Deliveries in Italy also rose slightly to 16,692 units (2024: 16,617 units; +0.5%).

Deliveries fell in Germany (2025: 25,516 units; 2024: 26,177 units; –2.5%) and France (2025: 19,019 units; 2024: 20,693 units; –8.1%) during the reporting period.

Following a strong previous year, deliveries in the Americas totalled 45,287 units (2024: 47,692 units; –5.0%). This decline was largely attributable to the developments of the US market. Deliveries there declined to 14,869 motorcycles in 2025 (2024: 17,017 units; –13.9%).

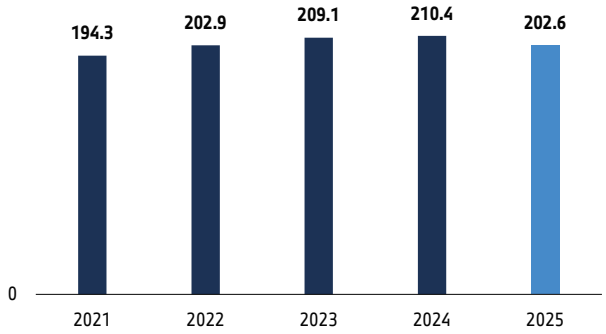
Deliveries were also down year on year in Asia. In a highly competitive environment, deliveries in China amounted to 10,555 units at the end of the reporting year (2024: 13,872 units; –23.9%).

Market launches in the reporting year
BMW Motorrad refreshed its product range by adding more new models in 2025. One of the most significant new products was the new BMW R 12 G/S, a member of the Adventure range that has been available since June 2025. In the Tourer, Sport and Roadster segments, the new R 1300 RT, R 1300 RS and R 1300 R models rounded out the product range.

In the first half of the year, six model updates were introduced to the Sport and Roadster segments with the S 1000 RR, the S 1000 R, the F 900 XR, the F 900 R and two M models: the M 1000 RR and the M 1000 R. In the Heritage segment, the R 18 underwent a facelift. In the Urban Mobility segment, revised versions of the C 400 X and C 400 GT scooters were launched.

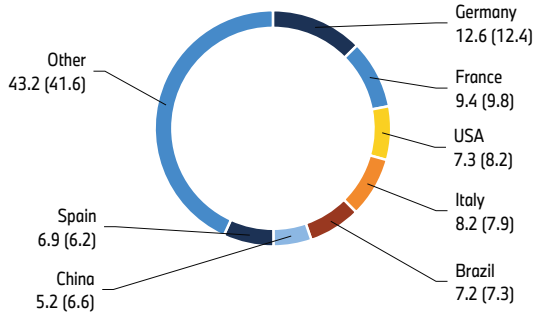
Deliveries of BMW motorcycles

in 1,000 units



BMW Group – largest motorcycle markets 2025 (2024)

in % of sales



* See ↗ Glossary for a definition of deliveries. Retail vehicle deliveries during a given reporting period do not correlate directly to the revenues that the BMW Group recognises for the corresponding reporting period.

New products unveiled by BMW Motorrad

BMW Motorrad also presented the production version of its F 450 GS at the international EICMA motorcycle trade fair in November 2025. The sporty entry-level adventure bike will be available from April 2026.

BMW Motorrad unveiled its latest concept model in the Superbikes segment in front of the international media at Concorso d'Eleganza Villa d'Este on Lake Como in May 2025. The Concept RR represents a unique blend of performance, technology and design, and offers insight into the next generation of high-performance RR models.

At IAA Mobility 2025, BMW Motorrad showed what the future of electric motorcycles for urban environments might look like with its highly innovative Vision CE. This vehicle is designed to be ridden without a helmet or protective gear. It is also capable of staying upright on two wheels while stationary without any need for a stand. With this concept motorcycle, BMW Motorrad is highlighting its tremendous capacity for innovation when it comes to smart, connected electric vehicles.

Earnings performance in the Motorcycles segment

During the reporting period, the EBIT margin of the Motorcycles segment was 5.7% (2024: 6.1%), and within the fore-cast range of 5.5% to 7.5%.

Profit before tax amounted to € 174 million in the past financial year (2024: € 198 million; –12.1%), down significantly on the previous year. In particular, profit was impacted year on year by currency effects and expenses associated with additional tariffs. The impact of tariffs on the EBIT margin amounted to approximately 0.25 percentage points. A lower cost base partially offset these effects.

The return on capital employed (ROCE) in the Motorcycles segment for the reporting year stood at 12.8%, falling below the forecast range of 13% to 17% (2024: 15.5%; –2.7 percentage points). The change compared with the previous year is due mainly to the decrease in profit before tax and the increase in net working capital as a result of a rise in average property, plant and equipment levels.

FINANCIAL SERVICES SEGMENT

With BMW Financial Services, the BMW Group supports its customers worldwide with tailored financing and leasing solutions that make it easier for them to access individual mobility. Credit financing and leasing for retail and commercial customers make up the largest business area for the Financial Services segment. Under the Alphabet brand, the Financial Services segment also offers comprehensive fleet management solutions, including credit financing and leasing contracts, as well as tailored services. In addition, the segment manages part of the Group's own vehicle fleet. The Financial Services segment also handles dealership financing.

New business up slightly on the previous year

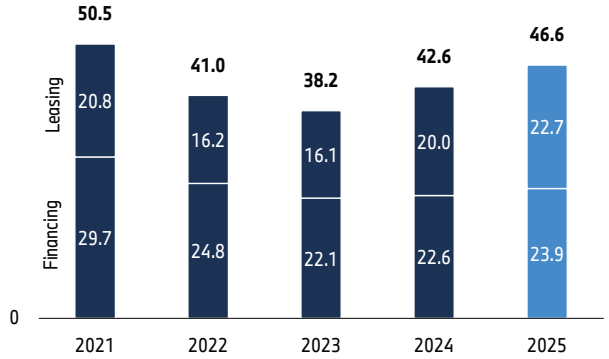
The number of new credit financing and leasing contracts increased slightly in 2025, reaching 1,726,267 contracts (2024: 1,693,876 contracts; +1.9%). The rise was attributable in particular to good performance in Europe and changes in the competitive situation in China in the second half of the year. Local banks there have significantly reduced their commission payments for brokering financial and insurance products to end customers. The share of new BMW Group vehicles either leased or financed by the Financial Services segment increased by 4.0 percentage points as a result of these effects to 46.6%* (2024: 42.6%).

The leasing business in the Financial Services segment benefited from electrified vehicles making up a bigger proportion of the Group's total deliveries, and with 680,592 new contracts achieved a solid growth (2024: 620,115 contracts; +9.8%). Leasing accounted for 39.4% of all new business (2024: 36.6%). At 1,045,675 contracts, new credit financing business was down slightly year on year (2024: 1,073,761 contracts; –2.6%). A decline in the number of lease returns meant that new pre-owned vehicle business was moderately below the previous year's level. Over the reporting period, 324,909 contracts (2024: 352,807 contracts; –7.9%) were for the credit financing and leasing of pre-owned BMW Group vehicles.

The total new business volume of all financing and leasing contracts increased to € 65,818 million in financial year 2025 despite negative currency effects (2024: € 64,519 million +2.0%).

New BMW Group vehicles leased or financed by the Financial Services segment*

in %



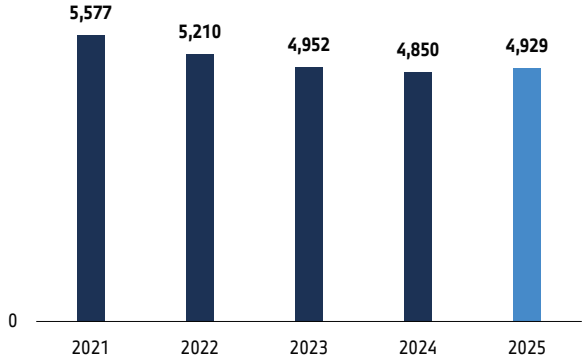
*The calculation only includes automobile markets in which the Financial Services segment is represented by a consolidated entity.

Slight increase in number of financed and leased vehicles

The total number of vehicles with credit financing or vehicle leasing contracts in place was 4,928,876 vehicles as at 31 December 2025, up slightly on the previous year (31 December 2024: 4,850,121 vehicles +1.6%). While there was growth in Europe (+3.3%), Oceania (+8.5%) and Africa (+1.6%), the number of contracts managed was in line with last year's level in the Americas (+0.4%). The number fell in Asia (–2.4%). New contracts increased in China in the second half of the year but were lower than the contract terminations during the reporting year as a whole. Disregarding the decline in China, the number of financed or leased vehicles in Asia rose slightly by 2.3% year on year.

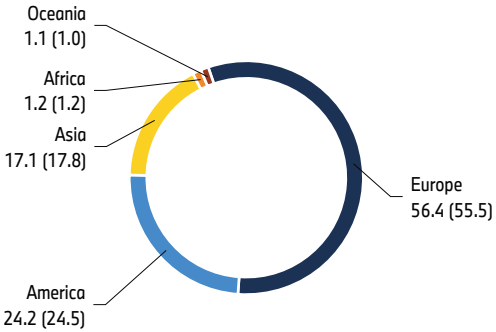
Portfolio of leased or financed vehicles in the Financial Services segment in 2025

in 1,000 units



Portfolio of leased or financed vehicles in the Financial Services segment in 2025 (2024)

in % by regions



Slight growth in fleet business
Of the total number of financed and leased vehicles, fleet business accounted for 775,642 vehicles as at the reporting date (31 December 2024: 741,935 vehicles; +4.5%). Alphabet also handles the management and marketing of part of the Group's own fleet. A continued increase in volume in this segment is expected as a result of the switch to a direct sales model in Europe. As at 31 December 2025, the segment had a total of 27,228 vehicles under its management (31 December 2024: 21,152 vehicles; +28.7%).

Moderate decrease in dealership financing volume
At the end of the financial year, the total business volume of dealership financing stood at € 19,549 million (31 December 2024: € 21,273 million; –8.1%; adjusted for currency effects: –3.4%) as a result of smaller dealership inventories and negative currency effects.

Financial Services segment profit before tax down on previous year
Profit before tax was moderately lower at the end of the financial year than in the previous year at € 2,401 million (2024: € 2,538 million; –5.4%). Reasons for the decrease included lower income from the sale of lease returns and a tax arrears payment made as a result of a revised operational tax assessment relating to previous years. In the UK, the provision for the industry-wide motor finance compensation scheme associated with certain commission arrangements was increased following the completion of a consultation by the Financial Conduct Authority (FCA). The addition to provisions led to an additional impact on profit in the fourth quarter. This impact had already affected the same quarter of the previous year, by a similar amount.

The credit loss ratio for the entire financing portfolio was 0.28% in the reporting period and thus up slightly year on year (2024: 0.26%).

In balance sheet terms, business volume was in line with the previous year's level as at 31 December 2025 at € 151,178 million (31 December 2024: € 151,117 million; +0.0%). Adjusted for currency effects, the business volume grew slightly thanks to the positive trend in the leasing and credit financing business.

Earnings performance within the target range
Return on equity (RoE) for the Financial Services segment was lower than in the previous year, coming at 14.3% in financial year 2025 (2024: 15.1%; –0.8 percentage points). Consequently, the RoE for 2025 was in line with the forecast target range of between 13% and 16%.

THE OTHER ENTITIES SEGMENT AND ELIMINATIONS

The profit before tax of the Other Entities segment improved to € 1.087 million in the financial year (2024: € 837 million). The main driver in the increase in profit were fair value measurement gains on foreign currency and interest rate hedging transactions, which in the previous year had been negative.

At the level of profit before tax, eliminations rose to € 629 million (2024: €–146 million). Lower eliminations relating to the leasing business had an impact on profit year on year.

COMMENTS ON THE FINANCIAL STATEMENTS OF BMW AG

Bayerische Motoren Werke Aktiengesellschaft (BMW AG), based in Munich, Germany, is the parent company of the BMW Group. The comments on the BMW Group and Automotive segment provided in earlier sections apply to BMW AG, unless presented differently in the following section. The Financial Statements of BMW AG are drawn up in accordance with the provisions of the German Commercial Code (HGB) and the relevant supplementary requirements contained in the German Stock Corporation Act (AktG).

The key financial performance indicator for BMW AG is the dividend payout ratio. This corresponds to the unappropriated profit of BMW AG in accordance with HGB in relation to the BMW Group's net profit for the year to shareholders of BMW AG. The key non-financial performance indicators are identical to those of the BMW Group. These are described in detail in the ↗ Comparison of Outlook with actual Outcomes section of the Combined Management Report.

Differences in accounting treatments based on HGB (used for the Company Financial Statements) and the International Financial Reporting Standards (IFRS) as adopted by the European Union (used for the Group Financial Statements) are mainly related to the capitalisation of intangible assets, the measurement of property, plant and equipment and inventories, the creation of valuation units, the recognition and measurement of financial instruments and provisions as well as the recognition of deferred tax. Differences also arise in the presentation of assets and liabilities and of items in the income statement.

Business environment and review of operations

The general and sector-specific environment of BMW AG is the same as that of the BMW Group and is described in the ↗ General and Sector-specific Environment section of the Combined Management Report.

BMW AG develops, manufactures and sells automobiles and motorcycles as well as spare parts and accessories manufactured in house, by foreign subsidiaries and by external suppliers, and performs services related to these products. Sales activities are carried out primarily through branches, subsidiaries, independent dealerships, agents and importers. Automobile deliveries decreased by 123,326 units to 2,424,264 units in the 2025 financial year. This figure includes 531,221 units relating to series sets supplied to BMW Brilliance Automotive Ltd., Shenyang, China, a decrease of 54,795 units compared with the previous year.

As at 31 December, BMW AG had 85,797 employees, plus 5,771 apprentices, interns and thesis students (31 December 2024: 87,823 employees, plus 5,942 apprentices, interns and thesis students).

Customer focus, operational flexibility and cost discipline were once the foundations for the positive performance in 2025. Nonetheless, deliveries in the second half of 2025 were weaker than expected in China, impacting profit. In addition, assumptions regarding the expected tariff reductions did not fully materialise. Research and development expenditure, cost of sales and administrative expenses were overall noticeably reduced, as were investments.

Electromobility continued to grow in significance in 2025. The all-electric BMW iX3*, which will become the first model of the NEUE KLASSE to be launched in Europe in spring 2026, received a lot of attention and media coverage after it was unveiled in September. With its highly innovative product portfolio, its consistent strategy implementation and a leading position in the premium segment, the Company is looking confidently into the future.

BMW AG's solid financial condition is reflected in the results of operations, financial position and net assets reported for financial year 2025. Performance was generally in line with management's revised expectations. This assessment also takes into account events after the end of the reporting period.

Earnings performance

Revenues fell by € 6,512 million compared with the previous year to € 98,805 million, largely as a result of a decline in sales volumes. The decrease in revenues was due mainly to the Chinese market, where they fell by € 5,089 million to € 9,452 million (2024: € 14,541 million). A positive trend emerged in Europe, where revenues increased by € 1,043 million to € 49,780 million (2024: € 48,737 million). Revenues totalled € 98,805 million (2024: € 105,317 million), of which Group internal revenues accounted for € 75,834 million (2024: € 81,138 million) or 76.8% (2024: 77.0%).

The € 4,307 million decrease in manufacturing costs to € 83,907 million is due largely to the reduction in volumes and is almost proportional to the change in revenues. Material expenses also fell due to pricing effects.

* ↗ Consumption and Carbon Disclosures.

Gross profit decreased by € 2,205 million to € 14,898 million.

Overall, selling expenses decreased slightly, while general administrative expenses decreased moderately. Amongst other costs, marketing expenses declined by € 140 million and administrative expenses for Group IT at headquarters fell by € 346 million.

Research and development expenses related mainly to the NEUE KLASSE models and also to new vehicle models, including the latest versions of the BMW 3 Series, X5 and X7. An additional focus involved ongoing development of cross-series future driver assistance systems and digitalisation and electrification of the vehicle fleet. Research and development expenses fell by 6.5% year on year, corresponding to the expenditure involved in production ramp-up.

Other operating income increased to € 2,849 million (2024: € 2,062 million), and was made up largely of realised exchange gains and income from the reversal of other provisions. The figure also included € 111 million from government subsidies for hydrogen drive technologies, € 63 million of which was prior-period income. The application of new accounting principles regarding the probability of payment of surviving dependents' benefits in pension provisions led to prior-period income of € 269 million in the reporting year.

Other operating expenses increased to € 2,262 million (2024: € 1,953 million) and mainly included expenses from financial transactions and additions to other provisions. Expenses arising from the valuation of foreign currency items using closing exchange rates amounted to € 247 million (2024: € 147 million).

BMW AG Income Statement

in € million	2025	2024
Revenues	98,805	105,317
Cost of sales	– 83,907	– 88,214
Gross profit	**14,898**	**17,103**
Selling expenses	– 4,119	– 4,261
Administrative expenses	– 3,864	– 4,068
Research and development expenses	– 7,775	– 8,315
Other operating income	2,849	2,062
Other operating expenses	– 2,262	– 1,953
Result on investments	5,503	3,917
Financial result	– 1,001	– 378
Income taxes	– 285	– 566
Profit after income tax	**3,944**	**3,541**
Other taxes	– 17	– 17
Net profit	**3,927**	**3,524**
Transfer to revenue reserves	– 1,255	– 847
Profit from the reduction of the share capital	23	–
Transfer to capital reserves according to § 237 V AktG	– 23	–
Unappropriated profit available for distribution	**2,672**	**2,677**

Income from profit and loss transfer agreements with Group companies, reported in the Result on investments line item, rose by € 1,803 million to € 5,431 million. This was mainly due to the increase in the profits of BMW INTEC Beteiligungs GmbH, Munich, which received a higher level of distributions from its subsidiaries, including BMW Holding B.V., The Hague, The Netherlands.

The financial result fell by € 623 million compared with the previous year. The previous year mainly included income from the mark-to-market accounting of the plan assets, but this resulted in expenses in the 2025 financial year. The plan assets were offset against the pension obligations.

Income taxes resulted primarily from the current tax calculation for the financial year. The year-on-year decrease was due largely to lower taxable income.

After deducting the expense for taxes, the Company reports a net profit of € 3,927 million, compared with € 3,524 million in the previous year.

Subject to the shareholders' approval of the appropriation of results at the Annual General Meeting, the unappropriated profit available for distribution amounts to € 2,672 million (2024: € 2,677 million). This translates to a payout ratio of 36.6% calculated based on the portion of the BMW Group's consolidated net profit attributable to shareholders of BMW AG in accordance with IFRS. The payout ratio thus remains within the forecast range of 30 to 40%, as in the previous year (36.7%).

The payout ratio takes into account the number of shares entitled to dividends at 31 December 2025 and may change prior to the Annual General Meeting due to the ongoing share buyback programme.

Financial and net assets position

Capital expenditure on intangible assets and property, plant and equipment in the year under report totalled € 3,245 million (2024: € 3,699 million) and was driven by the electrification of the vehicle portfolio and models of the NEUE KLASSE. Depreciation and amortisation amounted to € 3,046 million (2024: € 2,766 million). Financial assets remained in line with last year's level and totalled € 12,001 million (2024: € 12,020 million).

Inventories reduced to € 7,296 million (2024: € 7,766 million). This was due primarily to reporting date-related remeasurements in raw materials, auxiliaries and operating materials for purchased parts and raw materials for batteries.

The increase of € 159 million in trade receivables to € 1,164 million (2024: € 1,005 million) was mostly for reasons relating to the reporting date and is generally not yet due. This was the result of an increase in vehicle deliveries at the end of the 2025 financial year.

Receivables from subsidiaries rose to € 15,650 million (2024: € 13,546 million), with financial receivables increasing in particular as a result of greater receivables from profit and loss transfer agreements.

The increase in other receivables and other assets to € 5,485 million (2024: € 3,845 million) was due in particular to repurchase agreements for financial instruments reported under other assets.

Marketable securities decreased by € 723 million mainly as a result of the sale of a majority stake in a special-purpose fund.

Liquidity within the BMW Group is ensured by means of a liquidity concept applied uniformly across the Group. This involves concentrating a significant part of the Group's liquidity at the level of BMW AG. An important instrument in this context is the cash pool based at BMW AG.

Cash and cash equivalents increased by € 265 million to € 8,407 million, due mainly to net cash inflows from financing activities as a result of increased financial liabilities to subsidiaries compared with the previous year. This was offset by certain factors, particularly the cash outflows from financing activities due to the payment of the dividend for the 2024 financial year.

Equity increased by € 77 million to € 16,752 million due mainly to an increased transfer to revenue reserves amounting to € 1,255 million (2024: € 847 million). The share buyback programme had an offsetting effect on revenue reserves. The dividend payment for the 2024 financial year totalled € 2,649 million. The equity ratio changed from 25.0% to 24.0%.

In order to secure pension obligations, cash funds totalling € 454 million (2024: € 446 million) were transferred to BMW Trust e. V., Munich, in conjunction with a Contractual Trust Arrangement (CTA), to be invested in plan assets. Plan assets were offset against the related guaranteed obligations in the amount of € 13.313 million (2024: € 13.390 million).

After offsetting pension plan assets against pension obligations, pension provisions increased from € 1,848 million to € 2,153 million as a result of a decrease in the fair value of the corresponding assets.

Other provisions decreased from € 10,660 million to € 9,897 million. This was due mainly to a decline in provisions for statutory and non-statutory warranties and product guarantees, which was primarily driven by remeasurements and positive quality effects compared to the previous year. Provisions for compensation payments to suppliers also went down.

In reporting year 2025, liabilities from supplier development costs (€ 1,439 million) were included under trade payables to reflect the financial substance of the contractual relationship. In the previous year, these liabilities were reported under other liabilities (€ 1,048 million).

The increase in liabilities to subsidiaries to € 28,358 million (2024: € 23,949 million) was due mainly to the financial liabilities in line with the overall increase in the size of the cash pool.

Deferred income went up by € 132 million to € 4,861 million, the majority of which was related to amounts for services still to be performed in connection with service and maintenance contracts.

BMW AG Balance Sheet at 31 December

in € million	2025	2024
ASSETS		
Intangible assets	1,224	1,606
Property, plant and equipment	17,184	16,623
Investments	12,001	12,020
Tangible, intangible and investment assets	**30,409**	**30,249**
Inventories	7,296	7,766
Trade receivables	1,164	1,005
Receivables from subsidiaries	15,650	13,546
Other receivables and other assets	5,485	3,845
Marketable securities	1,189	1,912
Cash and cash equivalents	8,407	8,142
Current assets	**39,191**	**36,216**
Prepaid expenses	**128**	**105**
Total assets	**69,728**	**66,570**

in € million	2025	2024
EQUITY AND LIABILITIES		
Subscribed capital	616	639
Nominal amount of treasury shares	– 9	– 17
Capital reserves	2,473	2,450
Revenue reserves	11,000	10,926
Unappropriated profit available for distribution	2,672	2,677
Equity	**16,752**	**16,675**
Registered profit-sharing certificates	**22**	**23**
Pension provisions	2,153	1,848
Other provisions	9,897	10,660
Provisions	12,050	12,508
Trade payables	7,097	6,892
Liabilities to subsidiaries	28,358	23,949
Other liabilities	588	1,794
Liabilities	**36,043**	**32,635**
Deferred income	**4,861**	**4,729**
Total assets	**69,728**	**66,570**

Risks and Opportunities

BMW AG's performance is essentially dependent on the same set of risks and opportunities that affect the BMW Group and are described in detail in the ↗ Risks and Opportunities chapter of the Combined Management Report. As a general rule, BMW AG participates in the risks entered into by Group companies in pro-portion to the respective shareholding percentage. At the same time, the result on investments has a significant impact on the earnings of BMW AG.

BMW AG is integrated in the Group-wide risk management system and internal control system of the BMW Group. Further information is provided in the ↗ Internal Control System chapter of the Combined Management Report.

Outlook

For the 2026 financial year, BMW AG expects an unchanged dividend payout ratio (unappropriated profit of BMW AG in accordance with HGB in relation to the BMW Group's net profit attributable to shareholders of BMW AG in accordance with IFRS) within the targeted range of between 30 and 40% (2025: 36.6%).

Due to its significance in the Group and its close ties with Group companies, expectations for BMW AG with respect to its non-financial performance indicators correspond largely to the BMW Group's outlook. This is described in detail in the ↗ Outlook chapter of the Combined Management Report.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Munich branch, has issued an unqualified audit opinion on the Company Financial Statements of BMW AG, of which the balance sheet and the income statement are presented here. For the purposes of their inclusion in the Company Register, the Company Financial Statements of BMW AG will be submitted electronically to the body that maintains the Company Register and may be obtained via the Company Register website. The financial statements are also available on the BMW Group website at ↗ www.bmwgroup.com/ir.

SUSTAINABILITY STATEMENT

* Not part of ESRS reporting.

FOREWORD TO THE SUSTAINABILITY STATEMENT[1]

The BMW Group sees the balance between economic growth, protecting the environment and social responsibility as the foundation for value creation and long-term success. Acting responsibly towards the environment, our employees and society has a long tradition at the BMW Group. We leverage innovative solutions to systematically reduce the amount of resources that we consume. For years, the BMW Group has adopted a holistic, 360° approach to sustainability across its entire value chain. This approach extends beyond our own operations to encompass the supply chain, our production and how products are used by customers and recycling.

The BMW Group supports the European Union's overarching climate neutrality targets and is committed to achieving Net Zero CO_2e emissions by 2050 at the latest. The Company's sustainability targets remain ambitious and are science-based[2]. The BMW Group is following the 1.5°C pathway of the Paris Agreement for its own emissions (Scope 1 and Scope 2). The BMW Group meets the requirements of the well-below-two-degree approach for emissions related to the supply chain and the use phase of vehicles (Scope 3 categories: Purchased Goods and Services, Logistics and Vehicle Use). Our key actions involve:

- Sustainably reducing the energy requirements of BMW Group locations and using a greater proportion of renewable energy (Scope 1 and 2); implementing cutting-edge technologies to boost the efficiency of our vehicles (Scope 3 downstream);
- making the use of electricity from renewable sources[3] a mandatory requirement when awarding contracts to suppliers (Scope 3 upstream); and
- continuously increasing the proportion of secondary materials used (Scope 3 upstream).

In 2020, the BMW Group expanded its strategic target system beyond the boundaries of the Company and formulated its own targets for the reduction of CO_2e emissions in its supply chain. We use integrated management systems for a variety of processes, from setting climate targets to making operational decisions. These systems ensure that resources are used efficiently and provide transparency regarding the impact of our actions. The BMW Group believes that implementing a holistic circular economy has enormous potential to further reduce the consumption of resources and is committed to consistently driving the development of closed material cycles.

The BMW Group has set itself the target of reducing its targeted CO_2e emissions levels across the entire value chain by at least 40 million tonnes CO_2e by 2030 compared to 2019. Important actions in this context include the electrification of the vehicle fleet and the use of electricity from renewable sources along with secondary materials to decarbonise the supply chain. Other key actions include making greater use of renewable energy in our production processes. For example, the new plant in Debrecen, Hungary, already covers its energy requirements in regular operation without fossil fuels. However, the BMW Group wants to go further and reduce its emissions by at least a further 20 million tonnes CO_2e by 2035.

Our customers benefit from the most advanced technologies, regardless of the drivetrain they choose. The BMW Group was quick to identify the challenges facing the industry and is committed to developing effective solutions. By systematically applying innovative EfficientDynamics technologies and developing more efficient drivetrains, the BMW Group has been reducing fuel consumption levels for years, ensuring that fossil resources are used more responsibly. Expanding our plug-in hybrid fleet marked another significant step toward drivetrain electrification and lowered the carbon emissions of our vehicle fleet even further.

The development of the all-electric BMW i3 represented the beginning of the BMW Group's electromobility success story over 15 years ago. To date, the Company has delivered nearly 3.3 million electrified vehicles, including approximately 1.8 million all-electric units. That makes the BMW Group one of the world's leaders in sales volume of all-electric vehicles.

The NEUE KLASSE heralds a new model generation that systematically integrates sustainability at every stage of the value chain. The new BMW iX3 50 xDrive[4] is the pioneer of the NEUE KLASSE and is set to launch in Europe in the spring of 2026. It combines an all-electric drivetrain with the brand's signature driving dynamics, range and intelligent assistance systems. The completely redesigned and intuitive BMW iDrive sets new standards for user interfaces. The BMW iX3[4] also supports bidirectional charging, making it possible to use the vehicle as a versatile energy storage system (vehicle to load, vehicle to home, vehicle to grid).

The new BMW iX3[4] demonstrates the BMW Group's holistic approach to product sustainability across the entire life cycle. The Group implemented a set of wide-ranging measures across the supply chain, production and the use phase from the very earliest stage of the development process in order to conserve resources and reduce our environmental footprint. The approach taken by the BMW Group during the development of the NEUE KLASSE represents a major milestone toward the Group achieving its 2030 and 2035 CO_2e emission targets.

The BMW Group applied Design for Circularity principles throughout the development process of the BMW iX3[4]. This includes, among other things, the Secondary First approach, which favours the use of secondary material.

[1] Not part of ESRS reporting.
[2] Additional information is available in ↗ ESG Glossary and Explanations of Key Figures.
[3] See ↗ Glossary for a definition of electricity from renewable sources.
[4] ↗ Consumption and Carbon Disclosures.

As a result, around one-third of the new BMW iX3 50 xDrive* is made from high-quality secondary materials. These measures have reduced the product carbon footprint of the new BMW iX3* by more than 30% over its entire life cycle compared to the previous model.

We are not taking our foot off the pedal. The BMW Group is planning to introduce another locally emissions-free, all-electric drivetrain for sustainable mass production by 2028: the hydrogen fuel cell.

At the BMW Group, our impact-driven approach extends beyond focusing solely on our own brands' vehicles. The Company takes the total vehicle population into account – which includes over 250 million units across all brands in the EU alone. An untapped short-term potential for reducing CO_2e emissions lies in expanding the use of renewable, CO_2e-neutral fuels. The B-series petrol engine generation is compatible with petrol drivetrains containing up to 25% ethanol (E25). The BMW Group has been progressively rolling out this generation in its vehicles since 2015. The widespread adoption of this technology will be feasible once the necessary legal framework is in place. HVO100 – a fuel derived from biogenic waste – is an existing practical alternative for diesel engines that can reduce CO_2e emissions by a considerable amount. BMW Group vehicles with B-series diesel engines (introduced in stages since 2015) are compatible with HVO100. The BMW Group began using non-fossil HVO100 for the first factory fill of all diesel models produced in Germany at the start of 2025 to demonstrate its viability as an alternative fuel. The BMW Group has also launched a fleet project with vehicles running exclusively on HVO100. The BMW Group intends to use this project to lend credence to its call for a 0 g/km rate to be allocated to new vehicles that can demonstrably be run using only renewable fuels under CO_2 fleet legislation.

For the BMW Group, technology openness means deploying modern and efficient drivetrains across our entire model range. This strategy can be implemented at pace and puts the Company in a position to take effective action in order to reduce its CO_2e emissions.

The BMW Group is committed to using resources responsibly. We continuously monitor our freshwater and energy usage to achieve a sustainable reduction in our consumption levels. Guided by the principles of Re:think, Re:duce, Re:use, Re:cycle, the BMW Group works closely with its partners to close material cycles within the automotive industry and integrate a circular economy into its processes. One of our key targets is for all vehicles produced by the BMW Group to contain an average of at least 25% recycled content by 2030. This represents a significant step towards reducing our reliance on primary materials.

The ambitious targets of the BMW Group are made possible by our employees. We support our workforce by fostering their individual strengths, providing a productive work environment and consistently working to increase the share of women in management positions. Flexible, networked teams ensure our competitiveness and organisational resilience. Over the past three years, the BMW Group has invested over € 1 billion globally in training and further education.

We believe that enhancing the skills and expertise of our workforce has an essential role to play in securing our future. A tangible example of this commitment is the Talent Campus in Munich, which opened in 2025. This facility provides all of our employees with an opportunity to explore and master emerging technologies, including digitalisation, AI, electric drivetrains, automation and robotics. This unique learning ecosystem also addresses socially relevant topics, such as social skills and inclusion.

As part of our Just Transition approach, the BMW Group is combining the transformation with future-proof workplaces that guarantee safety and reliability for its workforce in a productive environment. We actively involve our workforce in change processes. The 2025 Employee Survey – which saw a 90% participation rate – revealed that a high number of employees identify with the Company, with 92% of respondents saying that they are proud to work for the BMW Group. The Group also scored highly in terms of motivation and trust in leadership. Our status as an employer of choice has also been confirmed by independent analysts; the 2025 Trendence Employer Ranking, for example, once again named the BMW Group as the most attractive employer.

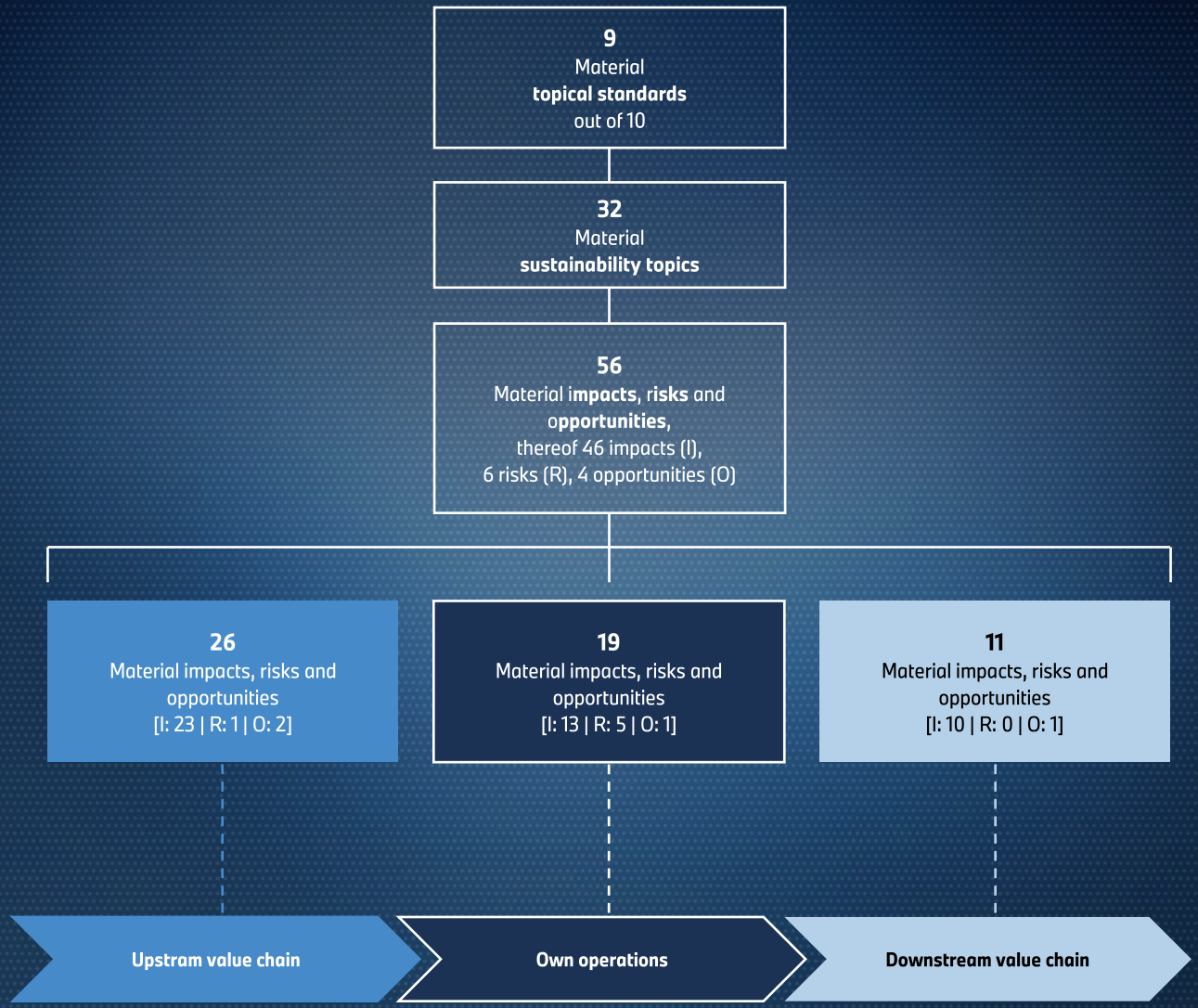
Collaboration is the key to resilience. The BMW Group works with long-standing, reliable partners who share our values to develop innovations and unlock new technologies. Within our global supplier network, we place great importance on compliance with environmental and social standards, with a particular focus on respecting human rights. We assess compliance on the basis of our own corporate ethical principles, alongside regular risk analyses and audits.

Our clear and consistent corporate strategy and commitment to responsible action form the basis of long-term success, as exemplified by the road map set out by the BMW Group for the NEUE KLASSE.

This Sustainability Statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS). It is based on a double materiality assessment that considers both the inside-out and outside-in perspectives. According to the ESRS, companies must classify ESG topics as either material or non-material. The BMW Group uses an approach that accounts for effective mitigating measures implemented on a Group-wide basis and assesses the potential materiality of sustainability topics using the "bottom-up" approach. Topics classified as non-material under ESRS may still hold significant importance for the BMW Group. Legally compliant behaviour is also a top priority for the BMW Group in connection with these sustainability topics. Because of this, the results of a materiality assessment carried out by the Group on an ESRS basis may not be fully comparable with those of other companies. This means that a sustainability topic may be classified or reported on differently by different companies in the same sector due to their specific assessment criteria and frameworks.

* ↗ Consumption and Carbon Disclosures.

PRINCIPLES AND GENERAL DISCLOSURES



GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY STATEMENT

ESRS 2 BP-1, BP-2

This Sustainability Statement fulfils the requirements for the combined non-financial statement (NFS) in accordance with §§ 289b-e and 315b-c of the German Commercial Code (HGB). It therefore represents the Combined Non-financial Statement of the BMW Group and BMW AG. Unless stated otherwise, all information relates to both the BMW Group and BMW AG.

As in the previous year, we have adopted the Delegated Regulation outlined in Article 29b of Directive 2013/34/EU on sustainability reporting standards (the European Sustainability Reporting Standards [ESRS]) in full. The ESRS are not mandatory due to the fact that the Corporate Sustainability Reporting Directive (CSRD) was not adopted into German law by 31 December 2025. Due to the future mandatory application, the ESRS are nevertheless used as a framework for the NFS for the 2025 financial year on a voluntary basis.

Because Group-level information is of relevance for our stakeholders, the NFS for BMW AG will not use a different framework. In principle, the policies, actions and targets described for the Group also apply to BMW AG.

Furthermore, the Taxonomy Regulation (Regulation (EU) 2020/852 of the European Council and of the European Parliament on the Establishment of a Framework to Facilitate Sustainable Investment, and amending Regulation (EU) 2019/2088) and its delegated acts are taken into account in the Sustainability Statement.

The Sustainability Statement also draws on the SASB standards published by the Sustainable Accounting Standards Board. They provide information about sector-specific disclosures. Footnotes are used to identify these disclosures as additional disclosures. An overview is available in the ↗ SASB Index.

Some of the data points in this report refer to the 2021 GRI Standards of the Global Reporting Initiative (GRI).

This Sustainability Statement is prepared on a consolidated basis for the entire BMW Group. The Sustainability Statement covers all companies that are included in the reporting entity for the BMW Group's Financial Statements. Subsidiaries are incorporated in full, while joint operations are included on a proportionate basis. Similar to the Group Financial Statements, individual companies are not included in the Sustainability Statement if they are deemed immaterial. An overview of the companies that have been included is available in the ↗ List of Investments. Deviations from the Group reporting entity have been noted for the relevant disclosures.

The Sustainability Statement covers the BMW Group's own business activities along with its upstream and downstream value chain. The BMW Group's ESRS-based materiality assessment has identified material impacts, risks and opportunities. A detailed description of this is provided in the ↗ Materiality Assessment section. Whenever the identified material impacts, risks and opportunities can be assigned to the upstream or downstream value chain, the strategies used to address them, the targets defined in relation to the material sustainability matters and the actions that have been taken or planned to achieve strategic targets and objectives also apply across the upstream or downstream value chain.

The parameters that have been determined and applied in this Sustainability Statement also include the value chain to the extent that this is required by law or useful for the purpose of presenting and explaining a material sustainability-related issue.

The BMW Group is making use of the option to omit certain information relating to intellectual property, expertise or the results of innovations for the 2025 financial year (§ 289e HGB). The safeguard clause applies to the disclosures specified in ESRS E1-1.16c) and E1-3.29c). The safeguard clause referenced in ESRS 2 BP-1.5e) has not been used for the 2025 financial year.

The timeframes for collecting and assessing material impacts, risks and opportunities are aligned with our long-term corporate planning. The short-term period corresponds to the reporting year. In terms of material impacts, risks and opportunities, the medium-term time horizon covers the period from 2026 to 2031. Accordingly, the long-term time horizon extends to the period after 2031. For the main climate-related impacts, risks and opportunities, the period from 2026 to 2036 is considered to be medium-term. The long-term period begins after 2036.

A complete list of disclosure requirements and referenced datapoints is available in the ↗ ESRS Index. An overview of all datapoints that derive from other EU legislation can be found in the ↗ List of datapoints that derive from other EU legislation.

In principle, a year-on-year comparison is provided for all metrics. Only with a few exceptions are the previous year's figures not disclosed. This is stated and explained for the relevant metrics. Changes in how the metrics are prepared and presented compared with the previous year as well as the use of estimated values and resulting measurement uncertainties are also noted for the metrics concerned. Figures reported in the Group Financial Statements that enable a better understanding of the non-financial statement are disclosed and explained.

Material errors in previous reporting periods and the corrections made are presented for the corresponding metric.

SUSTAINABILITY STRATEGY

ESRS 2 SBM-1

The aim of the BMW Group Strategy is to find the right balance between business, the environment and society. The key focus areas of the Group's strategy are: a technology-neutral portfolio of highly efficient drive technologies with a strong focus on electromobility, digitalisation and sustainability across the entire value chain, including the circular economy. Sustainability considerations are therefore integrated in corporate structures and processes in a comprehensive and holistic manner. » The BMW Group Strategy

Business segments

The BMW Group's business model comprises the Automotive, Motorcycles and Financial Services segments. A detailed description of the segments along with their products, services and key markets can be found in » Business Model and Organisation and » Segments. Information about relevant BMW Group products that were introduced in 2025 is also provided in » Automotive Segment, » Motorcycles Segment and » Strategic approach – Where is the BMW Group heading?.

Employees

As of 31 December 2025, the BMW Group employed a workforce of 155,497* people worldwide. The distribution of the workforce by region is presented in ↗ Characteristics of our workforce.

Business model and value chain

The BMW Group develops and manufactures premium automobiles and motorcycles, in addition to providing financial services. General information about the factors that impact its business model and management is provided in » The BMW Group Strategy.

The upstream and downstream value chain and the BMW Group's position within this can be seen in the value chain illustration.

The BMW Group's upstream value chain comprises a multi-layered network of suppliers who provide production material, raw materials, components, capital goods and services to the BMW Group for the purpose of producing vehicles and parts. For a description of the Purchasing and Production departments and the role that they play in the value chain, please refer to » Purchasing and Supplier Network and » Production Network. The BMW Group's global sales network functions as a downstream value chain and serves to sell the vehicles produced, provide customer care and carry out maintenance and repair work on vehicles owned by customers. An explanation of the BMW Group's sales system and the relevant customer groups and markets is available in » Segments, » Business Model and Organisation. » Strategic approach – Where is the BMW Group heading? provides an insight into the sales strategy and the shift to direct sales. The recycling and reprocessing of parts and the recycling of vehicles is covered in ↗ Measures and metrics for the responsible use of resources. Thousands of vehicles are systematically dismantled and recycled using efficient methods every year at the BMW Group's recycling and dismantling centre. The BMW Group's Financial Services segment focuses on credit financing, leasing BMW Group brand automobiles and motorcycles to private customers, and the fleet business, and is presented in » Financial Services Segment. Regardless of how the contracts are categorised for financial reporting purposes, the use of vehicles leased in the Financial Services segment and the associated environmental impacts are allocated in full to the downstream value chain.

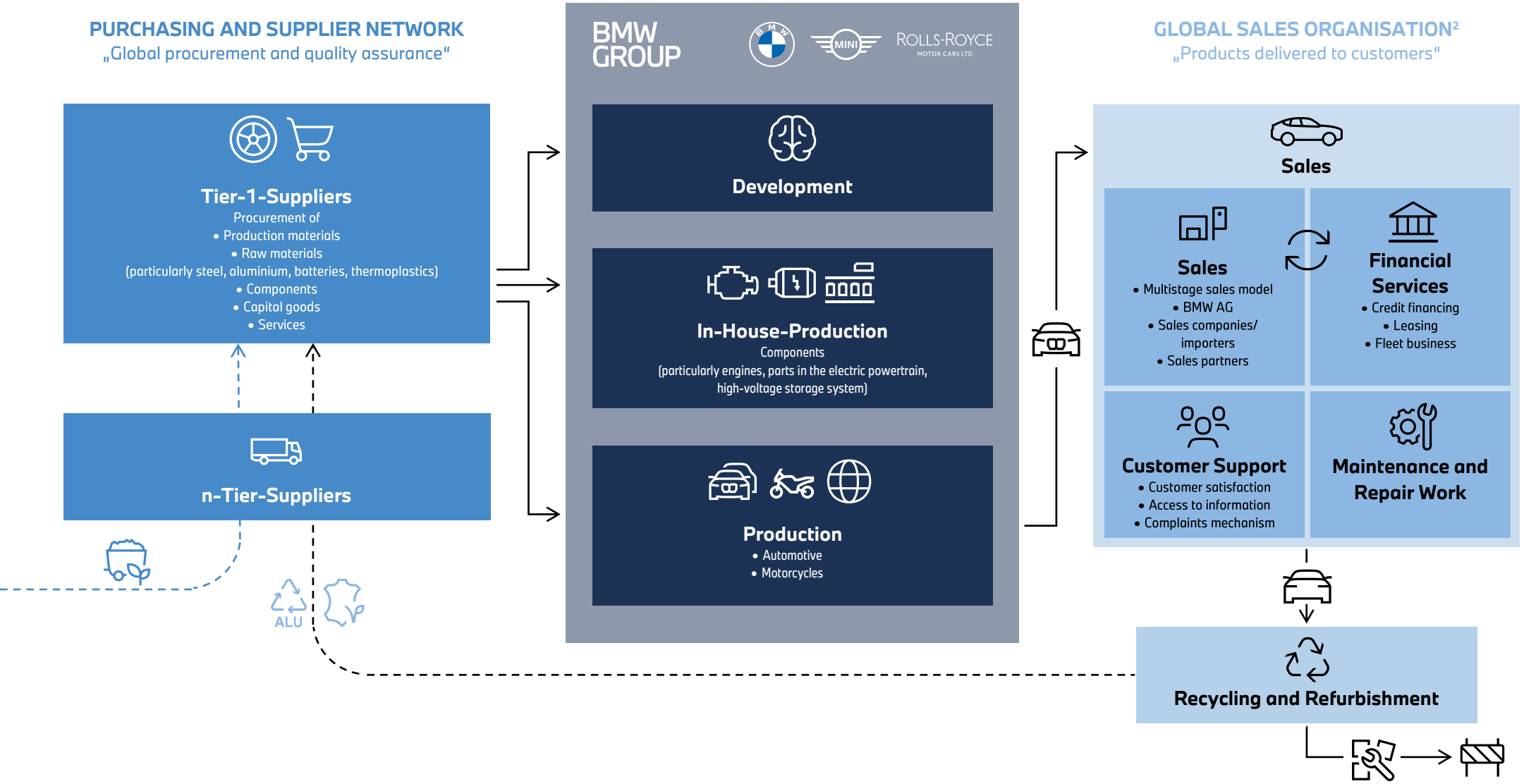
An overview of the current and expected benefits of the products and services for customers, investors and other relevant stakeholders can be found in » Cornerstones of the Strategy. For information on financial performance and the course of business, please refer to » Financial Performance and » Course of Business and Segments. An overview of actual and potential material impacts, risks and opportunities, and how they relate to the BMW Group's business model, strategy and value chain, can be found in ↗ Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model. It also provides information about the resilience of the BMW Group's corporate strategy and business model with regard to management of material impacts and risks as well as utilisation of material opportunities.

Strategic position – sustainability-related goals

Key sustainability-related goals are described as integral components of the BMW Group Strategy in » Cornerstones of the Strategy as well as ↗ Climate Change Mitigation and Adaptation, ↗ Energy Efficiency and Renewable Energy, ↗ Circular Economy and Resource Use and ↗ Own Workforce.

* Compared to the ↗ Key Performance Indicator, the joint operation Spotlight is included on a pro rata basis in accordance with ESRS.

Value Chain[1]



[1] Simplified depiction according to ESRS. [2] Includes BMW Group entities and (external) partners.

MATERIALITY ASSESSMENT

ESRS 2 IRO-1, ESRS 2 IRO-2, ESRS 2 IRO-1-E1, E2, E3, E4, E5, G1, ESRS 2 SBM-3

Procedure and methodological basis for the materiality assessment

For a second time, the BMW Group conducted its materiality assessment based on the CSRD and the ESRS. This assessment followed the double materiality approach outlined in ESRS 1, which considers two key perspectives:

Impacts (inside-out perspective): this perspective assesses the positive and negative impacts of the BMW Group's business activities on the environment and society. It encompasses all relevant stakeholders of the BMW Group.

Risks and Opportunities (outside-in perspective): this perspective assesses how external sustainability factors influence the BMW Group's business model. It focuses on risks and opportunities that could arise from external developments and have a financial impact on the BMW Group.

The BMW Group uses the steps outlined below to identify, assess and prioritise impacts, risks and opportunities as part of the materiality assessment process. The approach outlined in ESRS 1 is used for all sustainability topics, including aspects of business conduct (ESRS G1), biodiversity and ecosystems (ESRS E4), and resource use and circular economy (ESRS E5). Additional descriptions of the identification and assessment of material climate and environmental impacts, risks and opportunities follow this general overview.

1. Identification and assessment of relevant sustainability topics (identification of impacts, risks, and opportunities) for the BMW Group

2. Transparency regarding expectations and interests of key internal stakeholders and dialogue with relevant and affected stakeholders external to the BMW Group

3. Assignment of material sustainability topics to the corresponding disclosures in the topical ESRS

4. Validation of outcomes and finalisation of the materiality assessment

Additional, recurring analyses for specific sustainability topics are sometimes performed before the materiality assessment itself.

Scenario analyses are used to identify climate-related physical and transitory risks and opportunities ↗ Procedures for identifying and assessing material climate-related and environmental impacts, risks and opportunities. The results of these analyses are incorporated into the materiality assessment to identify potential and actual material risks and opportunities and their scale. Analysis of opportunities and risks takes place in the three defined time horizons ↗ General Basis for Preparation of the Sustainability Statement.

The following methodology is used for the inside-out as well as the outside-in perspective.

Step 1

The first step in identifying and assessing relevant sustainability topics is to review the relevant sustainability topics identified on the basis of the BMW Group's materiality assessments in previous years, taking into account the extended ESRS requirements. This step also involves determining the extent to which new or additional sustainability-related topics need to be added, for example in the areas of strategy, Board of Management remuneration, competition or environmental analysis. The outcome of this review is assigned to the sustainability topics specified in ESRS 1 "General requirements".

Next, negative and positive impacts on the environment and society are formulated for each sustainability topic (e.g. water consumption at production sites) along the entire BMW Group value chain*. The starting point is the Company's established environmental, social and governance due diligence processes. When needed, these are supplemented by new impacts that have not yet been subject to detailed monitoring (e.g. in the area of biodiversity). The impacts form the basis for deriving potential risks and opportunities (e.g. regulatory risks to curb water consumption in water-sensitive areas) for the BMW Group's business model. There are also sustainability-related risks and opportunities that may affect the BMW Group regardless of their impact. Risks and opportunities of this kind are compared with the outcomes of the Company-wide risk management process (information about the risk management process is provided in » Risk and opportunity management, while the definition of non-financial risks in accordance with § 289c HGB is provided in ↗ Non-financial risks as reported in the non-financial statement [NFS]). Each impact or opportunity and each risk is placed in a temporal context: short-term (2025 financial year), medium-term (2026 to 2031 inclusive; up to and including 2036 for climate-related risks or opportunities) and long-term (> 2031 or > 2036 for climate-related risks/opportunities). The resulting list of impacts, risks and opportunities is validated in workshops with internal and external experts. Risks and opportunities are derived at the level of sustainability sub-topics and sub-sub-topics whenever possible so that their materiality can be assessed on a differentiated basis within a topical ESRS.

Both the upstream value chain (supply chain) and the downstream value chain are considered as part of the materiality assessment. The impact on the environment and people along the supply chain is addressed in the impacts, risks and opportunities that relate to environmental or social sustainability topics.

* This encompasses all of the BMW Group's operations, including all of its sites and regions, as well as its business relationships.

The business conduct-related impacts, risks and opportunities in the context of the supply chain, on the other hand, pertain exclusively to the management of relationships with suppliers, including payment practices.* This includes, for example, fair behaviour towards suppliers, transparent selection process criteria and adequate payment practices.

The subsequent tool-supported assessment of all formulated impacts, risks and opportunities is carried out by internal experts. Each assessment parameter is rated on a scale of 1 to 4. The range in the overall assessment can thus be between 0.1 and a maximum of 4.0 when multiplied by a probability of occurrence. If an impact, risk or opportunity exceeds the threshold of 2, it is considered material. The severity of a negative or positive impact is determined by multiplying its scope (how widespread is the impact?) by its scale (how grave or beneficial is the impact?). For negative impacts, the extent to which the impact can be remedied is also taken into account. In the case of a potential (positive or negative) impact, the assessment is assigned a probability of occurrence. Risks and opportunities are assessed on the basis of financial materiality. Potential risks and opportunities are the product of their financial scale and their probability of occurrence. The following categories are used to specify the financial scale of a risk or opportunity: financial performance, strategic targets, reputation effect, supply chain and compliance. Not all evaluation categories necessarily have to be evaluated and the highest value from the five evaluation categories is always decisive.

The assessment process is also based on the following assumptions:

- Mitigating actions that have already been implemented and are effective for the BMW Group during the reporting period are taken into account when assessing impacts and risks.
- In cases where assessment results are provided by multiple assessors due to segment-specific differences, an average valuation is applied.
- An additional detailed review of the outcomes is carried out in threshold cases where a rating is exactly or just below 2, as well as in extreme cases.
- Assessment results are backed up using external sources or empirical studies (e.g. industry associations, OECD, WHO) whenever possible.

Outcome: The sustainability sub-topics and sub-sub-topics specified in ESRS 1 are in line with the sustainability matters that the BMW Group has considered to date. On the basis of the sustainability sub-topics and sub-sub-topics specified in ESRS 1 and the mitigating action which has been implemented, a total of almost 500 impacts, risks and opportunities along the BMW Group value chain were available for assessment purposes. Of these, 56 impacts, risks and opportunities were assessed as material for the BMW Group via the internal analysis for the 2025 financial year. These can be assigned to 32 sustainability sub-topics and sub-sub-topics ↗ List of material impacts, risks and opportunities.

Step 2

In the second step, the BMW Group involves affected stakeholders and users of sustainability statements in assessing the material sustainability topics. The following stakeholder groups were consulted to draw opinions from as wide a circle as possible: suppliers and other business partners, non-governmental organisations (NGOs), network partners, representatives from politics and science, customers, investors and the Works Council of BMW AG. Stakeholders are placed in E, S or G groups based on their expertise, and asked for their individual opinion on the assessment results. Opinions are gathered using structured interviews, ideally within existing stakeholder formats. The BMW Group is also in continuous dialogue with many external stakeholders in Germany and abroad regarding all the sustainability matters listed. These are involved in the materiality assessment process as part of the stakeholder engagement process. ↗ Stakeholder Engagement

Outcome: The material sustainability sub-topics and sub-sub-topics identified by the BMW Group's internal materiality assessment were confirmed by the stakeholder groups surveyed, which featured a significantly higher number of participants than in the previous year. Information on adjusting the relevance of sustainability topics was taken into account as part of a validation of the assessment results.

Step 3

In the third step, the relevant sustainability topics for the BMW Group are assigned to the individual disclosure requirements of the topical ESRS. As there is no legally binding allocation structure for the 2025 financial year, the BMW Group mapped sustainability topics independently and arranged for its mappings to be validated by two external consulting firms. For the mapping of a material sustainability sub-topic or sub-sub-topic to disclosure requirements in the area of strategies, measures and targets, the minimum disclosure requirements according to ESRS 2 and the disclosure requirements of the relevant topical standard are taken into account.

Material sustainability sub-topics or sub-sub-topics are linked to quantitative disclosure requirements via the specific formulation of a material impact, a material risk or a material opportunity. By way of example, the material impact on "Social dialogue" makes the sustainability sub-sub-topic "Social dialogue" material. The material sustainability sub-topics and sub-sub-topics are then assigned to the disclosure requirements pursuant to ESRS.

Outcome: The 32 material sustainability sub-topics and sub-sub-topics (2024: 31), which are distributed across 56 material impacts, risks and opportunities (2024: 85), are associated with over 500 individual disclosure requirements (datapoints) for the BMW Group for the 2025 financial year in accordance with the respective ESRS.

* Approach adopted by the BMW Group for ESRS G1 sustainability topic "Management of relationships with suppliers, including payment practices".

Step 4
In the fourth step, all outcomes of the materiality assessment are explained in detail to the relevant bodies, in particular the Board of Management and the Audit Committee of BMW AG. The resulting conclusions are discussed with the relevant decision makers. If necessary, this is used to adjust selected results of the assessment.

Outcome: The result of the materiality assessment for the BMW Group was confirmed by the committees of BMW AG after the entire process, including adjustments, was completed.

Comparison with previous period and next review of results
There were no significant changes to the approach taken to perform the materiality assessment in accordance with the ESRS in the 2025 financial year. The results for the material sustainability topics have changed in four respects. Collective bargaining coverage for the Company's own workforce and adequate wages for workers in the supply chain have been identified as material for the first time. Child protection is now included under product safety, while climate change adaptation for the Company's own business operations is no longer considered material due to the focus on the upstream value chain. The results of the assessment of material sustainability topics will be reviewed during the 2026 financial year and on an ongoing basis in subsequent financial years.

Procedures for identifying and assessing material climate-related and environmental impacts, risks and opportunities
Climate-related impacts
The BMW Group directly and indirectly generates greenhouse gas emissions worldwide through upstream processes, the procurement and processing of raw materials, products and services for development and production, and the supply and use of its own products and services. ↗ Climate Change Mitigation and Adaptation

These emissions are assessed, recorded, measured and reported in accordance with the requirements of the Greenhouse Gas Protocol and the relevant scopes in terms of their significance. As an automobile manufacturer, most of the BMW Group's emissions are generated during the production of purchased components and during the use of its products (Scope 3). The supply chain's relevance is growing steadily due to rising emissions caused by the increasing electrification of the BMW Group's vehicle fleet. Despite their lower volume compared to absolute values, the emissions from our own sites (Scopes 1 and 2) are measured and steered because of their direct influence. The procedure for measuring all scopes or categories classified as relevant is firmly established in the BMW Group's non-financial reporting process. ↗ BMW Group CO_2e footprint, ↗ Reporting overview for the Scope 3 categories These metrics are reviewed internally in the event of significant changes and adjusted if necessary. It is also checked whether there are any changes or additions to the relevant categories with reference to the requirements of the Greenhouse Gas Protocol.

To assess the impact of its own business activities on greenhouse gas emissions, the BMW Group has made these analyses an integral part of its long-term corporate planning. The CO_2e emissions resulting from sales planning (with a focus on the supply chain, use phase and own production) are simulated based on current assumptions and checked against the reduction targets. This is used to derive the actions required to achieve the targets and to initiate their implementation. Variables that do not correlate to the volume and drivetrain mix are also controlled – for example, the infrastructure of sites that are not relevant to production.

Procedure and methodological basis for climate-related risks and opportunities
Climate change may also impact the BMW Group business model in different ways. As a result, the Company analyses a wide range of climate scenarios, identifies and measures climate-related risks and opportunities, and adopts the relevant measures.

During the 2025 reporting year, all climate-related risks and opportunities for the BMW Group were analysed in terms of their sensitivity to three climate scenarios. Physical and transitory risks, as well as transitory opportunities, were considered over the medium and long term. The time horizons used for this fully cover the timeframes in the materiality assessment up to 2036 inclusive (medium-term) and up to 2050 (long-term). The potential short-term impacts of climate change are already included in the BMW Group's general short-term risks. Examples of physical climate risks include an increasing frequency and intensity of acute extreme weather events such as heavy rain, hail, storms and floods, along with longer-term changes in temperature and total rainfall. Transitory risks, by contrast, arise from the transition to a low-carbon economy. These include, among others, regulatory risks, technology risks, capital and financial market risks, and market risks.

The BMW Group uses three scenarios to identify and measure physical climate-related risks, which are based on the scenarios of the Shared Socioeconomic Pathways (SSP) of the Intergovernmental Panel on Climate Change (IPCC). The 2023 IPCC Report is used as a basis for this. These climate scenarios range from a low-emissions scenario with global warming of <+2.4°C (moderate warming, SSP1-2.6) and a medium scenario with an average warming of +2.5°C (intermediate, SSP2-4.5) to a >+4°C (fossil-fuelled development, SSP5-8.5) scenario.

The scenario analysis methodology for transitory climate-related risks and opportunities was revised for the 2025 reporting year. The BMW Group has based its identification and assessment of these risks and opportunities on three scenarios developed by the International Energy Agency (IEA). Compared to the previously used IPCC scenarios, switching to the IEA scenarios allows for improved mapping of the development of transitory risks and opportunities. The Net Zero Emissions (NZE) Scenario, the Announced Pledges Scenario (APS) and the Stated Policies Scenario (STEPS) are used for the scenario analyses. The analysis was based on the World Energy Outlook (WEO) 2024 dataset. The NZE Scenario is in line with a 1.5 °C scenario, as per the Paris Climate Agreement. The APS Scenario assumes that climate policies that have already been announced will be implemented. The STEPS Scenario reflects the prevailing policy settings and a moderate transition. The wide range of scenarios which could occur over the long-term planning period and beyond covers plausible risks and uncertainties. Physical as well as transitory climate-related risks and opportunities are taken into account in internal management and in the preparation of the Group Financial Statements.* » Accounting policies, assumptions, judgments and estimations

Physical climate risks
The three IPCC climate scenarios set out above form the basis for the BMW Group's risk model for physical climate risks in the entire value chain. To assess these scenarios, site-specific risk data provided by an external insurance company are used for all relevant BMW Group and supplier sites for the medium and long term.

Risk-specific data, such as global weather and climate data, a digital elevation model and registered historical events, are used for the various physical risks. The spatial resolution is defined by the finest available representation of the relevant output data.

The risk posed by climate change at the respective BMW Group or supplier site is modelled both in the medium and long term (time dimension) in accordance with the scenarios (intensity dimension) of the globally recognised IPCC Report. In terms of physical climate-related risks, the time horizons cover the long-term strategic corporate planning period as well as the expected service life of buildings and facilities.

For the BMW Group, physical climate risks may result in damage to assets such as buildings, vehicles and parts. Climate-related events may also lead to downtime at the BMW Group's own or at suppliers' sites. Physical climate risks are analysed on a location-specific basis, for example based on geo-coordinates of the relevant BMW Group and supplier sites. The climate risk or average annual expected damage loss is calculated for each BMW Group or supplier site using the underlying location-related hazard situation, its exposure and site-related vulnerabilities.

Physical climate risks also increase for the BMW Group particularly in the long-term period and beyond within the context of the >+4°C scenario (SSP5-8.5). This affects both BMW Group production sites and supplier sites. Were such an event to occur, it could lead to production interruptions at individual sites. Updates on risks identified in climate scenarios are taken into account when planning new construction and conversion measures.

After considering the physical climate risks in the various scenarios, the materiality of the risks was assessed in the overarching materiality assessment. The BMW Group has implemented a wide range of measures to mitigate these risks, so that no physical climate risks as defined by the ESRS are categorised as material. All material climate-related risks are transitory risks.

Transitory climate risks and opportunities
Transitory climate risks and opportunities arise from the transition to a low-emissions economy and are assessed for the medium- and long-term using climate-related risk drivers and qualitative expert assessments. These risks become particularly apparent when conditions change more quickly or differently than expected.

All climate-related risks and opportunities in the medium and long term identified as part of the materiality assessment process are incorporated into the scenario analysis. These relate to the Company's own business operations and to the upstream and downstream value chain. The effects in the various scenarios and timeframes are simulated and compared with the current data from our long-term corporate planning. The climate-related risks and opportunities are assessed on the basis of the results of the scenario analysis as part of the materiality assessment process.

The potential transitory risks are deemed the highest over the medium term as a result of the rapid, potentially unforeseeable developments in the Paris Climate Agreement global warming scenario. It cannot be ruled out that further measures will be taken globally in the next few years to achieve the <+1.5°C target. As the scenario analysis indicates, regulatory requirements decided upon at short notice may enter into force, which could affect products, production and supply chains. This also includes changes to calculation and disclosure rules, which may change the target contribution of actions taken. In addition, competition and demand, especially for electric vehicles, may change in a 1.5°C scenario. Some of these risks were categorised as material in the materiality assessment based on the final expert assessment.

The scenario analysis also highlights business opportunities in the orientation towards the 1.5°C path. They arise from the necessary adjustments to products, production processes and the value chain. Opportunities may result primarily from the rising demand for low-emission products and the growing range of electrified drivetrains. The scenario analysis identified potential benefits such as government subsidies for electromobility, cost reductions due to renewable energy, efficiency and reputational gains, and increasing acceptance of BEVs. The findings were incorporated into the materiality assessment. However, none of the identified opportunities exceeded the defined materiality threshold based on the expert assessments.

* The attainment of the Paris Climate Agreement targets is part of the BMW Group's long-term corporate planning, meaning that the low-emission scenario is incorporated into the assumptions for the Group Financial Statements in accordance with ESRS E1 AR 15.

At present, thanks to the BMW Group's strategy, all assets and business activities are consistent with the transition to a carbon-neutral economy in accordance with ESRS E1 AR 12(d).

Impact, risks and opportunities in relation to environmental pollution

The identification of significant impacts, risks and opportunities for the topic of environmental pollution takes place at an overarching level as part of the ↗ Materiality Assessment. Information on strategies, targets, actions and metrics is described in ↗ Reduction of Environmental Pollution.

Specifically with regard to the issue of environmental pollution, sites with a particular influence on the BMW Group's business activities are examined more closely. A risk assessment is performed for each site identified as having a particular influence. For example, the Company's sites are generally subject to an environmental impact assessment and, depending on the risks involved, certification on a case-by-case basis. Sites with a high risk and a high level of damage are subject to measures to reduce potential damage. New sites are assessed for impacts and risks using environmental due diligence, an environmental impact assessment, climate risk assessments and, where required, baseline assessments of biodiversity. Risk mitigation measures derived from these are implemented as required. Furthermore, the BMW Group Environmental Statement includes both a qualitative assessment of the environmental impact of manufacturing technologies at the various sites and, where available, the inclusion and assessment of topics concerning other emissions. By taking this systematic approach, the BMW Group ensures that the impacts, opportunities and risks are recorded in full and assessed accordingly.

This includes all sites that require an environmental assessment and approval under national law (for example the Federal Immission Control Act [BIMSchG] in Germany). In practice, this takes in all production sites, component production, the Research and Innovation Centre (FIZ), test tracks and distribution centres. Other sites such as offices or branches may require country-specific environmental assessments, but are usually examined only as part of building permits due to their lower environmental relevance. These building permits also include environmental impact assessments in accordance with country-specific laws.

A list of the material environmental effects is provided for all technologies and indirect environmental effects (for example employee commuting) in the ↗ BMW Group Environmental Statement.

Water-related impacts, risks and opportunities

The materiality assessment also encompasses the identification and assessment of the impacts, risks and opportunities relating to water and marine resources. The LEAP approach[1] is applied in this context. For additional environmental information, please refer to ↗ Holistic Environmental Management within the BMW Group, and specifically regarding the topic of water, ↗ Responsible Use of Water Resources.

Water and marine resources were identified in the first phase. Impacts related to water and marine resources that have been assessed include:

- Water: consumption of surface and groundwater as well as withdrawals and discharges
- Marine resources: extraction and use of these resources and related economic activities

In this phase, the Aqueduct Atlas[2] was used to identify the geographic areas affected by water-related risks, along with the areas where there is an interface with marine resources that could lead to significant impacts and dependencies. The following were considered:

- BMW Group sites and the associated upstream and downstream activities along the value chain
- Sites in areas subject to high water stress
- Sectors or business areas that interface with water or marine resources at these priority sites

In the second phase, the materiality of the impacts and dependencies was assessed using river basins as the relevant level for the site assessment and combining this with an operational risk assessment. The Company took into account the criteria of the Water Framework Directive 2000/60/EG and its guidelines.

The following steps were undertaken with regard to the sites selected in the first phase:

- Identification of business processes and activities that lead to impacts and dependencies on water and marine resources
- Assessment of the severity and probability of occurrence of positive and negative impacts

In the third phase, risks and opportunities were assessed. The basis is created from the results of the first two phases, including:

- Transitory risks and opportunities: legal and political changes, technological progress, shifts in the market and reputational risk
- Physical risks: water scarcity, water stress and deterioration in water quality
- Opportunities: resource efficiency, market diversification and financing opportunities

[1] The LEAP approach is an integrated environmental assessment process comprising four steps: Locate, Evaluate, Assess and Prepare.
[2] The Aqueduct Atlas is a database maintained by the World Resources Institute (WRI) to map data on water risks and ESG risks, among other things. The database was used to compare the BMW Group sites with sites subject to water risk.

The analysis concluded that the consumption of water is material both in the BMW Group's own operations and in the upstream supply chain. Actions to reduce water consumption and use alternative sources of water, such as rainwater, were developed specifically for the Company's own operations as early as 2009, when sustainability targets were first introduced. Please refer to ↗ Social and Environmental Responsibility in the Supplier Network for information on water withdrawal and concepts for the sustainable use of water.

The BMW Group's production sites, vehicle test facilities and joint operations located in areas subject to water stress are indicated in the table.

Sites by water stress level*

Water stress level	Site(s)	Country
Extremely high water stress	Granada	Spain
	Oxnard	USA
	Chennai	India
	Rosslyn	South Africa
High water stress	Berlin	Germany
	Leipzig	Germany
	Miramas	France
	Oxford	UK
	Swindon	UK
	Spartanburg	USA
	Woodruff	USA
	Dadong	China
	Tiexi	China
	Rayong	Thailand
Medium to high water stress	Eisenach	Germany
	Wackersdorf	Germany
	Goodwood	UK
	San Luis Potosí	Mexico
	Zhangjiagang	China
Low to medium water stress	Hams Hall	UK
Low water stress	Munich	Germany
	Dingolfing	Germany
	Landshut	Germany
	Regensburg	Germany
	Eching	Germany
	Aschheim	Germany
	Steyr	Austria
	Arjeplog	Sweden
	Araquari	Brazil
	Manaus	Brazil
	Debrecen	Hungary

* The share of water consumption at non-production-related sites in areas subject to water stress excluding vehicle testing facilities is relatively low. This is why the other non-production-related sites are not listed separately.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

ESRS 2 SBM-3

Description of material impacts, risks and opportunities and their link to strategy and business model

As part of the preparation of the 2025 Sustainability Statement, the material impacts, risks and opportunities were evaluated in accordance with the double materiality requirements for sustainability topics in line with the ESRS, as in the previous year. A total of 56 material impacts, risks and opportunities were identified, which can be assigned to the BMW Group's business model and economic activities as well as to the upstream or downstream value chain. The material impacts, risks and opportunities can be categorised under the 32 sustainability sub-topics and sub-sub-topics defined in ESRS 1 (see table).

A full outline and explanation of all material sustainability-related impacts, risks and opportunities identified can be found in the ↗ List of Material Impacts, Risks and Opportunities. The overview also includes a representation of the effect that material negative and positive impacts have on people and the environment, or could have in the case of potential impacts. For each impact, risk and opportunity listed, it also indicates whether these are also addressed by entity-specific disclosures. Furthermore, the time horizons in which the material impacts, risks and opportunities are expected to occur are included. A significant proportion of the material impacts have already materialised.

Material sustainability topics of BMW Group for 2025 Financial Year following ESRS

E (Environmental)	S (Social)	G (Governance)
E1 Climate Change	**S1 Own Workforce**	**G1 Business Conduct**
Climate change adaptation	Health and safety	Political engagement and lobbying activities
Climate change mitigation	Gender equality and equal pay for work of equal	Corruption and bribery – Prevention and detection including training
Energy	Diversity	
E2 Pollution	Training and skills development	
Pollution of water	Secure employment	
Pollution of soil	Social dialogue	
Microplastic	Collective bargaining	
E3 Water and Marine Resources	**S2 Workers in the Value Chain**	
Water consumption	Working time	
Water withdrawals	Adequate wages	
E4 Biodiversity	Freedom of association, including the existence of work councils	
Direct exploitation	Health and safety	
E5 Circular Economy	Training and skills development	
Resources inflows, including resource use	Measures against violence and harassment in the workplace	
Resource outflows related to products and services	Child labour	
Waste	Forced labour	
	S4 Consumers and End-Users	
	Access to (quality) information	
	Privacy	
	Health and safety	

Upstream material · Own operations material · Downstream material

Materiality assessment requires the consideration of the total value chain.

There has not been any significant change to the procedure for performing the materiality assessment compared to the previous year ↗ Procedure and methodological basis for the materiality assessment. The number of material impacts, risks and opportunities has been reduced through methodological refinements and by using new and additional empirical evidence and findings. Similar or logically coherent material impacts, risks and opportunities have been linked, and any duplications have been eliminated. The changes to material impacts, risks and opportunities compared to the previous reporting period are presented in ↗ Procedure and methodological basis for the materiality assessment.

As part of the environmental analysis, material sustainability-related impacts, risks and opportunities are also evaluated in terms of their effect on the strategy and business model, underlying assumptions are reviewed, and strategic goals are aligned accordingly » Environmental Analysis. The BMW Group Strategy forms the baseline for the Company's consistent focus on sustainability » Cornerstones of the Strategy. With its products, the BMW Group is contributing to sustainable development and, with its business activities, aims to create a connection between business, the environment and society. The strategy's key areas of focus take into account material impacts, risks and opportunities across the entire value chain. This involves, in particular, all drivetrain technologies with a strong focus on electromobility, digitalisation to strengthen customer interaction and products, increasing sustainability along the entire value chain, circularity and customer satisfaction. The heterogeneous nature and increasing complexity of the regulatory requirements and the material impacts, risks and opportunities that arise as a result are incorporated into the BMW Group's position and strategy development process. An overview of how the BMW Group takes the current and expected future effects of key material impacts, risks and opportunities into account in its business model, value chain and corporate strategy can be found in » Position – What does the BMW Group stand for?, » Strategic approach – Where is the BMW Group heading?, » Direction – What drives the BMW Group? and » Collaboration – How does the BMW Group achieve this?.

Material impacts arise out of the BMW Group Strategy and the Company's business model. However, they primarily emerge from the business activities and relationships of the BMW Group. This applies particularly to material impacts in the upstream and downstream value chain. The chapters » Position – What does the BMW Group stand for?, » Strategic approach – Where is the BMW Group heading?, » Direction – What drives the BMW Group? and » Collaboration – How does the BMW Group achieve this? discuss the key strategic priorities and areas of focus relating to material impacts, risks and opportunities. The BMW Group directly and indirectly generates greenhouse gas emissions worldwide through upstream processes, the procurement and processing of raw materials, products and services for development and production, and the supply and use of its own products and services. By offering electrified vehicles (BEV, PHEV, FCEV) and expanding the use of cost-effective CO_2e-free energy, including through PPAs, the BMW Group is contributing to progressive decarbonisation ↗ Position – What does the BMW Group stand for?. Strategic actions to reduce direct and indirect greenhouse gas emissions worldwide may necessitate adjustments within the supply chain and exert pressure on suppliers to adapt.

The circular economy is a key component of the BMW Group's strategy. Incorporating the principles of the circular economy into business models and products can be an important step towards reducing the use of natural and limited resources. Reducing the use of primary materials contributes to the reduction of CO_2e emissions and the preservation of biodiversity, and mitigates the impacts on the environment and society that are associated with the extraction and processing of primary materials. For these reasons, the BMW Group is taking further steps to increase the proportion of recycled materials in its products » Strategic approach – Where is the BMW Group heading?.

With regard to its own workforce, diversity is an important element of the BMW Group's competitiveness. The Company fosters a working environment in which employees complement each other with their diverse strengths and perspectives and can collaborate across teams to find optimal solutions. The proportion of women in management positions is a strategic target variable. The BMW Group consistently supports its employees to acquire new professional qualifications and to achieve their personal development goals. Through training and further education the BMW Group promotes the professional development and the performance of its employees at all locations » Collaboration – How does the BMW Group achieve this?, » Own workforce.

All other material impacts identified do not arise from the strategy or business model of the BMW Group and also do not have a material effect on its future development. » The BMW Group Strategy, ↗ List of Material Impacts, Risks and Opportunities

The BMW Group strengthens the resilience of its strategy and business model by managing material impacts and risks and making use of material opportunities. Therefore, it is important to recognise changes in the environment early on, consider alternative development scenarios, effectively manage risks and take advantage of opportunities that may arise from such changes » Risks and Opportunities. For this reason, the resilience analysis is conducted across the organisation and includes all topics of relevance to the BMW Group. This also includes sustainability topics and related risks and opportunities. A regularly updated analysis of the environment based on selected and relevant topics also forms the basis for this » Environmental Analysis. This includes an assessment of political and regulatory framework conditions » Economy, » Politics. The resilience of the BMW Group's business model to face the challenges posed by climate change should be ensured by incorporating all relevant risks and opportunities into its corporate planning.

The BMW Group aims to reduce the influence of exogenous factors, particularly those related to sustainability, and supports the purchasing of raw materials from responsible sources by expanding the resilience of its global supply chains » Expanding resilient supply chains, » Raw materials security and strategy, » Purchasing battery cells. Forward-looking risk management helps to strengthen the resilience of the supplier network » Risk management in purchasing. Digitalisation across the entire supply chain provides the basis for sustainable and resilient supply chain management. » Digitalisation in the supply chain

The resilience analysis relating to biodiversity and ecosystems is discussed in ↗ BMW Group resilience analysis with regard to biodiversity.

Current financial effects of material risks and opportunities
Regulatory requirements have meant that certain energy sources, such as biogas, could only be used for emission reduction measures to a limited extent and under regulatory uncertainties. However, hedging activities ensured that financial effects for the BMW Group were completely avoided.

No material risks or opportunities were identified for which there is a significant probability of occurrence in the 2026 financial year that would result in a material adjustment to the carrying amounts of the assets and liabilities recognised in the corresponding financial statements.

STAKEHOLDER ENGAGEMENT

ESRS 2 SBM-2

The BMW Group attaches great importance to regular, open and transparent dialogue with its stakeholders. The goal is to build trust, increase transparency and awareness, and facilitate the transfer of knowledge by providing information and opportunities for dialogue.

The ↗ Stakeholder Engagement Policy revised in 2024 forms the basis for the BMW Group's interaction with stakeholders and distinguishes between affected stakeholders and users of sustainability statements. Stakeholders are affected directly or indirectly by the BMW Group's business activities, while users of sustainability statements mainly include users of general corporate reporting – for example, investors and business partners.

The BMW Group encourages interaction with its stakeholders across all business activities and engages in continuous dialogue with them through one-to-one meetings, at conferences, or in response to specific inquiries. Material sustainability-related topics such as climate change, the transition to a circular economy and working conditions in their own business activities or other employee-related topics are also discussed. The form of engagement taken depends on the initial situation. In June 2025, BMW Group experts met with stakeholders at a dialogue event in Brussels to discuss how Europe could strengthen its role within the global battery cell value chain. In September 2025, the BMW Group exchanged ideas and experiences related to decarbonisation, resilience and future viability with external stakeholders as part of New York Climate Week. Workshops were held to address how supply chains on the one hand and circular economy measures and technology openness on the other can help to align sustainability objectives with profitability. In addition to these specific dialogues and interactions with stakeholders, the BMW Group participates in public and political discussions and maintains regular, intensive dialogue with capital market participants. This approach helps to establish lasting relationships, to inform the BMW Group about its impacts on (affected) stakeholders and to enhance processes for future stakeholder engagement activities. Incorporating a range of external viewpoints and expectations helps to further develop the strategy » The BMW Group Strategy and promotes the innovative strength of the BMW Group.

The BMW Group uses the feedback and results from its stakeholder engagement in its environmental and trend analyses, which are in turn incorporated into the development of its corporate and business department strategies. To this end, the HR strategy is reviewed annually using a comprehensive environmental and corporate analysis, and adjusted accordingly as required. Market research, a component of the corporate strategy, is conducted in the form of global surveys to determine customer needs and expectations. The findings from these and other surveys and analyses, including input from experts, form the basis for strategic recommendations for the entire Company, individual departments and BMW Group brands.

The Board of Management keeps itself regularly informed at its meetings on feedback from stakeholders and their views, either by means of separate documents or via direct dialogue with stakeholders such as investors or political decision makers. Briefings by in-house departments supplement the information provided to the Board of Management, especially before attending major events such as OECD conferences or Annual General Meetings. The Chairman of the Supervisory Board of BMW AG also maintains regular contact with stakeholders. Moreover, the members of the Supervisory Board of BMW AG attend the Annual General Meeting of BMW AG, and also interact with stakeholders as part of their other activities and mandates.

The BMW Group takes account of its most important external stakeholders in its materiality assessment. For further information, see ↗ Procedure and methodological basis for the materiality assessment.

As a major stakeholder group, the BMW Group's workforce plays an active role in shaping the Company's future direction. The BMW Group conducts a Company-wide employee survey every two years to measure the performance of the organisation and the general sentiment among its workforce. Such a survey was conducted in 2025, with a participation rate of 90%. Employees also have a key opportunity to participate through the Company's ideas management system, which can be used to submit ideas both inside and outside of their area of responsibility. The due diligence processes for respecting human rights and related environmental standards apply to the Company's own business, suppliers and other business partners. ↗ Collective bargaining coverage and social dialogue

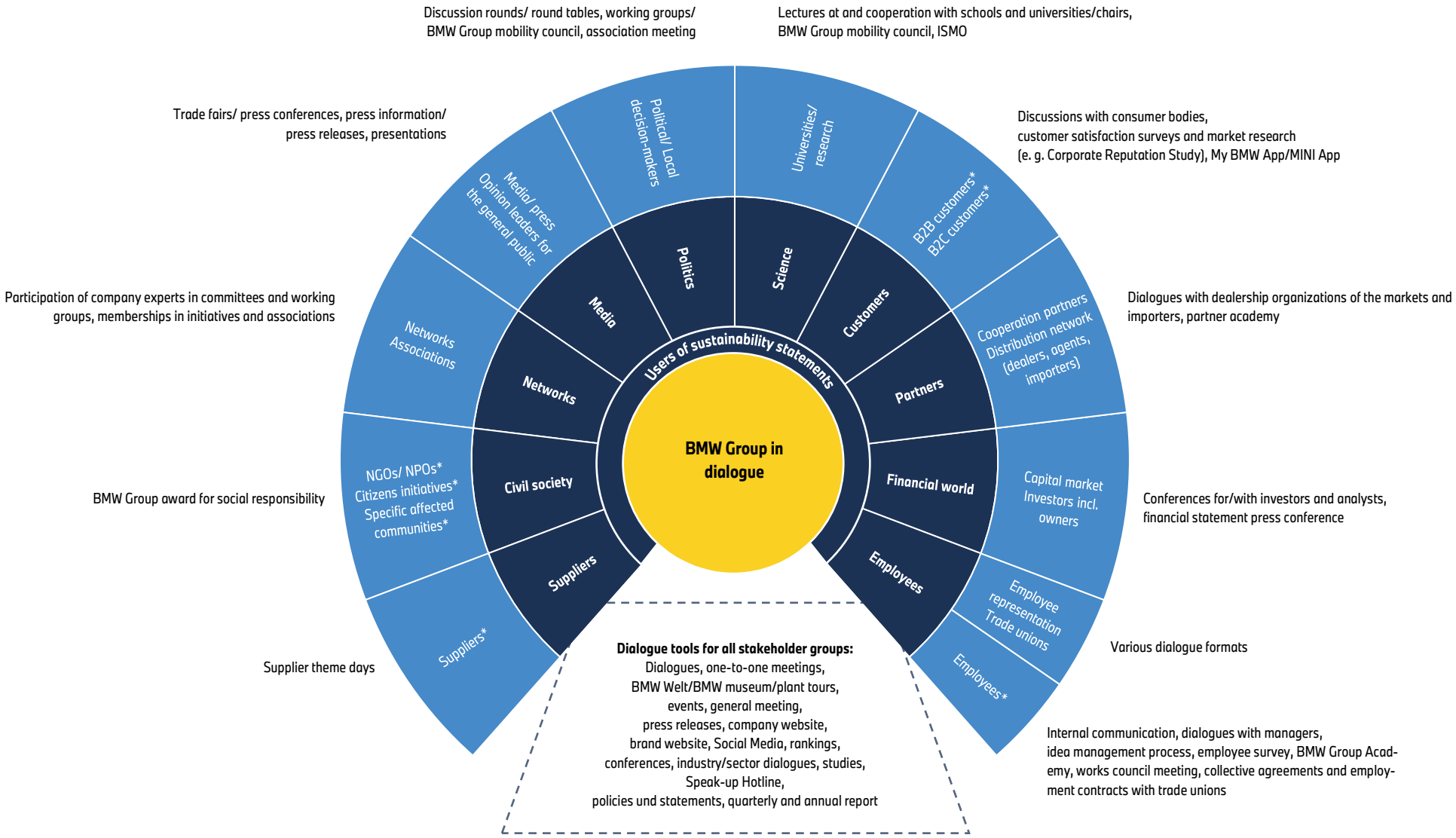
The BMW Group works either directly with affected communities or with their local representatives. For example, local stakeholders are closely involved in the planning of the new assembly plant for high-voltage batteries in Irlbach-Strasskirchen. Through a variety of actions, the Company has created transparency and opportunities for dialogue to take the interests of local residents and communities fully into account. In addition, BMW Group locations have designated contacts who are responsible for maintaining relations with local stakeholders and serve as the first point of contact. Maintaining an ongoing dialogue with civil society, affected communities and other relevant stakeholders in the supply chain is another key component in the Company's approach to dealing with critical raw materials. The ↗ BMW Group Supplier Code of Conduct stipulates that affected (local) communities, and indigenous peoples especially, must also be taken into account and protected across the supply chain. As part of the responsible management of raw materials and with a view to mitigating social impacts, specific areas of focus have been identified that, in particular circumstances, may also justify local involvement. To help ensure compliance with social and environmental standards, the BMW Group has put due diligence processes in place, both across the organisation and in its relationships with suppliers and other business partners. The Purchasing and Supplier Network department is responsible for developing the procedures and implementing due diligence processes in the supply chain. This responsibility is firmly embedded in the purchasing strategy and has been strengthened by the establishment of a dedicated department. ↗ Social and Environmental Responsibility in the Supplier Network

The BMW Group stays abreast of the latest scientific findings and, to this end, engages in a targeted dialogue with scientists about sustainability targets in a range of different formats. The International Sustainable Mobility Research Platform (ISMO) is an international research partnership established in 2024. In addition to the BMW Group, it includes four internationally renowned universities: the University of Cambridge in the UK, the Friedrich-Alexander-Universität Erlangen-Nürnberg in Germany, Harvard University in the USA and Tsinghua University in China. The objective of the collaboration is to conduct research into sustainability and develop scientifically sound approaches that will help advance our strategy. The Board of Management of BMW AG plays an active role in the partnership and has been involved in discussing the research results twice a year since 2025. The ISMO makes a significant contribution by keeping management informed about important changes in the operating environment and supporting the development of business strategies in line with the latest scientific insights.

The BMW Group is also actively engaged in both industry-specific and cross-industry initiatives. These include the Branchendialog Automobilindustrie, the Supply Chain Sustainability Working Group of the German Association of the Automotive Industry (VDA), the Responsible Business Alliance (RBA), and Drive Sustainability. Some of these are multi-stakeholder initiatives involving companies as well as trade unions and NGOs that represent the interests of workers in the value chain. The BMW Group's involvement in these initiatives is ongoing. Further details on its cooperation with partners in its supplier network, especially in specific raw material and cross-commodity initiatives, can be found in ↗ Responsible raw material management.

All stakeholders – from customers to scientists to affected communities – have the opportunity to connect with the BMW Group through various communication channels. In addition to using the Group's main email addresses and the ↗ BMW Group Compliance Contact, whistleblowers can report compliance-related concerns through the ↗ BMW Group SpeakUP Line and the ↗ Ombudsperson. The BMW Group SpeakUP Line can be reached in all countries in which BMW Group employees work via local telephone numbers and online in 70 languages. All reports received by the BMW Group through these communication channels are carefully reviewed in compliance with applicable regulations. In particular, the BMW Group observes the prohibition on penalising whistleblowers acting in good faith.

Stakeholder groups and examples of forms of dialogue

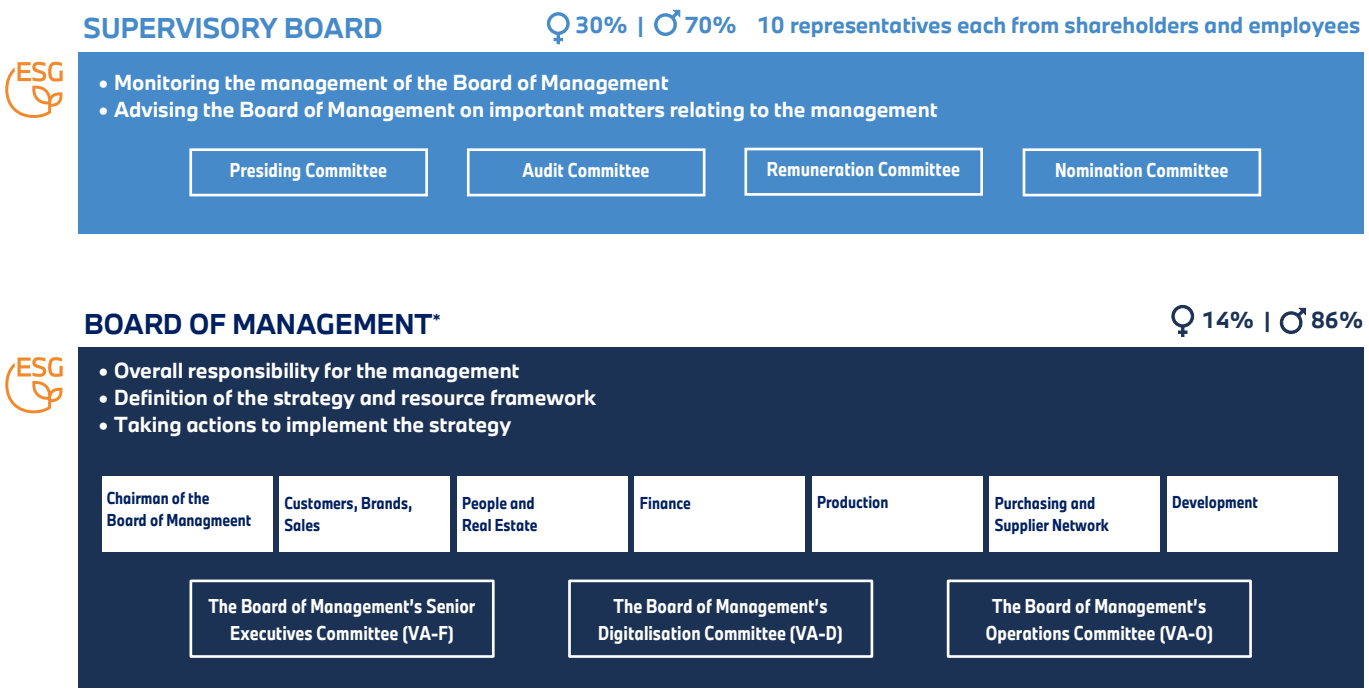


* Affected stakeholders.

PRINCIPLES OF GOVERNANCE BY THE BOARD OF MANAGEMENT AND SUPERVISORY BOARD

ESRS 2 GOV-1, GOV-2

Corporate Governance



ESG Sustainability-related coporate goals, taking sustainability aspects into account.

* Each member of the Board of Management is independently responsible for the material impacts, risks and opportunities in their respective department.

BMW AG is a stock corporation (Aktiengesellschaft) within the meaning of the German Stock Corporation Act. It has an executive Board of Management and a Supervisory Board that monitors how the Company is managed by the Board of Management.

Board of Management – duties, composition, expertise

The Board of Management has overall responsibility for the management of BMW AG. It defines the strategy and resource framework and takes actions to implement the strategy. The Board of Management decides on the automobile product strategy and product- and customer-related issues as well as on matters of particular significance and importance for the BMW Group. In its meetings, the Board of Management considers various aspects of sustainability in the decision-making process and addresses the material impacts, risks and opportunities associated with the Company's course of business. It also monitors the attainment of key sustainability-related indicators and targets. Details are available in the ↗ Rules of Procedure of the Board of Management of BMW AG.

As of 31 December 2025 and as in the previous year, 14% of the seven members of the Board of Management were female and 86% were male based on the composition principles and taking into account the ESRS reporting obligations.

In addition to the overall responsibility of the Board of Management, each member of the Board of Management is independently responsible for the material impacts, risks and opportunities in their respective department.

In accordance with the German Corporate Governance Code (GCGC) and legal requirements the Supervisory Board has adopted a competency and diversity policy for the composition of the Board of Management.

When assessing which candidate is most suitable for a seat on the Board of Management, the Supervisory Board is careful to consider that various complementary individual profiles, work and life experiences at both national and international level as well as of the different genders are appropriately represented. 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 individual mobility, development, production, sales, finances and personnel management.

The Board of Management must comprise at least one man and one woman. The Supervisory Board ensures this minimum gender participation.

The Board of Management deals with the impacts, risks and opportunities arising from business development on a continuous basis. In addition to managing and monitoring current business performance and development, the Board of Management regularly reviews the current market environment, financial and non-financial risks, the Group risk strategy as well as the effectiveness of the risk management system and the internal control system. The Board of Management also deals with the development of the workforce, diversity, and ongoing qualification and retraining measures as part of the transformation process ↗ Just Transition – Developing competencies for the future several times a year. The Board of Management is informed about ongoing compliance activities and potential risks at regular intervals via the Chief Compliance Officer's compliance reports. In addition to discussing the audit results regarding the appropriateness and effectiveness of the Compliance Management System (CMS), the Board of Management also addresses the structural and organisational development of the Group CMS and the implementation status of corporate due diligence requirements relating to respect for human rights and associated environmental standards along the value chain. Furthermore, the Board of Management holds regular discussions on the processes and actions involved in implementing new regulatory requirements and ensuring compliance with external reporting requirements regarding sustainability.

Sustainability considerations are therefore integrated into the BMW Group's corporate structures and processes in a comprehensive and holistic manner which involves decision-makers at various levels. A decentralised approach is taken to integrate the Company's strategic targets: Defined specialist functions in each of the Board departments are responsible for anchoring the targets within the respective organisational structure, measuring their achievement and ensuring compliance with the strategy.

Skills matrix Board of Management

Experience

In relevant markets		In relevant areas of competence	
Europe	☑	Individual mobility	☑
US	☑	Corporate strategy	☑
China	☑	Technologies	☑
Other	☑	Production	☑
		Sales	☑
		Finance	☑
		Personnel management	☑
		Digitalisation	☑
		Supply chain	☑
		Development	☑

(Access to) expertise

Sustainability	
Climate change	☑
Pollution	☑
Water and marine resources	☑
Biodiversity and ecosystems	☑
Circular economy and resource use	☑
Own workforce	☑
Workers in the value chain	☑
Consumers and end-users	☑
Business conduct	☑

The strategy is translated into an annually revised, long-term corporate plan using a control loop-based planning and management system. A target system is used to monitor progress by, among other measures, regular reporting on the targets and performance indicators agreed for the reporting year to the Board of Management and Supervisory Board. The Board of Management decides on the BMW Group's strategic targets related to the sustainability topics and reports on department-specific sustainability activities and developments. The Sustainability function ensures an overarching management of sustainability topics. It identifies areas where the Company potentially needs to take action, defines the targets to be achieved and prepares corresponding resolutions to the Board of Management. The function is also responsible for ensuring that sustainability issues and all relevant material impacts, risks and opportunities are considered in all material decisions made by the Company, including at the level of the Board of Management. This encompasses significant transactions. The function submits progress reports on the BMW Group's overarching sustainability targets to the Board of Management at least three times a year. The targets and actions with regard to reducing CO_2e emissions in all scopes, the circular economy, environmental and social standards and social sustainability are presented, and the strategic and operational implementation status is discussed. When targets are not met, suitable actions are discussed and approved if necessary. In addition, the Board of Management and the Supervisory Board regularly discuss the further development of the various key topics from the sustainability strategy. The identified material impacts, risks and opportunities are also taken into consideration. Even though these discussions are informative in nature, they also include decision papers, each orientated towards current thematic developments. The results of the materiality assessment, including the material impacts, risks and opportunities, are presented to the Board of Management by the Group Reporting function for discussion. ↗ Materiality Assessment, ↗ List of Material Impacts, Risks and Opportunities Material impacts, risks and opportunities are also discussed by the Board of Management on a regular basis when updating the environmental analysis.

The Board of Management sets the organisational, structural and content-related framework for business conduct, ensures that it is integrated into the Company's management and governance systems and receives reports on the respective implementation. This is also true for the topics of "Combating corruption and bribery" and "Political engagement and lobbying activities" ↗ Governance Information. The Supervisory Board receives reports on business conduct as part of its monitoring activities.

In addition, the Board of Management of BMW AG has established the following committees with the participation of Board of Management members to address selected topics of particular importance in greater depth and across departments:

— The Board of Management's Processes and Digitalisation Committee (VA-D): The VA-D advises and makes cross-departmental decisions on all material issues related to improving and digitalising the BMW Group's corporate processes as well as in respect of the focused use of artificial intelligence (AI), and thereby makes a decisive contribution to a strategy-driven corporate development. In this context, the VA-D deals with overarching IT projects, IT platforms and IT initiatives, in addition to process-specific and digital performance levers and key performance indicators (KPIs). The VA-D also consistently addresses obstacles to transformation within the Company and defines the transformation focus, timing and resources, as well as the financial steering model for platforms/data. Moreover, the VA-D is responsible for prioritising/financing innovations in digitalisation as well as strategic recruiting measures and qualification programmes to ensure employees have relevant skills.

— The Board of Management's Senior Executives Committee (VA-F): The VA-F deals with issues affecting managers of the BMW Group, either in their entirety or individually, such as the management structure, employees with particularly high levels of potential and the appointment of senior executives (OFK). The relevant specialist functions present information about general HR-related issues and developments to the VA-F so that the future direction of the Company's personnel policy can be set as early as possible. In this context, the VA-F can act as a decision-making body, issue advice, make recommendations or act in a preparatory function, depending on the circumstances.

— The Board of Management's Operations Committee (VA-O): The VA-O provides advice and makes cross-departmental decisions related to automobile product projects following confirmation by the Board of Management. In this context, the VA-O deals with the operational implementation of vehicle projects, strategic modules from the development process to the start of production/market launch, ongoing series production and further development. In addition, the VA-O monitors the objectives set for focus and quality topics for automobile product projects and shapes the procedural framework for its area of responsibility across departments.

In December 2025, members of the Board of Management were surveyed on their specific sustainability skills relating to the key sustainability topics. The skills matrix for the Board of Management provides an overview of its sustainability-related expertise. This covers all sustainability topics for which material impacts, risks and opportunities were identified in the ↗ Materiality Assessment. Responsibility for completing the questionnaires lies with each individual member of the Board of Management. The Legal, Patents and Group Compliance Management department of BMW AG verifies the plausibility of the information provided by the members of the Board of Management.

To the extent that the Board of Management does not possess own detailed expertise in certain areas, it can draw directly on the expertise and experience of the relevant divisions that have knowledge of the material sustainability matters. The Board of Management is also permitted to use external resources such as training courses and experts at any time. Reviews are performed on a regular basis to ensure the availability of relevant expertise and necessary skills. If necessary, structural adjustments are made and relevant expertise is added or deepened.

The skills matrix also indicates the experience of the Board of Management that is of relevance given the BMW Group's sectors, products and geographical locations.

Supervisory Board – composition and related objectives
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 German Co-Determination Act). In the event of an early departure from the Board, an eventual alternate member steps in for the remainder of the term of office. If no alternate member has been elected, the competent court appoints a new member for the remainder of the term of office upon request or, in the case of shareholder representatives, only until the next Annual General Meeting. The Supervisory Board members representing employees comprise seven Company employees, including one senior executive staff representative, and three members elected following nomination by trade unions.

The ESRS contain their own definition of the independence of Supervisory Board members, which applies equally to shareholder and employee representatives. This states that Supervisory Board members are considered independent if they exercise independent judgement free from any external influence or conflicts of interest. "Free from conflicts of interest" is further defined as the absence of an interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is unlikely to influence unduly or cause bias in decision-making. Based on the ESRS and in line with the German Corporate Governance Code (GCGC), eight shareholder representatives are classified as independent. We consider all ten employee representatives to be independent: the trade union representatives have no employment relationship with the Company or any special relationship with the Company or Board of Management. The employee representatives employed by the Company are granted adequate protection against abusive dismissal and other forms of unfair treatment in the context of a system of employee representation recognised by law (§ 15 German Protection Against Dismissal Act [KSchG], § 103 German Works Constitution Act [BetrVG]). Accordingly, a total of 90% of Supervisory Board members are independent within the meaning of the ESRS.

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 passes annual resolutions specifying objectives regarding its composition, including a competency profile and a diversity policy.

- The Supervisory Board is required to include at least six independent shareholder representatives within the meaning of the recommendations of the GCGC.
- The chairs of the Supervisory Board, the Audit Committee and the committee involved in preparing decisions on Board of Management remuneration should be independent of BMW AG and of the Board of Management. The chairperson of the Supervisory Board may not serve as the chair of the Audit Committee.
- When seeking suitably qualified candidates for the Supervisory Board, the focus is on individuals whose specialist skills and leadership qualities are most likely to be an asset to the Board as a whole. When preparing proposals for nominations, the extent to which the work of the Supervisory Board will benefit from diverse professional and personal backgrounds (including international experience) and appropriate gender representation should be considered on a case-by-case basis. 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 may 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 areas relevant to the Company, namely corporate strategy, technology, purchasing/supply chains, production/manufacturing, sales/customer needs, finance/accounting/auditing, capital markets, individual 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 the sustainability issues that are of key importance to the Company.

The gender ratio on the Supervisory Board is in line with statutory requirements. Since the Act on Equal Participation of Women and Men in Management Positions in the Private and the Public Sector ("Act on Equal Gender Participation") came into effect in 2016, a minimum of 30% of the members of the Supervisory Board of BMW AG have been female and a maximum of 70% have been male. Female members made up 30% of the Supervisory Board at the end of 2025 (2024: 30%).

BMW AG surveys the members of the Supervisory Board on an annual basis regarding their individual skills and expertise. Since 2022, BMW AG has conducted a survey of the members of the Supervisory Board on the basis of the GCGC to determine their experience in the areas of relevance to the BMW Group. The results of the survey are published in the form of a matrix. This survey includes questions about expertise in the areas of environmental and social sustainability.

In December 2025, Supervisory Board members were also asked about their specific sustainability expertise in the sustainability matters of relevance to the Company within the meaning of the ESRS. The results of the survey and the experience of Supervisory Board members in relation to the sectors, products and geographical locations that are material for the BMW Group are shown in the matrix below.

The sustainability-related expertise of the Supervisory Board, including access to such expertise, covers all of the sustainability topics for which material impacts, risks and opportunities were identified in the ↗ Materiality Assessment.

Responsibility for completing the questionnaires in accordance with the GCGC and ESRS lies with each individual member of the Supervisory Board. The Legal Affairs, Patents, Group Compliance Management department of BMW AG verifies the plausibility of the information provided by the respondents.

The experience and expertise of the Supervisory Board members regarding key aspects of corporate policy and their expertise related to the sustainability matters of relevance to the Company are primarily derived from their professional training or academic education, their main professional roles, and management or supervisory mandates at other companies. They are also able to access such expertise through training sessions, expert consultations and specialised articles.

BMW AG provides training events for the members of the Supervisory Board on a regular basis. They frequently cover sustainability matters. Following the election of a new Supervisory Board member, the BMW Legal Affairs, Patents, Group Compliance Management department informs the new member of the principal legal issues affecting their duties as well as corporate governance aspects. Moreover, the organisation provides various onboarding programs to introduce topics that are important for the work of the Supervisory Board. The introduction to the corporate strategy provided to members of the Supervisory Board covers the strategic approach to material sustainability topics.

Skills matrix Supervisory Board

Experience				(Access to) expertise	
In relevant markets		**In relevant areas of competence**		**Sustainability**	
Europe	☑	Individual mobility	☑	Climate change	☑
US	☑	Corporate strategy	☑	Pollution	☑
China	☑	Technologies	☑	Water and marine resources	☑
Other	☑	Production	☑	Biodiversity and ecosystems	☑
		Sales	☑	Circular economy and resource use	☑
		Finance	☑	Own workforce	☑
		Personnel management	☑	Workers in the value chain	☑
		Digitalisation	☑	Consumers and end-users	☑
		Supply chain	☑	Business conduct	☑

Supervisory Board – duties and committees

The Supervisory Board monitors the activities of the Board of Management and advises the Board of Management on important matters related to the management and strategic development of the Group. Sustainability issues and their associated material impacts, risks and opportunities are of key importance to the Supervisory Board.

— At each of its meetings, the Board of Management presents the material impacts, risks and opportunities related to the latest business developments in its report on the current business situation.

— The Supervisory Board monitors selected material impacts, risks and opportunities of the Board of Management's plans as part of its handling of the corporate strategy, long-term corporate planning taking into account sustainability matters (in particular environmental and social aspects and objectives) and the planning of business development for the following financial year. The Supervisory Board addresses all strategically significant plans, transactions and actions for the Group, especially if these fundamentally change the Group's prospects for success or risk position. The results of the materiality assessment are presented to the Supervisory Board by the Member of the Board of Management responsible for Finance ↗ Materiality Assessment. The approval of the Supervisory Board is required for material changes to the corporate and product strategy as well as key transactions that are of fundamental strategic importance. Long-term corporate planning and business development planning for the upcoming financial year are submitted to the Supervisory Board for approval on an annual basis.

— In the annual risk report, the Board of Management provides the Supervisory Board with a detailed overview of the current risk situation, as well as the risk management system and risk strategy. This includes sustainability matters.

In accordance with its rules of procedure, the Supervisory Board of BMW AG has several committees with different duties ↗ Rules of Procedure of the Supervisory Board of BMW AG. Sustainability topics play an integral part in this structure.

The committees are involved as follows in monitoring material impacts, risks and opportunities:

- The Presiding Committee prepares resolutions of the Supervisory Board regarding the appointment and dismissal of members of the Board of Management. It is also responsible for concluding, amending and terminating employment contracts with members of the Board of Management and for preparing other contracts of all kinds with members of the Board of Management. The Presiding Committee prepares all subject matter for the Supervisory Board meetings, assuming this does not fall within the remit of another committee. This includes preparatory work on the following topics and their associated impacts, risks and opportunities, including sustainability matters: corporate strategy, long-term corporate planning and business development planning for the following financial year; changes related to corporate governance; and the declaration of compliance with the recommendations of the GCGC in accordance with § 161 of the German Stock Corporation Act.
- The Audit Committee reviews the financial reporting and monitors the financial reporting process, including reporting on sustainability matters. It prepares the Supervisory Board's resolution relating to the annual financial statements and Group Financial Statements, and discusses the combined management report, including the Sustainability Statement, with the Board of Management. The Committee also reviews interim reports with the Board of Management before their publication. Moreover, the Audit Committee is responsible for overseeing the external audit. In connection with the BMW AG and Group sustainability statement, the Audit Committee prepares the internal audit for the Supervisory Board, decides on an external audit and commissions an external auditor. The Audit Committee is responsible for monitoring the effectiveness of the internal control system, including the internal audit system and the internal Compliance Management System, as well as the internal risk management system, and is therefore deeply involved in monitoring material impacts, risks and opportunities. The Committee receives detailed reports every six months on risk management and risk strategy, the current risk situation and the risk-bearing capacity. ESG risks are included in these reports. The Chief Compliance Officer reports to the Audit Committee on compliance matters and changes to the Compliance Management System twice a year while taking the Board of Management's due diligence responsibilities into consideration. The Chief Compliance Officer also reports to the Supervisory Board once a year.
- The Remuneration Committee prepares Supervisory Board resolutions concerning the remuneration system for the Board of Management as well as the regular review of the remuneration system. In doing so, it considers sustainability targets. The Remuneration Committee also monitors the extent to which the targets have been achieved. The preparation of the audit of the Remuneration Report and the potential appointment of an external auditor to review the content also fall within its remit.
- The Nomination Committee prepares election proposals for shareholder representatives on the Supervisory Board for the Annual General Meeting while taking the objectives regarding its composition into account, as outlined in ↗ **Supervisory Board – composition and related objectives**.

In the 2025 financial year, the Presiding Committee and Supervisory Board addressed sustainability matters within the context of the corporate strategy and regularly as part of topical issues in the report on the current business situation. The sustainability statement including the implementation of the CSRD requirements and the audit conducted by the external auditor was considered thoroughly within the Audit Committee. It also deliberated on sustainability indicators and the associated material impacts, risks and opportunities. A report to the Presiding Committee and Supervisory Board at the end of the year addressed key strategic personnel topics.

Sustainability targets are part of the remuneration system for the Board of Management. In particular, the sustainability-related targets for the variable remuneration of the Board of Management set by the Supervisory Board for the 2025 financial year covered the reduction in CO_2e emissions in Scopes 1 and 2 as well as Scope 3 total, the reduction in fleet CO_2 emissions in the EU, the proportion of electrified vehicles sold, absolute electrified vehicle sales worldwide, attractiveness as an employer and investment in employee training and development. More details on ESG targets in the Board of Management remuneration can be found in the Remuneration Report. A meeting is held in March of each year to review the extent to which the targets for the past financial year have been achieved and to pass a resolution on the Board of Management's remuneration. Every September, the Supervisory Board receives a report from the Chairman of the Board of Management and the Board of Management member responsible for Finance about the extent to which key ESG targets have been achieved. The Audit Committee accords special attention to the audit of the non-financial statement. The achievement of material ESG targets is also discussed as part of the reporting on the annual and Group Financial Statements.

Information about the Company's Governing Constitution is provided in the ↗ Statement on Corporate Governance. This is prepared by the Presiding Committee and is adopted by resolution of the Supervisory Board.

REMUNERATION OF THE BOARD OF MANAGEMENT AND SUPERVISORY BOARD

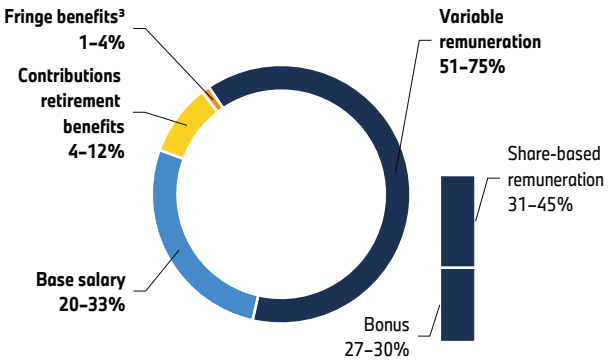
ESRS 2 GOV-3, ESRS E1 GOV-3

Board of Management

The Supervisory Board is responsible for defining and reviewing the remuneration system of the Board of Management and for determining the individual remuneration of the members of the Board of Management. It submits the remuneration system to the Annual General Meeting for approval in the event of significant changes, but at least every four years.

In the 2024 financial year, the Supervisory Board reviewed the remuneration system for the members of the Board of Management and resolved to revise certain aspects for financial years starting on or after 1 January 2025. The revised system was submitted to the Annual General Meeting on 14 May 2025 and approved with a majority of 96.74% of the valid votes cast.

Overview of total target remuneration for members of the Board of Management[1]



[1] The remuneration structure as defined in the remuneration system for total target remuneration is depicted.
[2] Excluding a possible payment to new members of the Board of Management to compensate for salary losses from a previous employment relationship and/or to cover relocation costs.

The total remuneration provided to the members of the Board of Management consists of fixed and variable components. The fixed, non-performance-related remuneration comprises the base salary, fringe benefits and contributions to the Company pension scheme. The variable remuneration consists of the bonus and the long-term share-based remuneration. Variable remuneration accounts for 51-75% (previous year: 58-66%) of the total target remuneration. At 100% target achievement, the bonus accounts for 20-30% (previous year: 27-30%) of the total target remuneration, while the long-term share-based remuneration accounts for 31-45% (previous year: 31-36%).

The bonus consists of an earnings component and a performance component. If 100% of the target is achieved for both the earnings and performance components, the share of the bonus attached to the earnings component is 70% (previous year: 50%) and to the performance component is 30% (previous year: 50%) of the amount of the bonus. The earnings component of the bonus rewards the performance of the business in the vesting year, as measured by financial indicators. The performance component of the bonus recognises the achievement of certain non-financial performance criteria defined by the Supervisory Board. As part of the long-term share-based remuneration as a variable long-term component of remuneration, the members of the Board of Management receive a cash payment earmarked for investment (the "personal cash investment amount"). The amount depends on the target achievement level for the financial metric return on capital employed (RoCE) in the Automotive Segment and on one or more strategic focus targets in the vesting year. If 100% of the target is achieved, the RoCE component and the strategic focus targets component each account for 50% of the amount.

The remuneration system also provides for sustainability-related matters to be assessed for the purposes of the variable remuneration component. As part of the performance component of the bonus, at least 50% of the target amount is dependent on sustainability-related targets. With respect to the long-term remuneration component, at least 20% of the target amount of the strategic focus targets component includes non-financial performance criteria relating to environmental, social and governance matters. For each performance criterion of the bonus and the long-term share-based compensation, the Supervisory Board determines the relevant targets for assessing performance. Sustainability-related targets may be related to the reduction of CO_2e emissions or further training.

For the reporting year, sustainability-related performance criteria for the bonus comprised environmental sustainability with targets for Scope 1 and 2 CO_2e emissions, Scope 3 total CO_2e emissions (both also climate-related targets) and the ESG Index as well as social sustainability and governance with targets for women in management positions (metric: number of women in management positions), spending on further training and development (metric: volume in €), attractiveness as an employer (metric: placement in rankings) and leadership performance (metric: assessment of leadership performance). Sustainability-related targets for the proportion of electrified vehicles sold and the retail performance of battery-powered electric vehicles compared to competitors (both also climate-related targets) as well as reputation (Corporate Reputation Index) were also considered for the market position/growth performance criterion in the reporting year. As part of the long-term share-based remuneration, the strategic focus targets set for the reporting year linked to the reduction in fleet carbon emissions (EU) and global sales of all-electric vehicles, accounting for 50% of the target amount for this component, were related to sustainability and climate.

In relation to the total variable target remuneration, the minimum sustainability-related share specified through the remuneration system is around 12% (2024: 12%). Depending on the specific annual targets, the proportion of the variable target remuneration that is dependent on sustainability-related aspects can be as high as around 41% (2024: 41%) of the variable target remuneration.

For the variable remuneration of the Board of Management in the 2025 financial year, the Supervisory Board set the climate-related targets mentioned above for the bonus and the long-term share-based remuneration. These were related to the reduction of GHG emissions. Target achievement levels were determined after the end of the financial year.

Climate-related remuneration accounted for around 26-28% (2024: around 17-18%) of the total remuneration granted and owed for the 2025 financial year.

Supervisory Board

The regulation governing remuneration for the Supervisory Board is set out in § 16 of the Articles of Incorporation of BMW AG and specifies both the remuneration system to be used and the precise framework for calculating the remuneration due to the members of the Supervisory Board.

To ensure that the Supervisory Board monitors and advises the Board of Management as an independent body, the remuneration of the Supervisory Board is structured as fixed remuneration plus an attendance fee and is not dependent on sustainability matters.

The remuneration of the Supervisory Board is determined by the Annual General Meeting. The regulation in effect since the 2020 financial year was last confirmed by the 2025 Annual General Meeting on 14 May 2025 with a majority of 98.94% of the valid votes cast.

INTERNAL CONTROL SYSTEM FOR SUSTAINABILITY REPORTING

ESRS 2 GOV-5

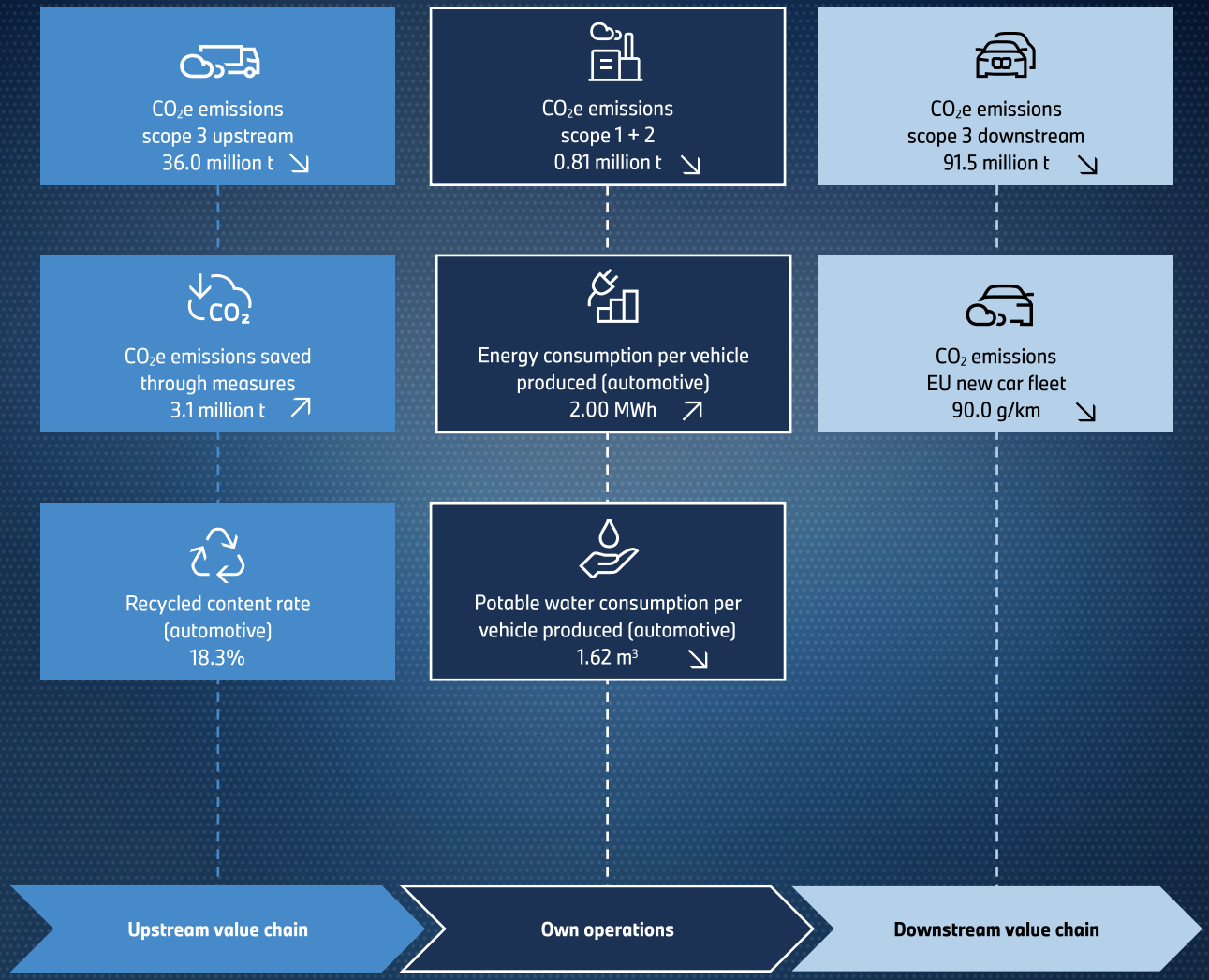
The BMW Group's Internal Control System (ICS) covers, among other things, risks and controls relating to sustainability reporting. A general description of the ICS, including the aspects of the system related to sustainability reporting, is provided in » Internal Control System.

STATEMENT ON DUE DILIGENCE

ESRS 2 GOV-4

Core elements of Due Diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	↗ Description of material impacts, risks and opportunities and their link to strategy and business model ↗ Principles of Governance by the Board of Management and Supervisory Board ↗ Remuneration of the Board of Management and Supervisory Board
b) Engaging with affected stakeholders in all key steps of the due diligence	↗ Procedure and methodological basis for the materiality assessment ↗ Stakeholder Engagement ↗ Principles of Governance by the Board of Management and Supervisory Board
c) Identifying and assessing adverse impacts	↗ Procedure and methodological basis for the materiality assessment ↗ Climate-related impacts ↗ Impact, risks and opportunities in relation to environmental pollution ↗ Water-related impacts, risks and opportunities ↗ Description of material impacts, risks and opportunities and their link to strategy and business model
d) Taking actions to address those adverse impacts	↗ Transition plan to achieve Net-Zero emissions by 2050 ↗ Climate change mitigation and adaption as a key part of the corporate strategy ↗ Implemented actions and metrics for a holistic CO2e reduction ↗ Reduction of Environmental Pollution ↗ Water management and water protection ↗ Measures and metrics to reduce water usage ↗ Due Diligence in the Supplier Network ↗ Responsible raw material management ↗ Measures to protect biodiversity ↗ Health and occupational Safety ↗ Equal opportunities within the workforce ↗ Equal opportunities in the remuneration system ↗ Data Security and Data Protection ↗ Health and Safety
e) Tracking the effectiveness of these efforts and communicating	↗ Path to achieving the CO2e reduction targets ↗ Implemented actions and metrics for a holistic CO2e reduction ↗ Preparing for Net Zero ↗ Greenhouse gas emissions along the entire value chain ↗ Use of an internal carbon price to assess vehicle projects ↗ Reduction of Environmental Pollution ↗ Measures and metrics to reduce water usage ↗ Due Diligence in the Supplier Network ↗ Health and occupational Safety ↗ Equal opportunities within the workforce ↗ Data Security and Data Protection ↗ Health and Safety ↗ Equal opportunities in the remuneration system

ENVIRONMENTAL INFORMATION



CLIMATE CHANGE MITIGATION AND ADAPTATION

Material impacts, risks and opportunities	Type	Sub(-sub)-topic	Stage of the value chain	Policies	Targets	Specific actions
Through greenhouse gas emissions through upstream processes, such as sourcing and procuring raw material inputs, products and services for the production, development and offering of its own products and services (Scope 3, upstream) and inbound transport of goods, the BMW Group contributes to climate change.	Negative impact	Climate change mitigation		– BMW Group Climate Strategy	– Reduce Scope 1, Scope 2 and Scope 3 emissions by at least 40 million tonnes CO_2e in 2030 compared to 2019 levels (target 2030: 108.6 million tonnes CO_2e), and reduce by at least a further 20 million tonnes CO_2e in 2035 compared to 2030 levels	– Production and BMW locations: energy efficiency measures and increased use of renewable energies – Supply chain: use of electricity from renewable sources* and secondary materials – Logistics: expansion of innovation and infrastructure management process for logistics actions – Use phase: consistent electrification of the vehicle fleet and further efficiency improvements for conventional drivetrains – Continuous increase in the use of charging electricity from CO_2e-free generation
By greenhouse gas emissions through downstream processes, mainly through the use of sold products (Scope 3, downstream) and through the transport of goods in distribution and in own logistics, the BMW Group contributes to climate change.	Negative impact	Climate change mitigation				
The BMW Group emits greenhouse gas emissions (GHG) through processes in own operations (Scope 1 and 2) thus contributing to climate change.	Negative impact	Climate change mitigation				
Adaptation efforts by the BMW Group may require adjustments to the supply chain with negative effects on suppliers or communities.	Negative impact	Climate change adaptation				
New or changing government regulations could lead to increasing costs or require adjusting operations in the supply chain.	Risk	Climate change mitigation				
By offering BEVs, hydrogen and plug-in-hybrid electric vehicles and a charging network, the BMW Group enables the society to more environmentally friendly alternatives to traditional combustion engines (use of electricity from renewable sources implied).	Positive impact	Climate change mitigation		– Drivetrain strategy	– None	– Expansion of the drivetrain portfolio – Increase in the proportion of battery electric vehicles (BEVs) and efficiency increases across the drivetrain technologies

Upstream material Own operations material Downstream material

* See ↗ Glossary for a definition of energy from renewable sources.

Climate resilience of the business model

ESRS E1-SBM-3

The BMW Group actively works on improving the resilience of its business model with the aim of meeting the challenges posed by climate change. Through comprehensive consideration in Strategy and Planning, Development (products and production technologies), Purchasing (raw materials and global procurement markets), Production (locations and cooperations), Sales and Finance (profitability and liquidity) and Personnel (qualification and training), the BMW Group is able to identify and assess the short, medium- and long-term adjustments to its business model that are required in response to climate change while addressing the necessary actions in all areas of its operations. To this end, the Company regularly reviews and updates the underlying climate scenarios and assumptions to assess the impact on its business model. The BMW Group's approach to assessing resilience extends to the entire value chain (own locations, supplier locations and sales locations) and is based on internal risk reporting. Corporate planning (twelve-year planning period) is updated annually and takes the risks and opportunities arising from climate change into account. The scenario analyses are performed to assess physical and transitory climate risks. Further details related to the climate risk analysis process are available in the ↗ Materiality Assessment.

The BMW Group takes steps to ensure the long-term viability of its business model by implementing operational measures, continuously updating its sustainability strategy and following the overarching corporate strategy. Uncertainties in underlying assumptions (primarily regulatory requirements, customer expectations, technological developments and macroeconomic trends) are recorded on an ongoing basis and any adjustments are made promptly. Insights gained are incorporated into these operational measures and the further development of the sustainability strategy as an integral part of the corporate strategy. Sustainability targets are integrated into corporate planning on the basis of current assumptions and scenarios (including International Energy Agency scenarios for energy generation, CO_2e emissions from upstream value creation). Starting with sales and volume planning, all subsequent processes are interlinked. Simulating the possible impacts of this planning makes it possible for the BMW Group to take the necessary actions at an early stage. Assumptions about technologies, customer behaviour and demand trends are taken into account as planning assumptions. Remaining uncertainties, particularly regarding customer behaviour and demand, are regularly reviewed to reduce them. The same applies to planned measures to reduce CO_2e, such as further efficiency improvements or the progressive electrification of the product portfolio. These are also included as planning assumptions. Global market sales forecasts and the planned product and drive portfolio are taken into account as key factors. This means that the resilience analysis assesses the entire planning period based on the latest assumptions and forecasts as part of the annual planning process. Resulting actions are identified and taken into account in the financial planning process. Based on these assumptions, the BMW Group's business model is resilient to the impacts and adjustments resulting from climate change and climate change adaptation.

Climate change mitigation and adaptation as a key part of the corporate strategy

ESRS E1-2

The BMW Group regards its balance of economic, ecological and social interests as the basis for its economic success. The Company has therefore anchored the material impacts and risks related to climate change mitigation and adaptation in its corporate strategy ↗ Cornerstones of the Strategy. The strategic fields of action of electrification, digitalisation and sustainability/circular economy are geared towards achieving the sustainability targets. As a global company, the BMW Group is also in continuous dialogue with a large number of external stakeholders in Germany and abroad regarding aspects of climate change. This includes affected communities and indigenous peoples. Stakeholder feedback is taken into account and contributes to the further development of the corporate strategy ↗ Stakeholder Engagement, ↗ Social and Environmental Responsibility in the Supplier Network.

The BMW Group's Strategy, including topic-specific strategies such as the sustainability strategy, is confirmed by the Board of Management. The CO_2e strategy draws on the Greenhouse Gas Protocol, ↗ science-based targets and implementation pathways, as well as all relevant regulatory changes. Progress towards achieving these targets is reviewed on a regular basis. All necessary actions are discussed in the relevant committees and by the Board of Management. These bodies also reach decisions on the relevance and effectiveness of the actions. Specific decisions, such as overarching targets for reducing CO_2e emissions and circular economy initiatives, are addressed in topic-specific meetings of the Board of Management. Strategic aspects are implemented in the respective departments such as Purchase, Development, Production, HR and Sales on the basis of defined target processes. In accordance with established target-setting processes and target achievement monitoring systems, targets are broken down within the organisation to the individual implementation levels. The targets are further detailed as needed with specific requirements (for example within vehicle projects and down to the component level).

Taking a coordinated approach and integrating all external and internal requirements enables the BMW Group to develop, implement and continuously update detailed guidelines and instructions based on the strategies. This approach integrates climate change mitigation and adaptation as well as energy use and efficiency. This extends from development guidelines (such as Design for Circularity) through to process specifications for procurement and CO_2e reduction requirements for the supplier network*. Internal premises are established on the basis of corresponding requirements with the aim of implementing the strategic targets.

* The BMW Group includes actions that reduce CO_2e emissions, such as the use of electricity from renewable sources, the use of secondary raw materials, new manufacturing processes for raw materials, and product and material innovations such as biomaterials. Accordingly, compensation measures are not included.

Company-wide requirements related to climate change adaptation are continuously developed and implemented with the help of infrastructure planning guidelines, among other things. One example is the planning premises that new sites will be operated without the use of fossil fuels, which has been approved by the Board of Management. The implementation process is defined on the basis of relevant frameworks and guidelines, such as the Greenhouse Gas Protocol and ↗ science-based approaches for reducing CO_2e emissions. Since 2024, the long-term corporate planning process has included the assessment and simulation of the impact on the BMW Group's absolute CO_2e emissions. The interactions between volume, drivetrain mix, and supply chain are made more transparent within planning processes by integrating the impact on CO_2e emissions directly into scenario analyses used for volume and financial planning.

In addition to the CO_2e strategy, the BMW Group analyses the current and future regulatory requirements for emissions and drivetrain technologies as part of its long-term corporate planning. This includes detailed strategic market and drivetrain forecasts that are performed as part of volume planning. These forecasts monitor and anticipate trends in fleet CO_2 limits, pollutants (including brake/tyre wear), quotas for electrified vehicles, and potential bans on the registration of individual drivetrain technologies. As part of the process for updating the BMW Group's long-term corporate planning, vehicle volume plans, and the drivetrain mix of the BMW Group portfolio are updated on an annual and ongoing basis. The aim is to continue reducing emissions in the vehicle use phase while also meeting changing market requirements. The consistent enhancement of the drivetrain portfolio therefore remains one of the BMW Group's main levers for reducing carbon emissions in the use phase. ↗ Cornerstones of the Strategy

In addition to regulatory requirements, the BMW Group also factors regional and market-specific conditions into its strategic planning. This includes, in particular, the availability and expansion of the charging infrastructure for electrified vehicles, the share of renewable energies in the electricity mix and the availability of alternative fuels. The analyses also factor in customer acceptance of different drivetrain options in different markets. Total cost of ownership considerations, such as purchase incentives for electrified vehicles, vehicle taxation or the cost of the energy used to power a vehicle play a significant role. The findings are carefully assessed and incorporated into the process of designing the optimum drivetrain mix for the respective market.

The BMW Group fulfils the regulatory requirements for fleet carbon emissions in the main sales markets of the EU, the USA and China and other markets while taking into account all regulatory flexibilities, such as the purchase of carbon credits. If regulatory carbon requirements change, it will be assessed whether the current planning needs adjustment as part of the annual strategic drivetrain forecast or whether additional action needs to be taken. This approach ensures that the regulatory requirements are met.

Transition plan to achieve Net Zero emissions by 2050

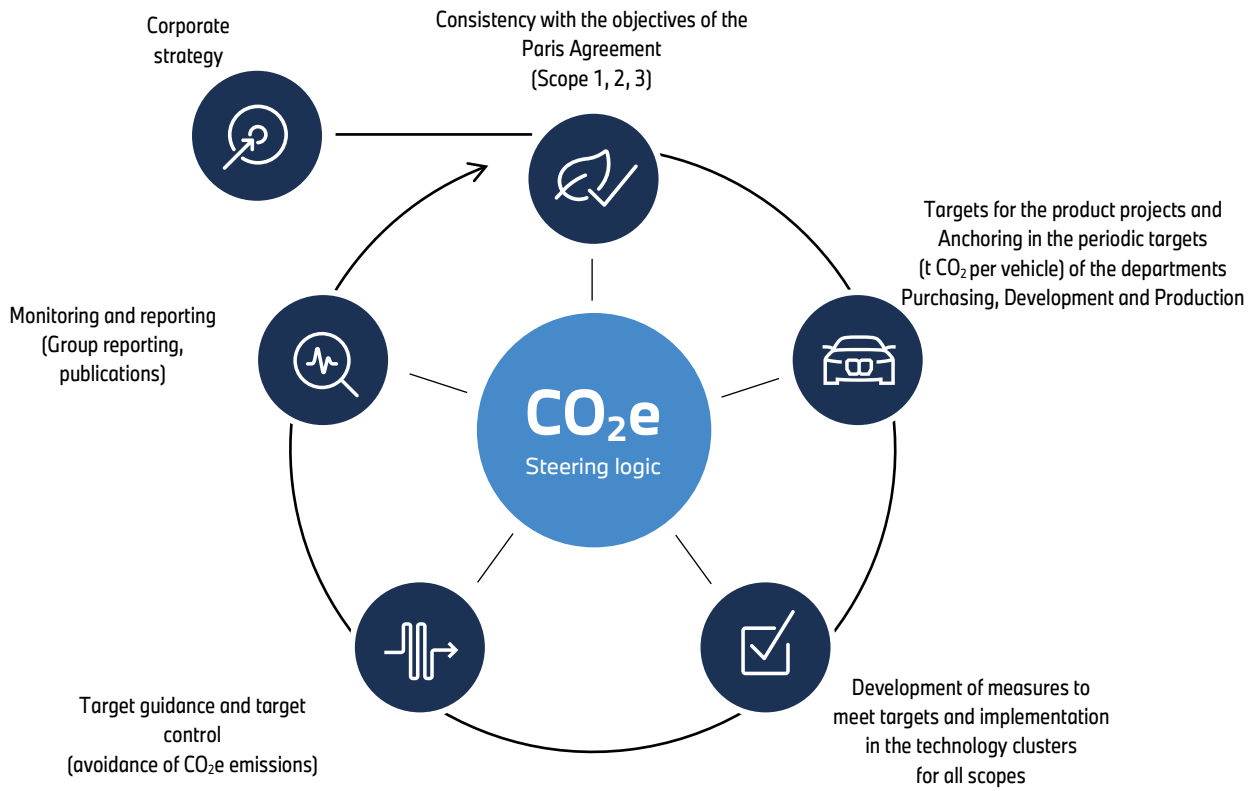
ESRS E1-1, E1-4

The BMW Group aims to achieve net zero CO_2e emissions across the entire value chain by latest 2050. This means that the unavoidable CO_2e emissions remaining after the reduction measures will be equivalent to a maximum of 10% of the absolute emissions in the base year 2019, and must be compensated for from that point onwards using permanent carbon sinks. This methodology is based on recognised definitions and specifications, including the ESRS and Science Based Targets initiative (SBTi). Scope 3 is expected to account for around 99% of the remaining total emissions. The remaining emissions are Scope 1 and 2 emissions. ↗ Preparing for Net Zero. The transition plan for climate change mitigation established to achieve net-zero emissions initially includes CO_2e reduction targets for 2030, which also refer to the base year 2019. These so-called near-term targets (NTT) for the target year 2030 provide the guiding framework used to define the necessary actions. These near-term targets are in line with the climate targets set out in the Paris Agreement to limit global warming.* From the 2024 reporting year onwards, CO_2e targets were converted from relative values to absolute values.

↗ Science-based, cross-sectoral methods were used to derive CO_2e reduction targets for 2030 for each scope in line with the approach of the SBTi. The scope of consideration are the emissions according to the relevant categories of the Greenhouse Gas Protocol. Percentage-based annual CO_2e reduction targets relative to the base year 2019 were used as a basis. This is a representative base year that provides reliable and comparable values with regard to framework conditions such as sales volumes, emissions in each scope, and available technologies. By taking a systematic approach, the BMW Group ensures that the climate targets for 2030 have been developed on the basis of solid data and have taken all relevant factors into consideration. The CO_2e targets are integrated into the BMW Group's steering system.

* According to ESRS E1-1-16.g, the BMW Group is not exempt from the Paris-aligned EU benchmarks, as this only applies to financial services companies.

CO_2e steering logic



The Company has derived a 1.5°C-aligned pathway for Scope 1 and 2* emissions and integrated it into the corporate strategy. This corresponds to a reduction in CO_2e emissions of 4.2% per year as compared with 2019. From the 2025 report onwards and starting with the targets set for 2026, all Scope 1 and 2 categories reported on in the carbon footprint are fully covered in the relevant reduction path. The BMW Group has defined a combined target for its Scope 3 emissions (purchased goods and services [excluding customer support], logistics and the use phase) in the Automotive segment due to the close interdependencies between the supply chain and use phase. The target derivation is based on the standards of a scientifically recognised well-below-two-degree approach in accordance with SBTi. This corresponds to a reduction in CO_2e emissions of 2.5% per year as compared with 2019. The BMW Group uses a holistic approach that looks at the CO_2e emissions of vehicles over their entire life cycle.

Based on the assumptions underpinning the calculation of the Scope 3 target, the target for 2030 fully meets the requirements of the SBTi well-below-two-degrees pathway, but is approximately 35% above a theoretical 1.5 °C pathway according to the requirements and methodology of independent organisations.

To achieve the CO_2e targets, specific decarbonisation levers are identified, assessed, approved and implemented for each scope.

The expected CO_2e emissions from the corporate planning are compared with the scope-specific targets. Measures are derived from this process to ensure that the Company's CO_2e targets are achieved by 2030 by means of annual target paths.

* The combined Scope 1 and 2 target includes all of the categories reported in the carbon footprint. The base year 2019 also includes emissions from contract manufacturing ("in-sourcing"). Emissions under Scope 2 are included in the target using the market-based method. In the 2025 report and for the target setting 2026, the targeted scopes also include sites without operational control but no longer include the share of biogenic emissions. The reduction path for the targeted scopes has been adjusted correspondingly

A structured process – in which the planned emissions are continuously compared with the targets and appropriate measures are defined – makes a significant contribution to the Company meeting its climate targets as planned.

These actions are anchored in the climate strategy, which is an integral part of the overall BMW Group Strategy. The planned product and infrastructure measures will provide a short-term outlook for the avoided or reduced CO_2e emissions over a period of six years. The expected Scope 1, 2 and 3 emissions (purchased goods and services [excluding customer support], logistics, use phase in the Automotive segment) are updated annually on the basis of volume and sales plans and long-term corporate planning. Sustainability matters of relevance to the product portfolio, such as the electrification strategy and the integration of these matters into the continuous strategic process, are presented annually as part of corporate planning, which is approved by the Board of Management and the Supervisory Board. The ongoing implementation of these processes ensures that the corporate strategy and CO_2e reduction targets are harmonised and can be implemented.

The BMW Group's long-term corporate planning is based on the Company's target system. In this way, the targets set out in the planning are regularly compared with the BMW Group's strategic targets. Decisions related to the implementation of sustainability targets – particularly in connection with sales planning and the product portfolio – are confirmed in specific draft proposals or by the decision-making bodies of the BMW Group.

The BMW Group is drawing up a CapEx plan for capital expenditure and operating expenditure that expands Taxonomy-aligned economic activities or allows Taxonomy-eligible economic activities to become Taxonomy-aligned. This plan is being drawn up on the basis of the long-term planning of the BMW Group ↗ EU Taxonomy. The level of investment required to achieve the CO_2e targets is largely derived from this CapEx plan. Specific measures are also financed, such as the development of technologies that contribute directly to the implementation of the transition plan.*

The progress of the implementation plan, based on the measures for each scope, is reflected in the emissions reductions achieved and forms the basis for its further development.

Path to achieving the CO_2e reduction targets

ESRS E1-4

The BMW Group is fully committed to the Paris Agreement and contributes to decarbonisation efforts by pursuing its own ambitious targets. To achieve this, the BMW Group promotes the reduction of CO_2e emissions throughout the whole life cycle of its products as well as the principles of the circular economy with a verifiable track record of continuous improvement – from the supply chain to production, the use phase and the recycling of its products.

The relative targets introduced in 2021 (expressed as reduction per vehicle) for Scope 1 and 2 (BMW Group locations) and Scope 3 (purchased goods and services, logistics and use phase in each case for the Automotive segment) were replaced with absolute values measured in tonnes CO_2e from reporting year 2024 onwards. The BMW Group's overall target claim remained unchanged with this adaptation and takes into account the growth forecasts and interactions between the scopes. No future developments, (for example changes in sales volumes or new technologies) were assumed as premises as part of the target setting process.

The BMW Group aims to reduce its targeted CO_2e emissions by at least 40 million tonnes CO_2e compared to the 2019 base year by 2030 – from 150.1 million tonnes CO_2e to 108.6 million tonnes CO_2e. The targets are based on ↗ science-based, cross-sector methods aligned with the approach of the SBTi. The BMW Group is committed to proceeding exclusively according to scientifically recognised methods. For this reason, the BMW Group joined the SBTi and validated its relative decarbonisation targets in 2020. Ongoing revisions to the SBTi guidelines, which are expected to continue until at least Q2 2026, and interim requirements valid until then (including the mandated commitment to phase out combustion engine technology by 2035) mean that it is currently preventing the validation of the absolute targets.

Irrespective of this, the BMW Group has for the first time described the path for the target year 2035 for further planning. In a consistent continuation of the target claim, a further reduction of 20 million tonnes CO_2e is to be achieved by 2035 as compared with 2030. This target goes beyond the reduction to be achieved by 2030 and sets a more stringent target because a more ambitious CO_2e reduction is required in order to achieve Net Zero.

The BMW Group actively incorporated stakeholder expectations into the methodology used for its reduction pathways when defining targets for a 1.5°C-aligned CO_2e reduction pathway for Scope 1 and 2 emissions, as well as the well-below-two-degrees approach for Scope 3 emissions in the Automotive segment (covering purchased goods and services [excluding customer support], logistics, and the use phase). Additionally, the fleet CO_2 regulations in the relevant markets are applicable during the use phase.

Scope 3 categories are considered for both current reporting and target-setting purposes based on the guidelines of the Greenhouse Gas Protocol. In addition to the absolute volume of emissions and the proportion of total emissions, the criterion of direct influenceability is also taken into account.

* In accordance with ESRS 1-106, significant monetary amounts related to CapEx and OpEx necessary for the implementation of current or planned actions outside the CapEx plan are not quantified for confidentiality reasons.

Based on this approach, the Scope 3 categories purchased goods and services, logistics and the use phase are both reported and factored into the target-setting process for the Automotive segment. The customer support component of the category purchased goods and services is not included in the target-setting process. These target-relevant categories account for over 93% of all reported Scope 3 emissions. Additional reported categories are excluded from the target scope because the volumes in question are relatively small (business travelling and employee commuting, global retail partner network) or because of the lack of direct influence by the BMW Group (capital goods, disposal).

An absolute target of 0.646 million tonnes of CO_2e by 2030 has been set for direct (Scope 1) and indirect (Scope 2) emissions.* This is equivalent to a 46.2% reduction in emissions compared to the base year 2019 (1.202 million tonnes of CO_2e). The Scope 2 target derivation is based on the market-based method. This factors in the actual emissions of the electricity used instead of the values of regional electricity mixes. Approximately three quarters of the reported emissions are allocated to Scope 1 and approximately one quarter to Scope 2.

Energy efficiency measures and the use of renewable energy in particular should contribute to achieving the targets in the own production of the BMW Group. Fossil fuels are increasingly being replaced with alternative technologies, particularly site-specific geothermal energy, renewable district heating and electric boilers/power to heat systems. At the new plant in Debrecen, Hungary, all paint line processes are powered by electricity instead of natural gas. This significantly reduces CO_2e emissions, even though this increases electricity consumption. All production sites cover all of their production-related external electricity supply with electricity from renewable sources. Furthermore, the new plant in Debrecen (Hungary), for example, covers its energy requirements in regular operation without fossil fuels. These decarbonisation levers are helping the BMW Group to achieve its overall targets in a manner which is proportionate to the total volume of emissions allocated to each scope.

For Scope 3 emissions, an absolute target of 108.0 million tonnes of CO_2e for 2030 was defined in the Automotive segment, based on purchased goods and services (excluding customer support), logistics and the use phase. This is equivalent to a 27.5% reduction in reported emissions compared to the base year 2019 (148.9 million tonnes of CO_2e).

In the supply chain, the biggest levers for reducing CO_2e are the use of electricity from renewable sources and the use of secondary materials and raw materials from CO_2e-reduced production processes (for example, steel and aluminium). In logistics, the expansion of innovation and infrastructure management for logistics measures contributes to reducing emissions. During the use phase, the biggest lever is the electrification of the product portfolio across all brands. In addition, other drivetrain technologies such as hydrogen are being further developed and will be gradually integrated into the product range, as is expected to be the case with the BMW iX5 Hydrogen from 2028 onwards The BMW Group is also continuing to improve drivetrain efficiency. The Company also aims to make the use of increasingly decarbonised charging electricity verifiable and to increase it further.

The BMW Group expects the largest contribution to achieving the 2030 CO_2e emissions reduction target to come from the electrification of the vehicle fleet (automobiles) with a share of over 90% in absolute terms, which is allocated to the Scope 3 category use phase. The majority of the remaining reductions will be achieved by implementing measures in the supply chain and logistics.

The LCA (Life Cycle Assessment) comparison of current all-electric vehicles shows improvements that have already been realised. The next generation of battery technology in the NEUE KLASSE vehicles (sixth generation) is expected to reduce emissions in the supply chain for the battery cell by around one third compared with the fifth generation. By using electricity from renewable sources in selected process steps, CO_2e emissions can be reduced further over the entire life cycle. Compared to similar vehicle concepts with an internal combustion engine, Scope 3 CO_2e emissions can be reduced by up to three quarters.

Regardless of the drivetrain technology, the decarbonisation of the supply chain in particular makes significant contributions to achieving the target. All-electric vehicles may increase emissions in the supply chain. The main reason for this is the higher product carbon footprint (PCF) of the high-voltage battery compared to conventional drivetrain concepts. In the supply chain and in the component manufacturing process, the BMW Group therefore relies on electricity from renewable sources at selected stages of the process, in addition to using secondary materials and technical measures that have been developed to limit the increase in CO_2e in the supply chain. Agreements with suppliers of raw materials for aluminium, steel and precious metals, as well as suppliers of wheels and high-voltage batteries, lead to substantial reductions. For other material groups such as glass and plastics, the use of electricity from renewable sources has a particularly beneficial effect on the CO_2e footprint of the supply chain.

For example, by using materials with CO_2e-reduced manufacturing processes or higher proportions of secondary materials, CO_2e emissions can be reduced by up to 80% for aluminium and up to 70% for steel. This includes the use of direct reduction processes in steel production. Measures to reduce CO_2e have already been implemented in the fifth-generation batteries and have been significantly expanded with the launch of the sixth-generation technologies in the NEUE KLASSE models.

* The combined Scope 1 and 2 target includes all of the categories reported in the carbon footprint. The base year 2019 also includes emissions from contract manufacturing ("insourcing"). In the 2025 report and for the target setting 2026, the targeted scopes also include sites without operational control but no longer include the share of biogenic emissions.

The BMW Group takes into account the trends in key customer segments, drivetrain technologies, and forecasts for the decarbonisation of supply chains and energy generation when operationalising emission targets across all three scopes. CO_2e credits (certificates) are not factored in when these targets are set and monitored – only the actual reduction measures are taken into account.

The target achievement is subject to uncertainties, some of which cannot be partially or completely influenced by the BMW Group. For example, future deliveries of battery electric vehicles (BEV) as a proportion of total sales may not be in line with current assumptions. The availability of appropriate charging infrastructure and incentives to purchase BEVs will have an impact on demand. In the reporting year, it once again became clear that the BEV market remains fragmented worldwide. Different markets are developing at different speeds. External factors such as the removal of incentives are having a significant impact. The flexibility of the BMW Group's production network, however, puts it in a position to react effectively to these developments. Higher overall sales volumes or a higher proportion of combustion-engine vehicles would make additional supply chain decarbonisation measures necessary in order to achieve the CO_2e targets for Scope 3. Geopolitical risks can also have a significant impact on the BMW Group's ability to achieve climate targets.

External market-specific developments in the supply chain may also lead to the decarbonisation of energy-intensive upstream stages in particular taking a different course than planned. Not all factors that impact decarbonisation can be directly influenced, particularly in the production of CO_2e-intensive raw materials such as steel and aluminium and the subsequent value creation stages in the supply chain. Furthermore, the ambitious forecasts of the International Energy Agency (IEA) – which are used to calculate reported emissions in the use phase of electrified vehicles – may be missed if, for example, the use of renewable energy does not progress quickly enough. In contrast, additional actions, such as the provision of CO_2e-free charging electricity for customers, may result in an improvement in downstream Scope 3 emissions (use phase). Finally, changes in legally prescribed measurement and assessment procedures may have an impact on the BMW Group's targets and their achievement.

Implemented actions and metrics for a holistic CO_2e reduction

ESRS E1-3, E1-6, E1-7, E1-8

The overarching CO_2e targets for all scopes are the basis for the specific actions that are an integral part of the corporate, product and topic-specific strategies (including Purchasing, Development, Production and Sales). Specific targets and implementation steps are derived from the overarching targets of the Company.

The actions taken to reduce emissions are identified, assessed, approved and implemented individually for each scope. Particularly as regards the own production (Scope 1 and 2), fossil fuels are gradually being phased out and energy efficiency is continually being increased in order to further reduce energy requirements. To this end, emissions related to production are primarily reduced through energy efficiency measures and the use of renewable energies ↗ Energy Efficiency and Renewable Energy. Actions initiated in the previous year made a significant contribution to reducing emissions in the reporting year, such as the conversion from fossil fuel district heating to district heating from wood chips at the plant in Steyr, Austria. Due to the Company's consistent annual commitment to reducing emissions, new actions are discussed regularly in order to make an additional contribution towards achieving emissions targets. An additional reduction of around 11,000 t CO_2e was achieved compared to the previous year (2024: 38,000 t CO_2e/–71.1%) as a result of new measures implemented in the 2025 reporting year. These include reductions due to the ramping up of geothermal heating in a plant in Shenyang, China, as well as heating from wood chips in the Dingolfing, Germany, plant. Furthermore, electricity used for company vehicles at BMW Group properties, including in Germany, is obtained from renewable sources in the form of Energy Attribute Certificates (for example guarantees of origin). The impact of the measures on long-term Net Zero targets is only included in this metric for the year of implementation. The majority of reductions become noticeable in subsequent years if the actions are in effect throughout the full calendar year.

Scope 3 emissions in the categories purchased goods and services, logistics and use phase account for the largest share of the BMW Group's total CO_2e emissions. As a result, CO_2e reduction measures are focused on these areas in particular.

The BMW Group has established the reduction of CO_2e emissions in the supply chain as a key criterion when awarding contracts to suppliers. Since 2021, the requirement to use electricity from renewable sources has applied to both our direct (tier 1) suppliers and to energy-intensive pre-production (n-tier) processes involved in the production of CO_2e-intensive components and materials (including steel, aluminium and raw materials for batteries, such as nickel). Other measures include the use of secondary materials. This represents an important contribution to the decarbonisation of the supply chain on the part of the Company. The BMW Group reviews the effectiveness of the CO_2e-reducing actions in its series production annually in cooperation with a specialised external service provider. In the reporting year, verified and implemented actions reduced supply chain emissions by around 3.1 million tonnes CO_2e (2024: 2.8 million tonnes CO_2e/+12.4 %). It is expected that it will be possible to reduce CO_2e emissions again in subsequent years based on measures in the supply chain. Since 2024, new suppliers have been evaluated prior to series production with regard to the compliance of their implementation processes for CO_2e-reducing measures including electricity from renewable sources and secondary materials.

Moreover, the Supply Chain Programme of the NGO CDP is used to assess the performance of the supply chain in terms of reducing CO_2e emissions. Participating suppliers are provided support with defining CO_2e reduction targets, integrating them into their business processes and reporting on the progress made on a regular basis.

The BMW Group is also starting to use nature-based materials for select components in the production of its vehicles. This includes using renewable and recycled raw materials for certain components, such as panelling elements and seat covers in vehicle interiors. The BMW iX3[1], for example, is also the first vehicle in the NEUE KLASSE to use 100% secondary material in the yarn for its textile seat covers.

The BMW Group is making a significant contribution to further reducing CO_2e emissions in the use phase by increasingly electrifying the entire product portfolio across all automobile brands. The BMW Group is also developing established drivetrain technologies with the aim of achieving greater efficiency (EfficientDynamics technologies) and adding new technologies to the drivetrain mix, for example hydrogen drivetrain technology. The increased use of electricity from renewable sources for charging electrified vehicles offers further potential for decarbonisation. The BMW Group is actively involved in the expansion of the charging infrastructure and is committed to supporting it worldwide. The BMW Group also fosters the development and use of sustainable fuels. ↗ Innovations and Product Technologies

The implementation and financing of actions and the measurement of target achievement are all part of the long-term corporate planning. Taking measures into account in the financial planning process ensures that adequate funding is available to implement them in the relevant periods.

The BMW Group has also been pursuing the aim of continuing emissions-reduced transportation within its global production and retail network. As for the BMW Group vehicle portfolio, the premise of technology neutrality applies to the decarbonisation of logistics with a view to decarbonising relevant carriers. This means that the best available technology is used to meet the specific requirements.

More than half of the vehicles produced by the BMW Group leave its plants by rail. Electricity from renewable sources is used for some of the rail transport involved in BMW Group logistics within Germany. In addition, trucks are running on second-generation biofuels (for example HVO100, produced from residual and waste materials), all-electric heavy commercial vehicles have been increasingly deployed for transporting goods at the Group's main plant in Munich since 2023. Bio LNG (bio liquefied natural gas) has also been used on the road in a number of series transport processes in Germany and the UK. Moreover, the BMW Group has been involved in the "H2Haul" research project (trucks run on H_2 fuel cells) since 2022 in addition to the "HyCET" research project (trucks featuring H_2 combustion engines) in order to facilitate the use of and gain early experience in the use of hydrogen trucks. Since 2025, two trucks powered by gaseous hydrogen fuel cells have been travelling on various routes between Leipzig, Landsberg and Nuremberg, Germany, as part of the H2Haul project. Two 700 bar hydrogen tanks have also been brought into operation in Leipzig and Hormersdorf to serve these vehicles during the operational phase.

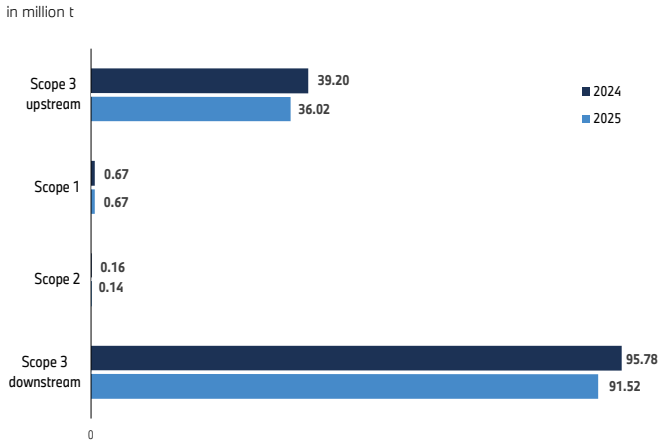
The implementation of these CO_2e reduction measures is initially geared towards the years 2030 and 2035. However, the measures extend well beyond that in many areas, such as the adaptation of the product portfolio or making it possible to operate new sites without the use of fossil fuels. This means that the BMW Group is consistently following the pathway set out by the Paris Agreement. ↗ Transition plan to achieve Net Zero emissions by 2050

Greenhouse gas emissions along the entire value chain

Absolute CO_2e emissions are presented for the reporting year and are disclosed per scope and per relevant category. The calculation and presentation of emissions values are aligned with the requirements of the Greenhouse Gas Protocol and use recognised emissions factors for each scope and category. These are reviewed as part of the annual data gathering process and updated if necessary.

In 2025, the BMW Group's CO_2e emissions, excluding biogenic CO_2 emissions, totalled 128,352,902 t CO_2e (2024: 135,821,526 t CO_2e/–5.5%).[2] The CO_2e emissions in Scope 1 and 2 amount to 811,420 t CO_2e (2024: 836,963 t CO_2e/–3.1%) and 127,541,482 t CO_2e (2024: 134,984,563 t CO_2e/–5.5%) in Scope 3.[2] The largest proportion of this, 99.4%, is attributable to the Scope 3 CO_2e emissions, with 28.1% attributable to Scope 3 upstream and 71.3% to Scope 3 downstream.

CO_2e emissions of the BMW Group[2]



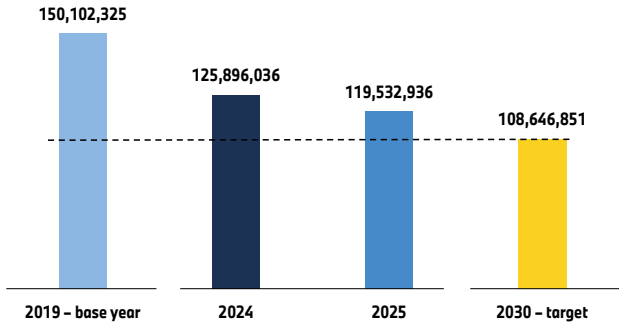
[1] ↗ Consumption and Carbon Disclosures.

[2] Scope 2 emissions according to the market-based method. Due to adjustments to individual Scope 3 categories (purchased goods and services, business travelling) and the first-time reporting of the categories capital goods and global retail partner network, the previous year's values were adjusted retrospectively (differences from adjusted values from the previous year: total: 4,687,325 t CO_2e; Scope 3: 4,687,325 t CO_2e; Scope 3 upstream: 4,100,290 t CO_2e; Scope 3 downstream: 587,035 t CO_2e). Additional information is available in ↗ ESG Glossary and Explanations of Key Figures.

The BMW Group uses a holistic approach for this purpose that considers the CO_2e emissions of vehicles over their entire life cycle and addresses all stages of the value chain with ambitious targets. The figure shows the targeted CO_2e emissions* for the BMW Group across all scopes. In the reporting year, these emissions showed a year-on-year decrease and are on the defined target pathway for 2030. The targeted scopes for Scope 1 and Scope 2 amount to 811.420 t CO_2e (2024: 836.963 t CO_2e/–3,1%) and for Scope 3 118.721.516 t CO_2e (2024: 125.059.073 t CO_2e/–5,1%).

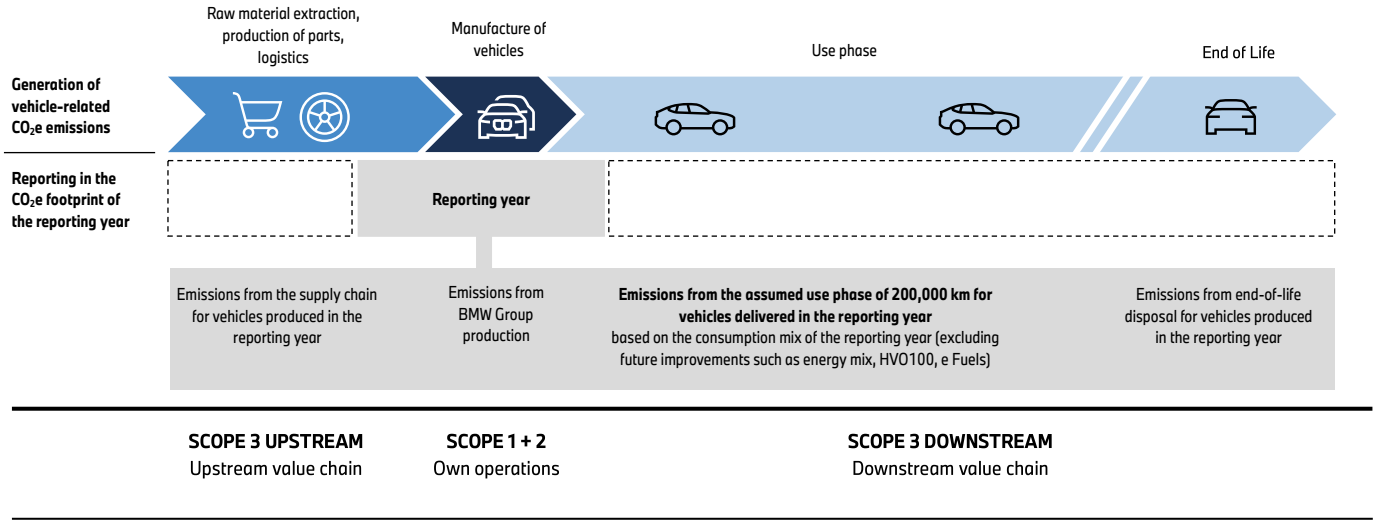
CO_2e emissions target 2030 (Scope 1, 2 and 3)

in t



The following schematic illustrations clarify the origin and recording of vehicle-related CO_2e emissions. The emissions generated by the BMW Group in the reporting year are covered by Scope 1 and 2. By contrast, the total emissions for the reporting year arising along the supply chain, in the use phase throughout the assumed life cycle of a vehicle (200,000 km) and at end-of-life are recorded in Scope 3. These Scope 3 emissions are reported in the year of production or delivery. The ↗ calculation of metrics for emissions generated in the future from the use of vehicles is based on the assumptions applied during the reporting year (for example for the energy mix).

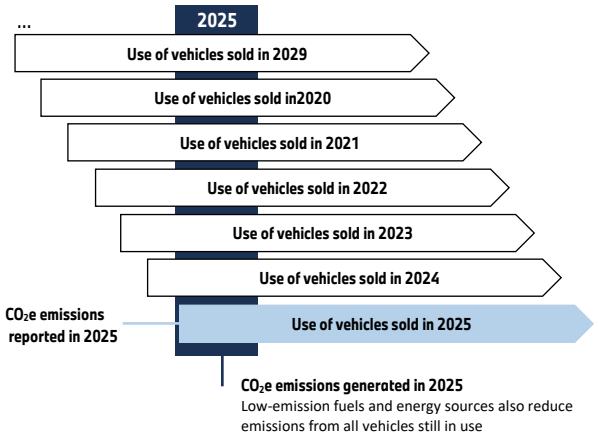
Generation and reporting of CO_2e emissions of a vehicle



Potential future developments during the use phase of a vehicle (assumed life cycle) are currently not taken into account. This includes, for example, the more widespread use of e-fuel, carbon-neutral fuels (CNFs such as HVO100) or improvements in the energy mix. More information about e-fuels and CNFs can be found in the chapter ↗ Innovations and Product Technologies.

The deployment of low-emissions fuels and energy sources in the use phase may also reduce emissions for vehicles still in service. However, these reductions are not reported. By contrast, technological advances in vehicles initially only apply to new vehicles and thus only have a time-delayed effect on actual emissions generated.

CO_2e emissions in the use phase (Scope 3)



Simplified depiction.

* The target-related emissions include all market-based Scope 1 and 2 emissions for the BMW Group, as well as the Scope 3 categories for the Automotive key segment, purchased goods and services (excluding customer support), logistics and the use phase. Assurance level of the years 2024 and 2025: reasonable assurance.

In addition to absolute CO_2e emissions, the BMW Group also assesses its fleet CO_2 emissions limits in the use phase. Within the EU, average fleet CO_2 emissions, taking into account regulatory requirements and in accordance with WLTP, were significantly below the limit for the BMW Group for the reporting year. This continues the trend seen in recent years, driven by the electrification of the vehicle fleet and the use of innovative technologies.

Fleet emissions BMW Group[1,2]

in g CO_2/km	2025	2024	Change in %
Fleet emissions EU[3]	90.0	99.5	– 9.5
Legal applicable limit BMW Group	92.9	130.1	– 28.6
Undershoot (+)	2.9	30.6	–
Fleet emissions World[4]	175.7	185.0	– 5.0
Fleet emissions China	153.6	141.9	8.2
Fleet emissions USA[5]	111.8	114.6	– 2.4

In the US market, the BMW Group once again met the regulatory GHG fleet consumption requirements during the reporting year. This was achieved using self-generated credits as well as credits carried over from previous years. The BMW Group did not purchase any credits from other manufacturers for the reporting year. The requirements were therefore met without exception by using self-generated, existing credits. Updates to the vehicle portfolio contributed to a reduction in emissions.

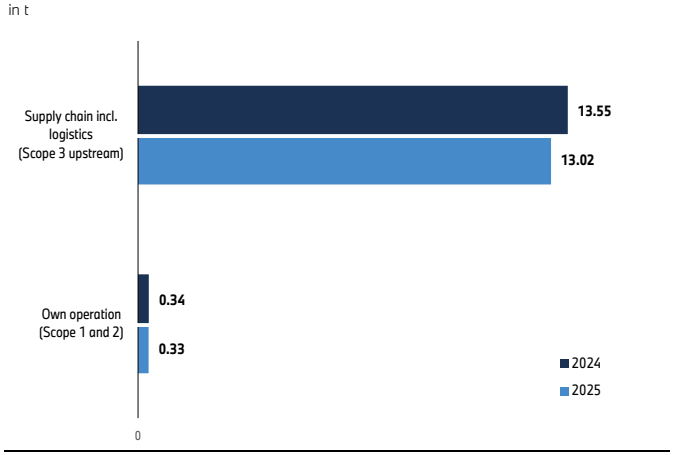
The BMW Group has also met the applicable regulatory CAFC fleet consumption requirements in that market, partly by purchasing credits.

Global CO_2e fleet emissions for the BMW Group showed a further reduction in the reporting year. As in previous years, when calculating the emissions metrics, the BMW Group takes into account volume-weighted fleet CO_2e emissions (including upstream emissions for fuel and electric charging) in the EU, the USA and China and standardises them in accordance with the WLTP. With a share of around 80% of BMW Group deliveries, these three core markets and regions form a reliable basis for calculating global average fleet CO_2e emissions.

The BMW Group is involved in associations and also participates independently in political debates on future requirements related to CO_2 legislation in individual markets. The Company supports the development of harmonised national and international regulations. Establishing comparable requirements creates a reliable and predictable framework which makes an important contribution to effectively countering the effects of climate change. The ↗ Advocacy provides information on the BMW Group's most important climate policy positions and activities, among other things.

Absolute CO_2e emissions are set in relation to net sales revenue in accordance with the ESRS requirements. For the reporting year 2025, the ↗ Greenhouse gas intensity is 974 t CO_2e/€ million (2024: 966 t CO_2e/€ million/+0.8%) according to the market-based method and 982 t CO_2e/€ million (2024: 974 t CO_2e/€ million/+0.8%) according to the location-based method.[6] Information on revenue growth can be found under ↗ Financial Performance. The BMW Group expects that the targets that have been set will reduce this figure over the next few years. The greenhouse gas intensity may develop contrary to this expectation, however, if there are changes in revenues. In the 2025 reporting year, the relative reporting metrics for CO_2e emissions from BMW Group locations (Scope 1 and 2) are 0.33 t CO_2e per vehicle produced (2024: 0.34 t per vehicle produced/–2.9%), while CO_2e emissions for the supply chain are 13.02 t per vehicle produced (2024: 13.55 t per vehicle produced/–3.9%).[7] Changes in the production volume may affect these reporting metrics ↗ Production Network.

CO_2e emissions per vehicle produced (automotive)[7]



The allocation of emissions to all scopes and relevant categories reveals the details of the BMW Group's CO_2e footprint. Biogenic CO_2 emissions are reported separately afterwards.

[1] Additional information is available in ↗ ESG Glossary and Explanations of Key Figures.
[2] Assurance level: reasonable assurance.
[3] EU-27 countries plus Norway and Iceland.
[4] The calculated emissions include upstream emissions from supplying fuel.
[5] Converted from g/mi to g/km for comparison purposes.
[6] Due to adjustments to individual Scope 3 categories (purchased goods and services, business travelling) and the first-time reporting of the categories capital goods and global retail partner network, the previous year's value was adjusted retrospectively (difference from adjusted values from the previous year: 33 t CO_2e [market-based method] and 33 t CO_2e [location-based method]).
[7] Assurance level: reasonable assurance. Additional disclosure. The methodology used to calculate the metric (Scope 1 and 2) was adjusted and brought in line with the reporting system used for absolute figures as a result of the Company converting its CO_2e targets in 2024. The prior-year figure has been retrospectively adjusted (difference from adjusted value from the previous year: 0.07 t). Additional information is available in ↗ ESG Glossary and Explanations of Key Figures.

CO_2e footprint[1]

in t CO_2e	2025	2024	Base year: 2019	Deviation to previous year in %	2030	Annual % of target/base year
Total emissions (market-based)[2]	**128,352,902**	**135,821,526**	**mainly guided**	**– 5.5**	**mainly guided**	**–**
Total emissions (location-based)	**129,450,269**	**136,962,076**	**–**	**– 5.5**	**–**	**–**
SCOPE 1: DIRECT GREENHOUSE GAS EMISSIONS						
Total emissions[2]	**667,275[6]**	**672,542**	**guided**	**– 0.8**	**guided**	**–**
BMW Group locations[2]	576,437	572,972	guided	0.6	guided	–
Company vehicles[2, 3]	86,389	95,087	guided	– 9.1	guided	–
Company-owned airplanes[2]	4,450	4,482	guided	– 0.7	guided	–
Percentage of Scope 1 GHG emissions from regulated ETS (in %)	54.6	53.5	–	2.0	–	–
SCOPE 2: INDIRECT GREENHOUSE GAS EMISSIONS						
Total emissions (market-based)[2]	**144,145[6]**	**164,421**	**guided**	**– 12.3**	**guided**	**–**
Electricity/heating/cooling purchased by BMW Group locations (market-based)[2, 4]	128,633	150,508	guided	– 14.5	guided	–
Electricity purchased for company vehicles (BEV) (market-based)[2, 3, 4]	15,512	13,913	guided	11.5	guided	–
Total emissions (location-based)	**1,241,512**	**1,304,971**	**–**	**– 4.9**	**–**	**–**
SCOPE 1 + SCOPE 2 (MARKET-BASED): TARGET DERIVATION[5]						
Total emissions Scope 1+2	**811,420[6]**	**836,963**		**–**		
non-reduction-targeted scopes	–	– 35,490		–		
share of biogenic emissions	–	8,324		–		
Reduction path targeted scopes	**811,420[6]**	**809,797[6]**	**1,202,325**	**–**	**646,851**	**4.2**

[1] Due to adjustments to individual Scope 3 categories (purchased goods and services, business travelling) and the first-time reporting of the categories capital goods and global retail partner network, the previous year's values were adjusted retrospectively (differences from adjusted values from the previous year: total emissions [market-based]: 4,687,325 t CO_2e; total emissions [location-based]: 4,687,325 t CO_2e). Additional information is available in ↗ ESG Glossary and Explanations of Key Figures.
[2] The marked categories are included in the reduction target.
[3] Emissions from company vehicles (Scope 1 and 2) are also included on a pro-rata basis under employee commuting and use of sold products (Use phase). A system-based distinction is not currently possible.
[4] Emissions from company vehicles (Scope 2) are also included on a pro-rata basis under the electricity/heat/cooling purchased by BMW Group locations. A system-based distinction is not currently possible.
[5] The combined Scope 1 and 2 target includes all of the categories reported. The base year 2019 also includes emissions from contract manufacturing ("insourcing"). Emissions under Scope 2 are included in the target using the market-based method. In the 2025 report and for the target setting 2026, the targeted scopes also include sites without operational control but no longer include the share of biogenic emissions. The reduction path for the target scopes has been adjusted correspondingly (differences from adjusted values from the previous year: 2019: 20,325 t CO_2e, 2030: 11,851 t CO_2e). Taking this adjustment into account, the comparable target-related value for 2024 amounts to 836,963 t CO_2e.
[6] Audit level: reasonable assurance.

CO_2e footprint[1]

in t CO_2e	2025	2024	Base year: 2019	Deviation to previous year in %	2030	Annual % of target/base year
SCOPE 3: INDIRECT GREENHOUSE GAS EMISSIONS						
Total emissions[2]	**127,541,482**	**134,984,563**	**mainly guided**	**– 5.5**	**mainly guided**	**–**
Purchased goods and services[2, 3, 4]	31,709,908	33,482,268	mainly guided	– 5.3	mainly guided	–
Capital goods[5]	1,624,952	2,465,544	–	– 34.1	–	–
Upstream transportation and distribution [Logistics][2, 6]	2,451,399	2,931,346	mainly guided	– 16.4	mainly guided	–
Business travelling[7]	63,456	141,522	–	– 55.2	–	–
Employee commuting [Employees' commuter traffic][8]	171,959	182,833	–	– 5.9	–	–
Use of sold products [Use phase][2, 8]	89,538,674	93,652,616	mainly guided	– 4.4	mainly guided	–
End-of-life treatment of sold products [Disposal][3]	1,425,073	1,541,400	–	– 7.5	–	–
Franchises[9] [Global retail partner network]	556,061	587,035	–	– 5.3	–	–
SCOPE 3: REDUCTION TARGETS DERIVATION[10]						
Total emissions Scope 3	**127,541,482**	**134,984,563**		**–**		
non-reduction-targeted scopes	– 8,819,966	– 10,024,719		–		
share of biogenic emissions	–	99,229		–		
Reduction path targeted scopes	**118,721,516[11]**	**125,059,073[11]**	**148,900,000**	**–**	**108,000,000**	**2.5**

[1] Due to adjustments to individual Scope 3 categories (purchased goods and services, business travelling and logistics) and the first-time reporting of the categories capital goods and global retail partner network, the previous year's values were adjusted retrospectively (difference from adjusted value from the previous year: Scope 3: 4,687,325 t CO_2e). Additional information is available in ↗ ESG Glossary and Explanations of Key Figures.
[2] The marked categories are to a significant extent included in the reduction target.
[3] Energy consumption (lower heating value) of the purchased goods and services category and the end-of-life treatment of sold products [disposal] category are determined based on life cycle assessments of representative vehicles of the product lines in accordance with ISO 14040/44: 115.9 TWh in the purchased goods and services category and 0.93 TWh in the end-of-life treatment of sold products [disposal] category.
[4] Due to the integration of customer support, the previous year's value was adjusted retrospectively (difference from adjusted value from the previous year: 1,590,000 t CO_2e).
[5] A comparative value was determined for the previous year as part of the first-time reporting. This is based on the relevant emissions factors for 2024.
[6] Includes the downstream transportation category in accordance with the Greenhouse Gas Protocol.
[7] Due to changes in assumptions regarding the refuelling of hire vehicles and the adjustment of emissions factors for the previous year due to errors in the emissions factors provided by an external service provider, the previous year's value was adjusted retrospectively (difference from adjusted value for the previous year: 44,747 t CO_2e).
[8] Emissions from company vehicles (Scope 1 and 2) are also included on a pro-rata basis under employee commuting [employees commuter traffic] and use of sold products [use phase]. A system-based distinction is currently not possible.
[9] A comparative value was determined for the previous year as part of the first-time reporting. This is based on the collection of consumption data for 2024 and the relevant emissions factors for 2024.
[10] The Scope 3 target currently only includes the Automotive segment for the categories purchased goods and services (excluding customer support), upstream transportation and distribution (logistics) and use of sold products (use phase). In the base year 2019 and the target year 2030, the biogenic share of emissions is included in the figure for the purchased goods and services category.
[11] Audit level: reasonable assurance.

Biogenic emissions[1]

in t CO_2	2025	2024	Change in %
Total	**4,763,721**	**4,760,281**	**0.1**
Scope 1	43,839	52,648	– 16.7
Scope 2 (market-based)[2]	41,838	21,942	90.7
Scope 3	4,678,044	4,685,690	– 0.2

With regard to reported Scope 3 emissions, the assessment criteria of the Greenhouse Gas Protocol were used to determine the relevant categories. The decision as to which categories to disclose was made on the basis of volumes and proportion, measurability, the ability of the BMW Group to influence the emissions volumes, and the degree of risk. ↗ Reporting overview for the Scope 3 categories

Emissions in Scope 3 categories associated with fuel and energy-related activities, waste, leased assets, processing of sold products and leased assets, and investments are not reported for reasons of materiality, as they account for less than 3% of total emissions and are not significant. The BMW Group is therefore focussing on the emissions that are considered relevant in terms of the absolute volumes involved and those that can be directly or indirectly influenced by the BMW Group. The significant categories cover around 98% of the BMW Group's total Scope 3 emissions.

The BMW Group sells its products via a retail partner network that spans more than 140 countries. As this is considered part of the downstream value chain, the associated activities are also included in the BMW Group's Scope 3 emissions. The BMW Group has included the CO_2e emissions for its global retail partner network for the first time in its report for the 2025 financial year. This category includes CO_2e emissions for retail partner sites for BMW and BMW Motorrad, MINI and Rolls-Royce Motor Cars. To ensure continual improvements, CO_2e reduction opportunities in the retail partner network were identified and evaluated during the reporting year. Building on this, market-specific concepts for corresponding measures will be developed in the future. Furthermore, a reduction pathway compatible with the overarching BMW Group Strategy was derived, serving as preparation for its potential integration into the target system.

The BMW Group's greenhouse gas emissions are calculated using recognised data sources and methods. These include the specialised software LCA for Experts, which is used to analyse the value chain and calculate the Global Warming Potential (GWP) values of the Intergovernmental Panel on Climate Change (IPCC). Until reliable primary data is available, for example, based on emission measurements performed in the supply chain by the suppliers themselves, secondary data from databases are used instead. These values are adjusted in certain cases using more precise secondary data, provided that measures to reduce the CO_2e emissions of relevant suppliers are verifiable.

It is currently not possible to compare this emissions data across companies. This is because no generally recognised standards currently exist for the automotive industry or across industry segments. The BMW Group has a long-term objective of developing a CO_2e accounting system based on real data. The first steps have already been taken with the Catena-X project. Information about the system boundaries (upstream and downstream value chain), the assessment using market- and location-based methods and the data gathering methods can be found in the ↗ Glossary.

[1] Due to adjustments in how the biogenic Scope 1 emissions of BMW Group locations are calculated, changes to individual Scope 3 categories (purchased goods and services, business travelling and logistics) and the first-time reporting of the Scope 3 categories capital goods and global retail partner network, the previous year's values were adjusted retrospectively (differences from adjusted values from the previous year: total: 135,385 t CO_2, Scope 1: 9,689 t CO_2, Scope 3: 125,695 t CO_2). Additional information is available in ↗ ESG Glossary and Explanations of Key Figures.

[2] The biogenic Scope 2 emissions (location-based) amount to 206,925 t CO_2 (2024: 187,517 t CO_2/+10.3%).

Reporting overview for theScope 3 categories

Scope 3 categories	Reporting 2025	Reason for reporting	Notes
Purchased goods and services	Reporting	Significant share of Scope 3 emissions, measurable and influencable	
Capital goods	Reporting	Significant share of Scope 3 emissions with limited measurability and limited ability to influence	
Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	No reporting	Minor share of Scope 3 emissions with limited measurability and limited ability to influence	
Upstream transportation and distribution [Logistics]	Reporting	Significant share of Scope 3 emissions, measurable and influencable	
Waste generated in operations	No reporting	Minor share of Scope 3 emissions with limited measurability and limited ability to influence	
Business travelling	Reporting	Minor share of Scope 3 emissions, measurable and influencable	
Employee commuting [Employees' commuter traffic]	Reporting	Minor share of Scope 3 emissions, measurable and influencable	
Upstream leased assets	Partial reporting	Minor share of Scope 3 emissions with limited measurability and limited ability to influence	Leased infrastructure is recognised within the emissions reported under BMW Group locations (Scope 1) or Electricity/heating/cooling purchased by BMW Group locations (Scope 2)
Downstream transportation	Reporting	Included in "Upstream transportation and distribution [logistics]"	
Processing of sold products	No reporting	Minor share of Scope 3 emissions with limited measurability and limited ability to influence	
Use of sold products [Use phase]	Reporting	Significant share of Scope 3 emissions, measurable and influencable	
End-of-life treatment of sold products [Disposal]	Reporting	Minor share of Scope 3 emissions with limited measurability and limited ability to influence	
Downstream leased assets	Partial reporting	Minor share of Scope 3 emissions, measurable and influencable	Emissions from the use of vehicles for which BMW Group is a lessor as part of its Financial Services business are allocated in full to "use of sold products [use phase]". The collection of emissions from third-party brand vehicles that are leased out as part of the Financial Services business is planned from the reporting year 2026 onwards.
Franchises [Global retail partner network]	Reporting	Minor share of Scope 3 emissions, measurable and influencable	
Investments	No reporting	Minor share of Scope 3 emissions with limited measurability and limited ability to influence	

Use of an internal carbon price to assess vehicle projects
An ↗ internal carbon price is used as a shadow price in the development phase of vehicle projects (automobiles) to assess the measures taken to reduce carbon emissions in the use phase.

This carbon price is based on the fleet regulations in the EU. These regulations stipulate a penalty of € 95 per gram of CO_2 for each unit sold if the target is not met. The value is converted over an assumed mileage of 200,000 km to a price of 475 € per tonne of CO_2 (2024: 475 € per tonne CO_2). Vehicle projects are managed directly based on their impact in g CO_2/km while drawing on expected vehicle emissions and their impact on the BMW Group fleet.

The penalties that may be imposed are appropriate when assessing measures as they directly represent the costs that would be incurred if the targets were not met. The costs of carbon measures can therefore be directly compared to potential penalty payments and used as a basis for assessing emissions from the use phase. The BMW Group's internal carbon price is applied to 100% of Scope 3 CO_2e emissions from the use phase of the Automotive sector. In the 2025 reporting year, this price was applied to 86,558,680 t CO_2e (2024: 90,667,226 t CO_2e/–4.5%). This is equivalent to 67.4% (2024: 66.8%/+1.0%) of the total CO_2e emissions of the BMW Group.

In the supply chain, however, the actions taken to achieve targets for each material group are managed based on the required level of CO_2e reduction and the necessary avoidance costs. The process is carried out annually with the involvement of the Purchasing and Supplier Network, Development and Finance departments. Similarly, the actions taken to achieve Scope 1 and 2 targets are managed based on the specific avoidance costs. A continuous coordination process ensures that requirements arising from changing conditions are reliably taken into account and that mitigation measures in the supply chain are optimised.

Internal carbon prices are not used for financial reporting purposes. They are not used when assessing the duration of use and residual value of assets, assessing the possible impairment of assets or measuring the fair value of assets acquired through business combinations. On the other hand, the BMW Group's corporate planning does incorporate volume- and price-related premises for emission allowances under the EU Emissions Trading System (ETS). These premises are also factored into the impairment testing process for assets in the Automotive segment.

Preparing for Net Zero
The BMW Group intends to achieve Net Zero by 2050 at the latest, which means reducing CO_2e emissions across all scopes within the value chain by at least 90% compared to the base year 2019. To do this, the BMW Group is focussing on decarbonising the entire value chain. All emissions that cannot be technically reduced further (maximum 10% of total base year CO_2e emissions) must be neutralised from that point onwards using permanent carbon sinks.

The BMW Group has been supporting the development of new permanent CO_2e sequestration methods since 2024 to drive the development of these carbon sinks. These efforts have included purchasing certificates from biochar projects.

During the reporting year, the BMW Group once again financed the permanent storage of volumes equivalent to 25,000 t of CO_2e in cooperation with partners including Atmosfair and First Climate. This will effectively scale up promising carbon dioxide removal (CDR) technologies at an early stage in order to prepare for the BMW Group's sub-target of compensating for a maximum of 10% at the net zero deadline by 2050 at the latest.

The BMW Group supports these projects voluntarily, which means their yields are not counted towards the Group's CO_2e reduction targets. The projects are certified by independent institutions in line with international standards (for example, CSI/EBC C-Sink) and have to meet a set of strict quality criteria such as permanence and additionality of the CO_2e sequestration.

CO_2e certificates cancelled in the reporting year*

	2025	2024	Veränderung in %
Total (in t CO_2e)	25,000	25,000	0%
Share from removal projects (in %)	100	100	0%
Share from reduction projects (in %)	–	–	–
Sink-type biochar (in %)	100	100	0%
Recognised quality standards CSI/C-Sink (in %)	100	100	0%
Share of projects within the EU (in %)	–	–	–
Share of projects with corresponding adjustments (in %)	–	–	–
CO_2e certificates planned to be cancelled in the future (in t CO_2e)			
Until and including reporting year 2026	24,000 – 30,000	46,000 – 57,500	–

* Additional information is available in ↗ ESG Glossary and Explanations of Key Figures.

HOLISTIC ENVIRONMENTAL MANAGEMENT WITHIN THE BMW GROUP

ESRS E1-2, E3-1, E4-1, MDR-P

Protecting the environment is an important pillar of the BMW Group's sustainability strategy. The BMW Group takes action to protect the environment at every stage of the vehicle life cycle – from the supply chain through to production and the end of the use phase. The BMW Group incorporates ecological effects into its planning and activities right from the start and assesses environmental impacts, risks and opportunities.

Within the BMW Group's global production network, energy and resource efficiency, as well as the monitoring of resource consumption have been integral parts of the environmental management system for decades. Alongside CO_2e emissions, the other indicators are energy and potable water consumption, waste for disposal and solvent emissions. Biodiversity is also analysed for each site individually.

The environmental policy addresses the impacts, risks and opportunities identified as material at the properties of the BMW Group in the areas of water, energy and climate change ↗ List of Material Impacts, Risks and Opportunities. All of the actions are in compliance with legislation, regulations and standards. A certified environmental management system in accordance with ISO 14001 has been implemented at all BMW Group production sites (certification is scheduled for 2026 for the new site in Debrecen, Hungary). Moreover, all the BMW Group's German and Austrian plants are certified under the EMAS environmental management system. The requirements of these regulations are specified in binding specifications such as the BMW Group working instructions and guidelines, the BMW Group Management Manual (for quality, environmental protection, occupational safety, ergonomics, health management and corporate security including information protection), in process descriptions and procedural instructions, as well as in work orders and standard operating procedures. The monitoring process of the environmental policy is based on annual internal and external audits which are required in order to meet the aforementioned regulations.

By providing information and training, we promote and develop a sense of responsibility for the environment among our employees. The BMW Group's environmental policy requires and facilitates environmentally friendly conduct throughout the entire organisation. This helps our workforce to play their part in improving the environmental performance of the BMW Group. Managers act as role models and the BMW Group provides targeted training and further education in this area. Proposals and ideas for improving operational processes and the environmental performance are assessed internally in the "cre8" idea management programme.

The Board of Management is responsible for the implementation of the environmental policy. Managers bear particular responsibility for implementing and living out the environmental and energy policy and motivating their employees accordingly. Environmental protection training is mandatory for managers. The delegation chain assigns operator responsibility to site management. Each facility, each building and each area is allocated to a responsible operator who is responsible for the products, processes, facilities and technical systems in their area. Environmental protection units support and advise operators and employees at each site. These units consist of the environmental management officers and the officers for waste, water protection and immission control. These individuals are responsible for making production processes as environmentally friendly as possible in line with the environmental targets. The BMW Group uses a number of tools to help operators fulfil their responsibilities, including operator inspections, regular meetings and an emergency communication system.

At company level, the department for Strategy, Planning, Environmental protection and Energy Management advises the network of environmental protection units. This department heads up regular meetings involving the plants' environmental management officers in the Environmental Protection Steering Committee. The steering committee coordinates environmental protection activities in the area of production and for key non-production sites throughout the Group. The sites of the BMW Group also have cross-technology energy groups which are tasked with continuously optimising the energy consumption of production processes. The purpose of these groups is to minimise impacts on the environment.

The BMW Group is committed to protecting people and the environment by acting responsibly beyond the confines of its plants. It is therefore expanding its influence throughout the value chain by establishing partnerships and dialogue formats with policymakers, business partners and external partners such as customers, suppliers, contractual partners and NGOs. As a global company, the BMW Group is also in continuous dialogue with a large number of external stakeholders in Germany and abroad regarding environmental matters. These include affected communities and indigenous people. ↗ Stakeholder Engagement, ↗ Social and Environmental Responsibility in the Supplier Network

We inform the public about our environmental targets and actions in a variety of ways. We also use events, conferences, presentations and plant tours to engage in dialogue with different target groups. Publications, brochures and environmental statements from the individual sites, the BMW Group Report and the websites of the BMW Group and its plants provide additional transparency about its activities.

ENERGY EFFICIENCY AND RENEWABLE ENERGY

Material impacts, risks and opportunities	Type	Sub(-sub)-topic	Stage of the value chain	Policies	Targets	Specific actions
The network of sales partners and third-party locations consumes energy – and thereby uses natural resources and contributes to climate change.	Negative impact	Energy		– None	– None	– None
The network of supplier locations consumes energy – and thereby uses natural resources and contributes to climate change.	Negative impact	Energy		– BMW Group Climate Strategy ↗ Climate change mitigation and adaption as a key part of the corporate strategy	– Reduce Scope 1, Scope 2 and Scope 3 emissions by at least 40 million tonnes CO_2e in 2030 compared to 2019 levels (target 2030: 108.6 million tonnes CO_2e), and reduce by at least a further 20 million tonnes CO_2e in 2035 compared to 2030 levels ↗ Path to achieving the CO_2e reduction targets	– Supply chain: use of electricity from renewable sources* and secondary materials ↗ Actions implemented and metrics for a holistic approach to CO_2e reduction
The production of the BMW Group products as well as operation of offices consumes energy (incl. building of the production and office facilities) and thereby especially the inefficient energy usage leads to unnecessary withdrawal of natural resources and contributes to climate change.	Negative impact	Energy		– Energy policy – Environmental policy ↗ Holistic Environmental Management within the BMW Group	– Reduction of energy consumption per vehicle produced by 25% by 2030	– Energy efficiency measures to optimise production technology and building services – Replacement of old and inefficient systems with new systems that are more efficient – Development of new processes that are more efficient and more environmentally friendly – Replacement of fossil fuels with renewable energy sources
Concluding power purchase agreements support the development of more renewable energy capacity and saving resources and emissions.	Positive impact	Energy				
Risk of limitations in the use of certain energy sources due to regulatory restrictions, which may confine their application to specific sectors or require physical delivery, could lead to higher operating costs as some energy sources cannot be used for emission reduction measures.	Risk	Energy				
The switch to green operations may require significant adaptation costs, leading to increased operating expenses (OpEx) and substantial capital investments (CapEx) for e.g. energy efficiency measures, electrification, decarbonization, and digital transformation. These financial burdens could strain liquidity and profitability.	Risk	Energy				

 Upstream material  Own operations material Downstream material

* See ↗ Glossary for a definition of electricity from renewable sources.

The BMW Group places great importance on energy consumption and energy efficiency throughout the company. The targets and measures are ambitious and focus on reducing CO_2e emissions by expanding the use of renewable energy sources, alongside energy-cost considerations. The Group's direct responsibility for its production processes is the starting point for these efforts. One of the award criteria for suppliers is the use of electricity from renewable sources by Tier-1 suppliers and in upstream (n-tier) production processes for CO_2e-intensive components and materials. Energy is a material topic for the BMW Group at all stages of the value chain. The effects of energy consumption in the supply chain and in the downstream value chain are presented separately in ↗ Climate change mitigation and adaptation as a key part of the corporate strategy.

Energy management

ESRS E1-2, MDR-P

The BMW Group's energy management system includes a Group-wide energy policy. This assigns clear roles and corresponding responsibilities, targets and reporting obligations to central strategy departments, regional management units and sites at the local level. This helps mitigate the direct energy-related impacts and risks at the BMW Group's own operations. The energy management system covers structural planning, system design, the procurement of energy and technical equipment as well as the management of the property portfolio.

Energy management regulations apply to all important energy-related processes and properties throughout the BMW Group. The requirements therefore apply to all geographical regions and all locations under BMW Group operational control. Overall responsibility for energy management lies with the Board of Management and extends across all organisational levels.

The BMW Group uses electricity from renewable sources at the majority of its properties, including its own photovoltaic systems (PV). In 2025, the BMW Group installed additional photovoltaic systems at its plants in Regensburg, Germany, Dingolfing, Germany, and Debrecen, Hungary. The BMW Group also began the process of getting additional photovoltaic systems set up at other locations. The BMW Group sources energy (electricity, heating, steam and cooling) externally using direct supply contracts for renewable energy (25%) (2024: 23%/+8.7%), including Power Purchase Agreements (PPAs) as well as from Energy Attribute Certificates (62%) (2024: 62%). These guarantees certify that the energy we procure comes from renewable sources.

Clear internal guidelines ensure that biomethane is procured and used in line with regulatory requirements. The BMW Group is progressively transitioning to using alternative sources for heating purposes, including biomass, geothermal energy and power-to-heat technologies. A geothermal plant was put into operation at a site in Shenyang, China, for example. A wood chip heating plant also went online at the Dingolfing plant in Germany.

By implementing and continuously monitoring environmental and energy policies, the BMW Group can mitigate risks, such as stricter environmental regulations or rising energy prices, while improving its environmental performance.

The correctness and completeness of the CO_2e and energy data is evaluated and supported through annual reporting and regular mandatory internal and external audits. At some sites, this is supplemented with a certified energy management system.

The BMW Group has signed up to a number of initiatives, highlighting its commitment to climate and environmental protection. It complies to the quality criteria of the RE100 standard when purchasing electricity from renewable sources. Since 2020, all external electricity supplied to production at BMW Group plants worldwide has come from renewable sources. The majority of its non-production sites is also powered by electricity from renewable sources.

The BMW Group fosters close relationships with external stakeholders – including local businesses, politicians and all relevant internal parties – to ensure that their interests are included when we implement energy- and location-specific projects. A detailed description of the strategy development process and our approach to engaging with external and internal stakeholders can be found in ↗ The BMW Group Strategy and ↗ Stakeholder Engagement.

Energy targets

ESRS E1-4, MDR-T

The BMW Group is committed to continuously implementing energy efficiency measures. It has set itself the target of reducing its energy consumption per vehicle produced by 25% by 2030 compared to the 2016 base year.* Progress toward these energy targets is tracked in an ongoing monitoring process. Each year, energy targets for internal management are set for the following year. These are based on historical energy consumption, completed and planned measures, as well as factors like capacity and utilisation rates. The target is a relative target per unit produced, measured in megawatt hours (MWh). The energy efficiency target is directly linked to managing absolute CO_2e emissions in the context of the BMW Group's planning processes.

The targets are established based on an analysis of the market environment combined with an assessment of technical feasibility. The analysis of technically feasible measures incorporates insights from technological innovations.

The objective of saving energy and increasing the use of renewable energy primarily involves internal stakeholders at the relevant sites, such as plant managers, whose opinions and interests are incorporated into the target-setting process. When it comes to using renewable energy, local stakeholders within the energy infrastructure are engaged as needed.

* This takes into account BMW Group's global vehicle production (BMW Group plants and partner plants). The efficiency target is based on internal historical data. It is specific to the Company and is not aligned with a science-based approach.

Changes in production planning, the introduction of new production plants and modifications to technical systems can have an impact on our progress towards achieving these energy targets. End-of-year forecasts are developed and monitored monthly for all targets using an automated dashboard. Progress for 2025 was on track with the original plan. This same approach is used to manage Scope 1 and Scope 2 CO_2e emissions targets.

Efficiency measures and energy mix

ESRS E1-3, E1-5, MDR-A

In 2025, the BMW Group continued to undertake a broad range of initiatives to meet CO_2e and energy efficiency targets at its locations.

The measures implemented to reduce energy consumption can be summarised as follows:

- Energy efficiency measures to optimise production technology and building services
- Replacement of old and inefficient systems with new systems that are more efficient
- Development of processes that are more efficient and more environmentally friendly
- Replacement of fossil fuels with renewable energy sources

The measures implemented in these categories cover all properties under the BMW Group's operational control and all key energy-related processes. A detailed breakdown of the contributions from each category is not provided due to the measures having overlapping effects and also due to external factors such as seasonal variations in weather conditions. Financial resources are allocated annually for energy efficiency measures so that the BMW Group can meet the 2030 energy efficiency target. For example, improvements to the ventilation system, including heat recovery, were made at the plants in Regensburg, Germany, and Steyr, Austria, during the reporting year. Resources are made available for Scope 1 and 2 CO_2e reduction efforts on a rolling basis to align with the 1.5 °C target pathway. These extensive actions underscore the BMW Group's commitment to meeting its energy targets.

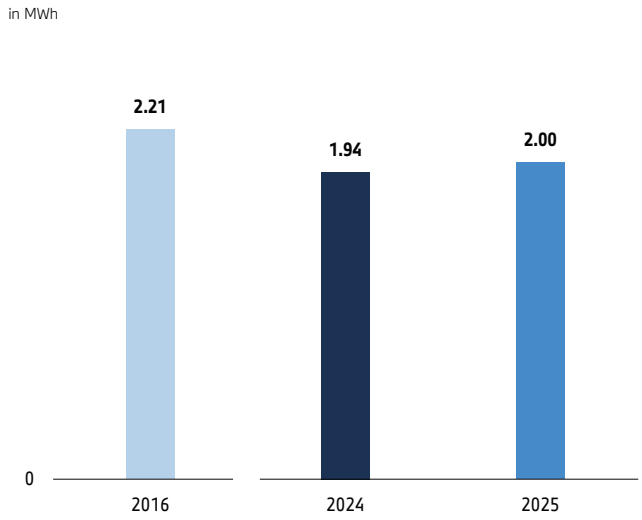
In the 2025 financial year, the BMW Group's total ↗ energy consumption amounted to 6,177,162 MWh (2024: 6,205,004 MWh/–0.4%), with 49.4% (2024: 48.5%/+1.8%) from renewable sources. ↗ Energy consumption per vehicle produced in automobile production was 2.00 MWh (2024: 1.94 MWh/+3.1%), higher than in the previous year. Changes in production volume may have affected this metric ↗ Production Network.

In addition to fossil fuels and renewables, the average electricity mix supplied to the BMW Group also included 11,272 MWh (2024: 12,037 MWh/–6.4%), Which accounted for around 0.2% (2024: 0.2%) of total energy consumption.

Additionally, some of the fuel procured by the BMW Group was used to generate 551,077 MWh (2024: 556,173 MWh/–0.9%) of electricity in the Group's highly efficient combined heat and power plants in the reporting year.

The BMW Group's ↗ energy intensity for the 2025 financial year (measured as total energy consumption in MWh per million euros of net revenue) stood at 46.87 MWh/€ million (2024: 44.13 MWh/€ million/+6.2%). In addition to reducing overall energy consumption, energy intensity can also be affected by changes in revenue. Further information on this can be found in the ↗ Financial Performance chapter.

Energy consumption per vehicle produced (automotive)*



* Additional disclosure. Assurance level of the years 2024 and 2025: reasonable assurance. Additional information is available in ↗ ESG Glossary and Explanations of Key Figures.

Energy consumption and mix at BMW Group locations[1]

in MWh	2025	2024	Change in %
Total energy consumption	**6,177,162**	**6,205,004**	**– 0.4**
Total fossil energy consumption	**3,127,821**	**3,195,726**	**– 2.1**
Fuel consumption from natural gas	2,695,364	2,673,521	0.8
Fuel consumption from crude oil and petroleum products	9,292	7,005	32.6
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources[2]	423,165	515,200	– 17.9
Share of fossil sources in total energy consumption (in %)[2]	50.6	51.5	– 1.7
Total renewable energy consumption	**3,049,341**	**3,009,278**	**1.3**
Fuel consumption from renewable sources, including biomass	173,640	166,907	4.0
Consumption of self-generated non-fuel renewable energy	8,860	5,603	58.1
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	2,866,841	2,836,768	1.1
Share of renewable sources in total energy consumption (in %)	49.4	48.5	1.8

[1] Additional information is available in ↗ ESG Glossary and Explanations of Key Figures. Audit level: reasonable assurance.
[2] In the average electricity mix supplied to the BMW Group considered here, besides fossil shares, renewable and nuclear components are also included.

REDUCTION OF ENVIRONMENTAL POLLUTION

Material impacts, risks and opportunities	Type	Sub(-sub)-topic	Stage of the value chain	Policies	Targets	Specific actions
Contamination with microplastics due to tyre wear particles.	Negative impact	Microplastic		– None yet	– None yet	– Collaboration in the development of measurement methods for tyre abrasion – Work in associations
Local pollution of water through unplanned discharges of substances at supply chain production sites can potentially lead to negative impacts on water quality.	Negative impact	Pollution of water		– Multistage due diligence process to uphold environmental and social standards in the supply chain (including the BMW Group Supplier Code of Conduct) ↗ Social and Environmental Responsibility in the Supplier Network ↗ Due Diligence in the supplier network – Process for responsible raw material management ↗ Responsible raw material management	– Overarching targets for the procedures used to perform due diligence in the supplier network ↗ Social and Environmental Responsibility in the Supplier Network ↗ Preventive and remedial measures ↗ Complaints procedure – Analysis of the effectiveness of the processes and measures implemented ↗ Due Diligence in the supplier network – Objectives for local projects ↗ Responsible raw material management	– Commitment to initiatives – Risk analysis – Sustainability questionnaire (online assessment) – On-site assessments of supplier locations – Complaints procedure – Certification and traceability of raw materials supply chains – Implementation of local projects ↗ Social and Environmental Responsibility in the Supplier Network ↗ Due Diligence in the supplier network ↗ Risk analysis and control mechanisms ↗ Preventive and remedial measures ↗ Complaints procedure ↗ Responsible raw material management
Local pollution of soil through unplanned discharges of substances at supply chain production sites can potentially lead to negative impacts on soil quality.	Negative impact	Pollution of soil				

 Upstream material  Own operations material Downstream material

ESRS E2-1, E2-2, E2-4, MDR-P, MDR-A, MDR-T

The BMW Group maintains a comprehensive environmental management system across its own operations. Detailed checks and inspections are carried out during the planning and construction of new production and other sites with the aim of eliminating air, water, and soil pollution from the outset or reducing it as much as possible. Extensive measures are implemented to ensure compliance with limits. As a result, there are no significant impacts, risks or opportunities related to pollution within the BMW Group's own operations.

The BMW Group assumes responsibility within its supply chain by monitoring processes and taking action to protect the environment. A materiality assessment identified material impacts in the supply chain related to soil and water. All guidelines, actions and overarching targets used to actively manage these material impacts in the supply chain are part of the due diligence process for upholding environmental and social standards within the supplier network. These are elaborated in ↗ Social and Environmental Responsibility in the Supplier Network.

The BMW Group's products themselves do not present any material topics related to air, water, or soil pollution. Further details about applicable emissions standards can be found in the ↗ Consumption and Carbon Disclosures and additional information about emission technologies in ↗ Innovations and Product Technologies.

During the use phase of the BMW Group's products, tyre abrasion during driving produces microparticles which negatively impact the environment. Ongoing discussions on standardised methods for measuring tyre abrasion have yet to yield reliable definitions that accurately and comparably reflect the actual impact of vehicles. As a result, the policies developed by the BMW Group to reduce microplastics have not yet been adopted. For this reason, too, there have not yet been any specific targets established that aim at reducing microplastics from tyre wear.

Until relevant thresholds are laid down, the BMW Group will be actively involved in developing measurement procedures for tyre abrasion and reducing wear levels while working closely with industry associations. An obligation to meet any future thresholds will also be included in specifications for tyre suppliers. Systems are being implemented to establish internal processes for measuring tyre wear. Tyre wear thresholds are expected to be published in 2026 in line with the Euro 7 regulations, and will most likely be mandatory for tyre manufacturers from 2028 onwards. The BMW Group will review these specifications and intends to fully comply with the resulting requirements concerning tyre abrasion values and also provide the disclosures required under ESRS regarding the quantification of microplastics generated while driving.

RESPONSIBLE USE OF WATER RESOURCES

Material impacts, risks and opportunities	Type	Sub(-sub)-topic	Stage of the value chain	Policies	Targets	Specific actions
Water withdrawals within the supply chain can potentially lead to negative impacts on the ecosystem by limiting the availability of water.	Negative impact	Water withdrawals		– Multistage due diligence process to uphold environmental and social standards in the supply chain (including the BMW Group Supplier Code of Conduct) ↗ Social and Environmental Responsibility in the Supplier Network ↗ Due Diligence in the supplier network – Process for responsible raw material management ↗ Responsible raw material management	– Overarching targets for the procedures used to perform due diligence in the supplier network ↗ Social and Environmental Responsibility in the Supplier Network ↗ Preventive and remedial measures ↗ Complaints procedure – Analysis of the effectiveness of the processes and measures implemented ↗ Due Diligence in the supplier network – Objectives for local projects ↗ Responsible raw material management	– Commitment to initiatives – Risk analysis – Sustainability questionnaire (online assessment) – On-site assessments of supplier locations – Complaints procedure – Certification and traceability of raw materials supply chains – Implementation of local projects ↗ Social and Environmental Responsibility in the Supplier Network ↗ Due Diligence in the supplier network ↗ Risk analysis and control mechanisms ↗ Preventive and remedial measures ↗ Complaints procedure ↗ Responsible raw material management
High water intensity in production processes of suppliers and further preliminary products of BMW Group can potentially lead to negative impacts on local water availability.	Negative impact	Water consumption				
New or changing worldwide government regulations regarding water consumption could require to adjust operations and therefore increase dependencies and availability due to exclusion.	Risk	Water consumption		– BMW Group Water Strategy – Environmental policy ↗ Holistic Environmental Management within the BMW Group	– Reduce potable water withdrawal per vehicle (automotive) by 25% by 2030	– Use of alternative water sources – Water treatment and reuse – Innovation and technologies for reducing water use – Risk-based water strategy and monitoring

 Upstream material  Own operations material  Downstream material

ESRS E3-1, MDR-P, MDR-A, MDR-T

Using water responsibly is a priority for the BMW Group. The Company uses comprehensive water management policies and advanced water-saving and treatment technologies to reduce water consumption and minimise water stress[1] along with the associated risks. The BMW Group works together with local stakeholders to ensure that it uses this valuable resource responsibly.

Using potable water economically has long been an essential component of the BMW Group's environmental management system. All of our production facilities are required to reduce water consumption and use alternative sources of water, such as rainwater. The management of and responsibilities for the BMW Group's own operations are an integral part of the BMW Group's environmental policy. ↗ Holistic Environmental Management within the BMW Group

All guidelines, actions and targets are used to actively manage these material impacts and risks related to water withdrawal and water consumption in the upstream value chain. They are part of the due diligence process for upholding environmental and social standards within the supplier network. These are elaborated in ↗ Social and Environmental Responsibility in the Supplier Network.

Water management and water protection

ESRS E3-1, E3-2, E3-4, MDR-P, MDR-T

Water is a critical resource in various stages of vehicle production, including paint shop processes. Through the implementation of water-saving processes and innovative technologies across its global production network, the BMW Group successfully reduced potable water withdrawal per vehicle by over 30% between 2006 and 2025.

As part of its environmental policy, the Group follows a water strategy that begins with a detailed analysis of water risks. This strategy addresses the risk deemed material in the Group's own operations. The BMW Group used the Aqueduct Atlas to identify sites in regions experiencing high or very high water stress and takes targeted action to address issues ↗ Measures and metrics to reduce water usage. Water risks[2] such as flooding are taken into account in the site assessment process ↗ Water-related impacts, risks and opportunities.

The BMW Group's process for selecting new production sites incorporates the responsible management of local water resources. The BMW Group takes a holistic approach to ensure that protecting water resources is a top priority from the outset. Hydrological and hydrogeological conditions are analysed during the site selection process alongside general water availability. Key considerations include groundwater depth, potential rises in groundwater and their consequences, groundwater extraction and flows, and rainwater infiltration options. The geothermal potential of the subsoil is also evaluated in this context.

Engaging in dialogue with affected residents and stakeholder is an important part of the site selection process for the BMW Group. Insights gained from these discussions are carefully assessed and factored into the BMW Group's decisions. This approach helps us to identify potential impacts on local communities and mitigate them ahead of time with targeted measures.

The BMW Group assesses water risks based on the potential effects of water scarcity on its entire production network. Priorities are established and long-term measures are planned on the basis of these assessments. A detailed implementation plan with the necessary investments will be drawn up for these measures. Location-based monitoring provides insights that allow us to continuously adjust our measures. Assessing geographical conditions and collaborating with stakeholders are also an integral part of our planning process. The BMW Group is planning to install a dry separation system in the paint shop at the Leipzig plant by 2027 to further reduce water consumption. The evaluation system we use for our sites is based on the water stress index and updated as site conditions change. This allows us to react immediately as situations emerge. Locations in areas of water stress are identified and listed in the ↗ Materiality Assessment. The production sites (excluding motorcycles) of the BMW Group are included in its water strategy, as well as its target management process.

The BMW Group's water strategy focuses on both water consumption and water quality. Uniform standards for wastewater treatment technology apply across the Group in line with national legislation and applicable limits. In Germany, these include the Regulation on Installations for the Handling of Substances Hazardous to Water, the Water Resources Act, the Regulation on the Protection of Surface Waters, and the Groundwater Ordinance as implemented under the Water Framework Directive. Regular inspections are performed to ensure that these requirements are consistently met. Production sites without a connection to a public water treatment plant operate their own water treatment facilities.

The BMW Group is also committed to protecting the oceans. The BMW Group issued a joint statement with the World Wide Fund For Nature (WWF) and other companies back in 2021 to pledge not to extract raw materials from the deep sea ↗ BMW Group Biodiversity Policy. This commitment extends to the BMW Group's suppliers and their supply chains. However, as no material impacts, risks or opportunities have been identified in this area, the BMW Group is not pursuing any additional specific strategies or practices.

[1] Water stress refers to the ratio of water availability to demand at a given location. Additional information is available in ↗ ESG Glossary and Explanations of Key Figures.
[2] Water risk includes flooding risks (coastal and surface water) and reputational risks related to environmental and social matters and compliance with the law. Water risk assessments look at the quantity and quality of the water that is available, in addition to access to water. Additional information is available in ↗ ESG Glossary and Explanation of Key Figures.

Water demand in production reduced again

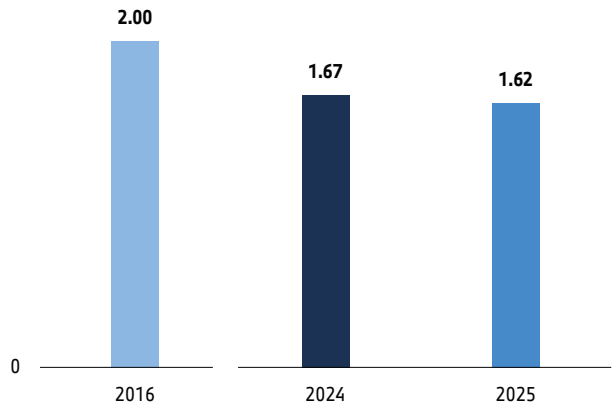
ESRS E3-3, MDR-P, MDR-T

The BMW Group has set itself the target of reducing the amount of potable water withdrawn for automobile production by 25% by 2030 compared to the base year 2016.[1] In the reporting period, specific ↗ potable water withdrawal per vehicle in automobile production was lower than the previous year at 1.62 m³ (2024: 1.67 m³/–3.0%). A continuous decrease in water consumption has been recorded in line with the planning of the BMW Group. Changes in production volume may have affected this metric ↗ Production Network.

The BMW Group places great emphasis on reducing water usage, and achieves this by using the latest technologies in its water treatment and painting processes. Water-saving targets are voluntarily set for the BMW Group's own operations on the basis of technological feasibility studies. Annual site-specific targets for relative water withdrawal in vehicle production are defined and monitored throughout the year to assess progress; this process is particularly relevant for management and other on-site stakeholders, whose opinions and interests are incorporated into the target-setting process.

The BMW Group evaluates water stress in the areas where individual plants are located in addition to its impact on its entire production network. If existing measures have successfully alleviated water stress, these findings are integrated into future planning and risk assessments. Water stress can thus be continuously reduced and responsible use of water resources ensured. The goal of sustainably decreasing (potable) water withdrawal applies across all sites within the BMW Group, regardless of their location. Targets in this area were defined on the basis of general environmental conditions and relationships rather than any specific environmental thresholds. Actions and targets incorporate water stress analyses performed with the Aqueduct Atlas on the basis of scientific insights into regional water availability.

Potable water withdrawal per vehicle produced (automotive)[1]



Measures and metrics to reduce water usage

ESRS E3-2, E3-4, MDR-P, MDR-T, MDR-A

The BMW Group implements extensive actions to reduce water consumption in regions experiencing high or very high water stress, such as the use of rainwater at the Chennai (India) plant. All actions are taken to support the BMW Group's objective of reducing potable water withdrawal by 2030. The water consumption in regions affected by water stress is also included in the metric ↗ Water consumption in water risk and stress areas.[2] This figure amounts to 1,249,501 m³ (2024: 1,411,145 m³/–11.5%) at the sites in question.

Water recycling and reuse are actions that can play a vital role in the sustainable reduction of water consumption. Across the BMW Group, the ↗ total water recycled and reused amounts to 4,905,853 m³ (2024: 4,779,094 m³/+2.7%).[3] Modern circular systems, such as those used in paint shops, and cascading systems, which reuse process water multiple times before painting, significantly reduce freshwater consumption. The efficient handling of freshwater, wastewater treatment in paint shops and assembly wash stations, and the use of slightly contaminated greywater as industrial or process water decrease wastewater volumes notably. Insights from water treatment processes and the targeted use of innovations and technologies serve to enhance water efficiency.

Cascade rinse systems are used alongside water recycling systems, while painting systems are being converted from wet scrubbing to dry separation. During assembly, one of the most important measures is the recirculation of water in leak test chambers. This plays a key role in terms of the Group reducing its water withdrawal by 2030.

In engine production, the following measures help to reduce water consumption:

- Switching to water-based cooling lubricants and washing baths
- The recirculation of emulsions and washing baths
- Extending service life through bath maintenance
- Wastewater treatment systems for industrial wastewater containing oil and heavy metals

[1] The efficiency target refers to vehicle production (BMW Group plants, excluding partner plants and contract manufacturing) and is based on internal historical data. Due to changes in the way that the ESRS water consumption metric is calculated, the previous target of "Potable water consumption per vehicle produced" is, as of the 2025 reporting year, now disclosed as "Potable water withdrawal per vehicle produced". Additional disclosure. Additional information is available in ↗ ESG Glossary and Explanations of Key Figures.

[2] The methodology for calculating the metric has been adjusted to reflect standard practice and thus increases comparability. The prior-year figure has been retrospectively adjusted (difference from adjusted value from the previous year: –1,668,125 m³). Additional information is available in ↗ ESG Glossary and Explanations of Key Figures.

[3] The prior-year figure for this metric has been retrospectively adjusted (difference from adjusted value from the previous year: 665 m³) due to improvements in the data infrastructure. Additional information is available in ↗ ESG Glossary and Explanations of Key figures.

Measures used at motorcycle production sites include closed-loop treatment systems, vacuum distillation for recycling process water, and the use of closed cooling systems and water-saving fixtures. Implementation of the measures is scheduled for target achievement by 2030.

The BMW Group moreover reduces freshwater usage in all production areas by leveraging alternative water sources. including rainwater, recycled process water, and surface water. In Chennai, India, for example, rainwater is collected during the monsoon season, which can cover up to 100% of the annual water demand. Similar alternative water use policies are planned for other BMW Group production facilities. The implementation of the water strategy and associated objectives follows a risk-based approach that accounts for regional specificities. The BMW Group takes particular care to implement additional measures to reduce water consumption in regions experiencing high or very high water stress. These measures include the aforementioned extensive use of rainwater at the Chennai plant in India and the process wastewater-free paint shop at the San Luis Potosí production site in Mexico.

The BMW Group ensures that the water strategy and its targets are implemented by making sure that the necessary resources are properly allocated. The investment planning of the Group includes drawing up a detailed plan of all of the measures which are required and the necessary capital and operating expenses. Continuous site-specific monitoring ensures that targets are met. Close collaboration and regular communication with stakeholders aid the identification of potential water risks so appropriate countermeasures can be taken, particularly in regions with high water stress. Water risks are also taken into account in the early stages of the process of selecting sites.

The BMW Group's ↗ total water consumption amounted to 1,861,542 m³ (2024: 2,093,253 m³/–11.1%).[1] The reduction was achieved through efficiency improvements and the ongoing introduction of new technologies in selected countries. The ↗ water intensity (total water consumption in m³ per € million net revenue) is currently 14.13 m³/€ million (2024: 14.89 m³/€ million/–5.1%).[1] In addition to reducing overall water consumption, water intensity can also be affected by changes in revenue. Further information on this can be found in the ↗ Financial Performance chapter. In addition, as at 31 December 2025, the BMW Group had a total amount of 455,054 m³ (2024: 458,025 m³/–0.6%) of ↗ stored water in systems including extinguishing water or rainwater tanks.[2]

The BMW Group performs water risk analyses using tools like the Aqueduct Atlas to identify high-risk areas and derives priorities for specific actions from these analyses. This process also involves assessing the potential cost of forced downtime due to water shortages. Implementing a coordinated set of actions to conserve water and improve water quality is intend to help mitigating water stress at affected sites. This approach also reduces the amount of financial risk to which the Company is exposed.

Water consumption[3]

in m³	2025	2024	Change in %
Total water consumption	1,861,542	2,093,253	– 11.1
Total water consumption in areas at water risk, including areas of high water stress	1,249,501	1,411,145	– 11.5
Total volume recycled and reused	4,905,853	4,779,094	2.7
Total water stored	455,054	458,025	– 0.6
Changes in storage during the year	354,528	336,220	5.4
Total water withdrawals	5,699,543	5,848,597	– 2.5

[1] The methodology for calculating water consumption has been adjusted to reflect standard practice and thus increases comparability. Improvements to the data infrastructure also improve transparency. The prior-year figure has been retrospectively adjusted (difference from adjusted value from the previous year: –3,720,490 m³). This has a corresponding impact on the water intensity metric (difference from adjusted value from the previous year: –26.46 m³/€ million). Additional information is available in ↗ ESG Glossary and Explanations of Key Figures.

[2] The prior-year figure for this metric has been retrospectively adjusted (difference from adjusted value from the previous year: 2,500 m³) due to improvements in the data infrastructure. Additional information is available in ↗ ESG Glossary and Explanations of Key figures.

[3] The methodology for calculating total water consumption and the water consumption in water risk and stress areas has been adjusted to reflect standard practice and thus increases comparability. Improvements to the data infrastructure also improve transparency for these metrics, total water recycled and reused, stored water and changes in storage volume during the year. The previous year's values were adjusted retrospectively (differences from adjusted values from the previous year: total water consumption: –3,720,490 m³; water consumption in water risk and stress areas: –1,668,125 m³; total water recycled and reused: 665 m³; stored water: 2,500 m³; changes in storage volume during the year: 2,500 m³). A comparative value was determined for the previous year as part of the first-time reporting on water withdrawal. Additional information is available in ↗ ESG Glossary and Explanations of Key Figures.

COMMITMENT TO PROTECTING BIODIVERSITY

Material impacts, risks and opportunities	Type	Sub(-sub)-topic	Stage of the value chain	Policies	Targets	Specific actions
Usage of primary raw materials can potentially lead to negative impacts on nature and biodiversity in extraction areas through mining activities.	Negative impact	Direct exploitation		– Biodiversity Policy – Multistage due diligence process to uphold environmental and social standards in the supply chain (including the BMW Group Supplier Code of Conduct) ↗ Social and Environmental Responsibility in the Supplier Network ↗ Due Diligence in the supplier network – Process for responsible raw material management ↗ Responsible raw material management	– No targets that focus exclusively and thematically on material impacts	– Commitment to deforestation-free procurement – Commitment to biodiversity initiatives – Implementation of local projects – Multistage due diligence process to uphold environmental and social standards in the supply chain ↗ Social and Environmental Responsibility in the Supplier Network ↗ Due Diligence in the supplier network – Process for responsible raw material management ↗ Responsible raw material management

Upstream material Own operations material Downstream material

ESRS E4-SBM-3, E4-IRO-1

As part of the materiality assessment, the BMW Group identified and evaluated potential impacts, risks and opportunities related to biodiversity. The assessment did not identify any negative material impacts related to land degradation, desertification, soil sealing or endangered species.

The BMW Group employs an effective environmental management system at its own sites. No material impacts, risks or opportunities were identified in relation to biodiversity. An analysis* showed that the BMW Group's own operations do not have a material negative impact on nearby protected areas. This was also the case in the previous year.

In the supply chain, however, the extraction of raw materials was identified as a material topic. The BMW Group is currently assessing what actions may be required to minimise negative impacts on biodiversity.

Great importance of intact ecosystems

ESRS E4-2, E4-4

The BMW Group acts in line with the aims of the EU Biodiversity Strategy and the Kunming-Montreal Global Biodiversity Framework. An internal guideline on protecting biodiversity and ecosystems informs the actions of both the BMW Group and its supply chain. This guideline refers to the material impact identified, and lays out the BMW Group's position on biodiversity and contains the statement against the extraction of deep sea minerals ↗ BMW Group Biodiversity Policy. The use of marine resources was not considered to be a material topic for the BMW Group.

The department for Sustainability is responsible for the BMW Group's approach to biodiversity. Implementation of the relevant topics relating to the supply chain is the responsibility of the Sustainability Supplier Network department.

Holistic approach to sustainability targets

ESRS E4-2, E4-4

Climate change is impacting land and marine ecosystems around the world and jeopardising the stability of natural habitats. This ultimately represents a threat to biodiversity itself. Because of this, it is vital for the BMW Group to have targets for reducing its CO_2e emissions that are both measurable and science-based, and to ensure that these targets are firmly integrated into its strategy. The BMW Group has set itself the target of significantly reducing the CO_2e emissions of its products over their entire life cycle by 2030. ↗ Climate Change Mitigation and Adaptation

The BMW Group has defined clear targets to counteract the main causes of biodiversity loss. Particular attention is paid to climate change mitigation, conserving resources, improving water efficiency and environmental protection, and responsible land use.

A general framework related to issues like land use is provided in an internal Company document on the use of renewable raw materials in product components.

Unlike CO_2e emissions, there is currently no standardised methodology for measuring biodiversity loss. This is due to the fact that these factors are valued and assessed differently in different parts of the world. Furthermore, there is no recognised method for adding up local impacts on biodiversity to arrive at a global impact level. This makes it more difficult to set impact-based and quantitative targets that can serve as a starting point for developing scenarios and assessing them from a business perspective, implementing actions, and finally measuring their progress.

The BMW Group believes that reducing its use of primary raw materials puts it in a position to lower our consumption of natural resources and actively contribute to the preservation of biodiversity. The circular economy strategy sets out clear principles in this area. In addition, the aim is to strengthen the supply chain with regard to secured sources of secondary raw materials and to examine the even more extensive use of secondary raw materials. For further information on this topic, see ↗ Circular Economy and Resource Use.

The BMW Group's environmental management system has the potential to influence the stability of ecosystems. Water use and resource efficiency are key topics that are addressed in ↗ Responsible Use of Water Resources and the ↗ Holistic Environmental Management within the BMW Group.

Measures to protect biodiversity

ESRS E4-2, E4-3

Compliance with environmental and social standards across the BMW Group's own operations and supply chain is a core element of the Group's corporate policy. The BMW Group's current measures are based on the logic of the reduction hierarchy: avoid – reduce – compensate. Priority is given to avoiding negative impacts on biodiversity and ecosystems wherever possible. The BMW Group considers compensation to mean restoration and improvement, often in the form of on-site projects. Offsetting measures are not used for biodiversity management purposes.

* Additional information is available in ↗ ESG Glossary and Explanations of Key Figures.

The BMW Group has implemented a multi-stage due diligence process in the supply chain to minimise negative impacts. Internal guidelines and procedures, such as the BMW Group Supplier Code of Conduct, address biodiversity and include clear provisions on the handling of critical raw materials. The BMW Group Supplier Code of Conduct also contains clear provisions on the handling of critical raw materials. Additional details as well as information on the monitoring process are available in ↗ Social and Environmental Responsibility in the Supplier Network and ↗ Responsible raw material management.

As part of its commitment to deforestation-free procurement, the BMW Group adheres to EU regulations and relevant industry standards. The Company takes a clear stance against deforestation and forest degradation in its supply chains in the ↗ BMW Group Anti-Deforestation Policy. This policy addresses the extent of the BMW Group's commitment, the scope of the policy as well as due diligence and traceability measures, complaint and monitoring mechanisms, and material-specific requirements. Safeguarding measures are used in the supply chains for relevant materials such as natural rubber, leather, paper and wood.

In addition to complying with legal requirements, the BMW Group is a member of the Global Platform for Sustainable Natural Rubber (GPSNR) multi-stakeholder initiative, advocating for a universal standard for an environmentally and socially responsible natural rubber supply chain. The purpose of this initiative is to stop deforestation and the destruction of essential ecosystems, while safeguarding human rights along the supply chain. This commitment is set out in detail in the BMW Group's High Level Commitment for Sustainable Natural Rubber. The BMW Group is also a member of the Leather Working Group (LWG). As a co-signatory to the "Deforestation Free Call to Action for Leather" of the organisations LWG, Textile Exchange and World Wide Fund For Nature (WWF), the BMW Group has committed to sourcing cowhide leather (including stamped parts) and components containing cowhide leather from supply chains that are free from deforestation and land conversion by 2030.

When selecting and assessing measures to protect biodiversity, the BMW Group consults stakeholders such as local communities and indigenous peoples. It takes part in initiatives such as the Living Rubber natural rubber project in Indonesia in order, among other things, to empower affected communities to adopt responsible practices for the production of natural rubber. In order for the BMW Group's projects in this area to be effective, it is fully committed to actively involving local communities in the design and subsequent implementation of on-site projects. ↗ Social and Environmental Responsibility in the Supplier Network, ↗ Stakeholder Engagement

Resilience analysis

ESRS E4-1, E4-SBM-3

In view of the importance of the protection of biodiversity and ecosystems, the BMW Group performs a comprehensive assessment of the resilience of its strategic and business model to physical and transitory risks associated with biodiversity. This involves a thorough evaluation of the entire value chain and meticulous analyses.

The materiality assessment served as a key indicator for identifying potential areas of action related to biodiversity. Potential short-term risks to individual stages of the supply chain are identified as part of the resilience analysis. This approach was used to assess the long-term resilience of the BMW Group's strategy and business model to these risks.

The guidelines of the Taskforce on Nature-related Financial Disclosure (TNFD) was used to derive the scenarios used for this purpose. In doing so, various scenarios for the year 2035 were analysed with different characteristics related to the decrease in biodiversity and market coherence. The probability of occurrence of these scenarios was very low, which is why they were not assessed in the resilience analysis. In all the scenarios used, the BMW Group's business model was resilient to physical and transitory biodiversity risks. Uncertainties and factors were identified in collaboration with internal and external stakeholders to serve as the basis for the development of the scenarios.

CIRCULAR ECONOMY AND RESOURCE USE

Material impacts, risks and opportunities	Type	Sub(-sub-)-tpoic	Stage of the value chain	Policies	Targets	Specific actions
Circular economy business models and products slow down the usage of natural and limited resources and reduce landscape and habitat disruption.	Positive impact	Resource outflows related to products and services		– BMW Group Circular Economy Strategy	– Average recycled content of at least 25% by 2030 for all automobiles produced worldwide	– Increased proportion of recycled content – Improved recyclability – Expansion of repair and reprocessing – Investments in innovative recycling technologies
Applying circular economy business models can enable customers to reduce their resource usage (e.g. by prolonging product life spans through maintenance and design) and therefore increase customer satisfaction.	Positive impact	Resource outflows related to products and services				
A product made without circular principles and with high embodied CO_2e footprint of materials might lead to unfavourable market access, where regulatory requirements exist. Non-compliance with increasingly stringent regulations on non-renewable resources could lead to liabilities, penalties, fines, reputational damage, or loss of licenses and permits for the BMW Group.	Risk	Resource outflows related to products and services				
Financial opportunities may arise from increasing the supply chain resilience by direct purchasing of raw materials.	Opportunity	Resources inflows, including resource use				
Financial opportunities may arise from increasing the supply chain resilience by direct purchasing of raw materials.	Opportunity	Resources inflows, including resource use		– Process for responsible raw material management ↗ Responsible raw material management – Raw materials strategy ↗ Raw materials security and strategy – BMW Group Supplier Code of Conduct ↗ Due Diligence in the Supplier Network	– Overarching targets for the procedures used to perform due diligence in the supplier network ↗ Social and Environmental Responsibility in the Supplier Network ↗ Preventive and remedial measures ↗ Complaints procedure – Analysis of the effectiveness of the processes and measures implemented ↗ Due Diligence in the supplier network – Objectives for local projects ↗ Responsible raw material management	– Risk analysis – Certification and traceability of raw materials supply chains – Commitment to initiatives – Implementation of local projects ↗ Social and Environmental Responsibility in the Supplier Network ↗ Responsible raw material management – Complaints procedure ↗ Complaints procedure

Material impacts, risks and opportunities	Type	Sub(-sub-)-tpoic	Stage of the value chain	Policies	Targets	Specific actions
Insufficient waste management and improper disposal of hazardous waste at Tier-1 supplier sites can potentially lead to negative impacts on the environment and society.	Negative impact	Waste		– Multistage due diligence process to uphold environmental and social standards in the supply chain (including the BMW Group Supplier Code of Conduct) ↗ Social and Environmental Responsibility in the Supplier Network ↗ Due Diligence in the supplier network	– Overarching targets for the procedures used to perform due diligence in the supplier network ↗ Social and Environmental Responsibility in the Supplier Network ↗ Preventive and remedial measures ↗ Complaints procedure – Analysis of the effectiveness of the processes and measures implemented ↗ Due Diligence in the supplier network	– Commitment to initiatives – Risk analysis – Sustainability questionnaire (online assessment) – On-site assessments of supplier locations – Complaints procedure ↗ Social and Environmental Responsibility in the Supplier Network ↗ Due Diligence in the supplier network ↗ Risk analysis and control mechanisms ↗ Preventive and remedial measures ↗ Complaints procedure
Insufficient waste management and improper disposal of hazardous waste at n-Tier supplier sites can potentially lead to negative impacts on the environment and society.	Negative impact	Waste				

 Upstream material  Own operations material Downstream material

Holistic approach for the transition to a circular economy

ESRS E5-1, MDR-P

The circular economy is one of the strategic focus areas for the BMW Group. Making greater use of secondary material is therefore a pillar of the ↗ BMW Group Strategy. The BMW Group is committed to reducing its use of primary materials and fostering the circular economy in order to reduce CO_2e emissions as well as the environmental and social impacts associated with the extraction and processing of primary raw materials. At the same time, using secondary materials can reduce reliance on primary raw materials and hedge against geopolitical risks and regional restrictions. In addition, the saving of primary raw material can also offer economic advantages.

BMW Group vehicles are already manufactured with recycled and reused materials. Against the backdrop of volatile raw materials markets and increasing global competition for limited resources, the BMW Group is implementing further measures to continuously increase the content of recycled materials and thereby promote the expansion of the circular economy. These efforts are supported by guidelines for product, material and supplier requirements. The circular economy necessitates holistic thinking – from product development to vehicle recycling.

For the BMW Group, the responsible use of raw materials is an important part of our daily activities as a manufacturing company ↗ Responsible raw material management. The material impacts, risks and opportunities associated with the use of resources arise primarily from their procurement markets, climate change mitigation targets, regulations relating to product or process requirements and the reduction in the demand for primary raw materials. The BMW Group considers the use of resources to be closely linked to the preservation of biodiversity, particularly when it comes to land use and pollution ↗ Commitment to protecting Biodiversity. Information on the supply chain, such as due diligence in the supplier network (including waste management), is available in ↗ Social and Environmental Responsibility in the Supplier Network.

The BMW Group's goal is to reduce its dependency on primary raw materials. The automotive industry uses a wide range of raw materials, the majority of which consist of steel, aluminium and thermoplastics. In the case of electrified vehicles, battery-relevant raw materials such as lithium, nickel and cobalt must also be taken into account. The BMW Group has introduced a raw materials management system, including an annual risk analysis for critical raw materials, for the responsible procurement of raw materials. One approach is to reduce the use of critical primary raw materials. ↗ Responsible raw material management. The BMW Group's strategy to use secondary materials is of vital significance in this context.

The waste management and recycling industry already recovers materials from end-of-life vehicles, but together with other end-of-life products. A large proportion of the recycled materials obtained by this recovery are therefore no longer suitable for use in automotive engineering. This generally results in downcycling in the material cycle. To reduce the automotive industry's dependency on primary raw materials, it is therefore very important to improve the quality and availability of recycled materials. The complex challenges posed by the limited availability of high-quality secondary materials and the need to make entire economies and businesses less dependent on the use of primary raw materials can only be met by policy makers working together with industry, raw material producers, recyclers and recycling companies.

The BMW Group Strategy in the area of sustainability therefore has a particular focus on reducing its consumption of primary materials. This is mainly achieved by making increased use of secondary materials with lower CO_2e emissions and the optimisation of resource efficiency.

As part of this strategy, four core elements were identified and approved by the Board of Management. They relate to the material impacts, risks and opportunities related to resource use and the circular economy. ↗ List of material Impacts, Risks and Opportunities The strategy has a direct impact on suppliers and recycling companies in the upstream and downstream supply chain. The underlying materiality assessment is updated annually. The progress that has been made with implementing the strategy is reviewed on a regular basis. Information about how the concerns of different stakeholder groups are taken into account can be found in ↗ Stakeholder Engagement.

Milestones along the road to the circular economy

ESRS E5-3, MDR-A, MDR-T

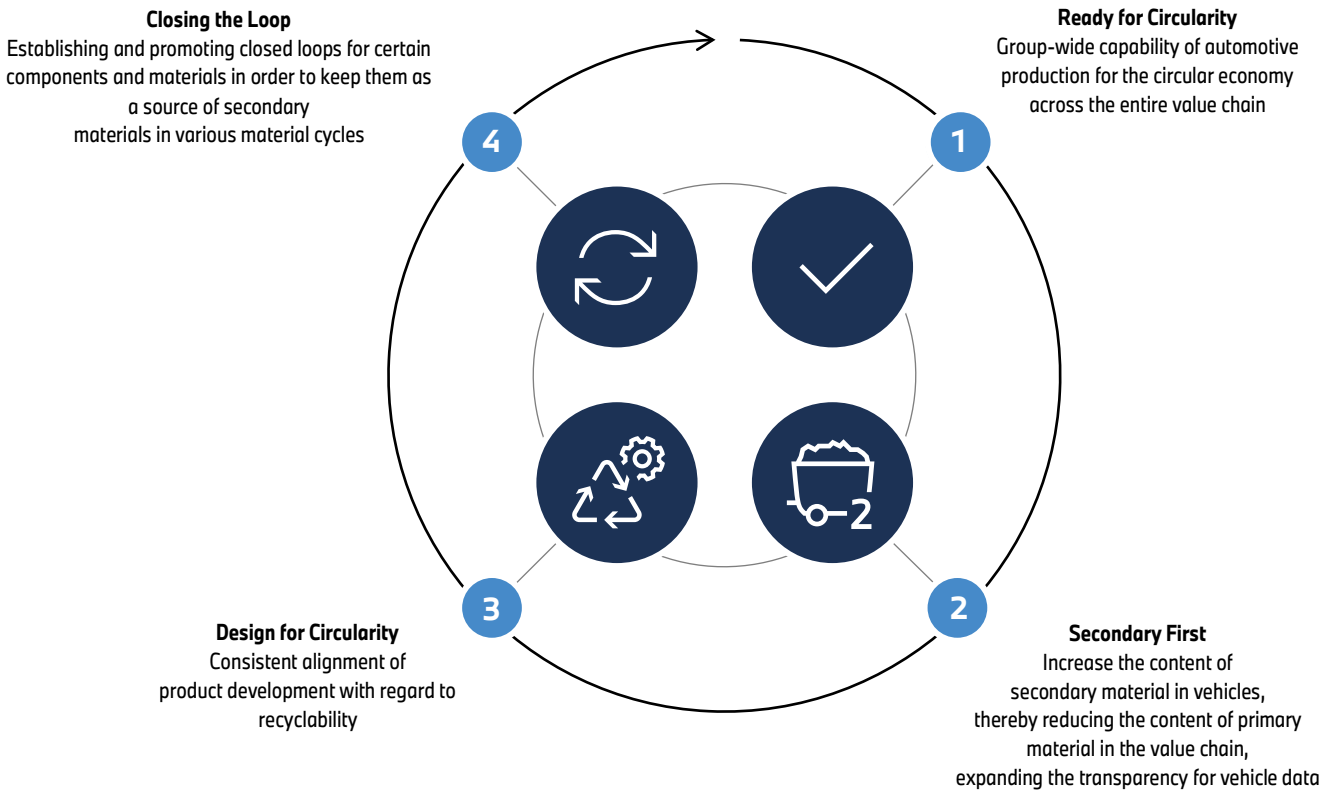
The BMW Group has set itself clear decarbonisation targets as an important part of its corporate strategy. To achieve this, the BMW Group is reducing CO_2e emissions throughout the whole life cycle of its products. ↗ Climate Change Mitigation and Adaptation

The BMW Group has additionally set itself an independent target in relation to resource use and circular economy in the Automotive segment. This Group-wide target is reported on for the first time in the 2025 reporting year. In addition to focussing on protecting resources, the target also makes a key contribution towards achieving decarbonisation targets.

According to the target, all automobiles produced globally in 2030 must have a total average recycled content of at least 25%.* This is consistent with the BMW Group's strategic targets to reduce the use of primary materials in the upstream value chain.

* Based on internal historical data.

Key strategic elements for the transition to a circular economy



When setting the target, the BMW Group considered our strategic ambitions in addition to market availability and technical feasibility. The target primarily applies to internal stakeholders from Purchasing and Development, whose assessments were considered when establishing the target. In addition, the expected legal amendments, such as the proposed regulation of the successor legislation to the current EU End-of-Life Vehicles Directive 2023/0284(COD), are also incorporated alongside international standards such as EN ISO 14021. As part of the strategic approach Design for Circularity products will be designed to enable the BMW Group to gradually increase the recycled material content.

The actions to achieve this target will primarily involve internal stakeholders in the development and purchasing departments as well as suppliers throughout the upstream value chain.

The target achievement status is evaluated as part of an annual review. The Board of Management is informed of the results of this review. The target achievement is fundamentally subject to uncertainties, such as geopolitical or regulatory circumstances, some of which cannot be entirely influenced by the BMW Group.

BMW Group vehicles are already made from recycled and reused materials, with the proportion varying by vehicle model. In line with the Secondary First approach, the BMW Group aims to further increase the use of recycled materials going forward, starting with the NEUE KLASSE. In 2025 – the base year for the purpose of measuring progress – the total average recycled material content in all vehicles produced worldwide by the BMW Group was 18.3%. This figure will be updated each year.

In terms of resource conservation and circular economy, often different, non-standardized approaches to definition and quantification are chosen, for example such as the term "secondary material". This term is not yet uniformly defined. Secondary materials often include both recycled and reused materials. Reuse is a mandatory waste prevention strategy for the manufacturing industry and is therefore not considered a suitable management lever from the BMW Group perspective. For this reason, the BMW Group focussed exclusively on recycled materials in its target.

Recycled content is defined in EN ISO 14021 and comprises two material streams: "pre-consumer" and "post-consumer" material. This standard provides a uniform definition for describing the level of recycled content in a product and has therefore been chosen by the BMW Group to improve transparency.

The effectiveness of the defined strategies and actions in relation to the material impacts, risks and opportunities associated with resource use and the circular economy is measured and tracked on the basis of the newly defined target.

During the reporting year, requirements for the implementation of the circular economy were anchored in the development of new models at the material level. At the component level, the Design for Circularity principle is being implemented by the "full vehicle development" corporate function in an operational concept so that it can be systematically applied in the development of new models. Within the framework of selected product, material and supplier requirements, the BMW Group has therefore decided to give preference to recycled materials in future vehicles. The BMW Group has standards that define the relevant minimum requirements for materials such as steel, aluminium, plastic and copper. Secondary and primary materials must meet the same high standards of quality, safety and reliability.

Measures and metrics for the responsible use of resources

ESRS E5-2, E5-4, E5-5, MDR-A, MDR-T

For the BMW Group, the responsible use of resources is an essential part of the claim as a manufacturing company. ↗ Responsible raw material management

The ↗ Resources inflows including process materials used in manufacturing amount to 5,390,189 t (2024: 5,637,887 t/–4.4%).* The main materials used by the BMW Group in its production processes are steel, aluminium and thermoplastics. Auxiliaries and operating materials are also relevant process materials. Compared to the total volume of materials used, biological materials play a minor role in terms of overall quantity.

Resource inflows*

	2025	2024	Change in %
Overall total weight of products and technical and biological materials (in t)	5,390,189	5,637,887	– 4.4
Share of biological materials that is sustainably sourced (in %)	0.01	0.01	–
Total weight of secondary reused or recycled components, secondary intermediary products and secondary materials (in t)	925,656	816,299	13.4
Share of secondary reused or recycled components, secondary intermediary products and secondary materials (in %)	17.2	14.5	18.6

* The integration of motorcycle production and the alignment of the methodology with standard practice (not factoring in process water) increase the completeness and comparability of the metrics. The previous year's values were adjusted retrospectively (differences from adjusted values from the previous year: overall total weight of products and technical and biological materials: –9,166,758 t; share of biological materials that was sustainably sourced: 0 percentage points; total weight of reused or recycled components, secondary intermediary products and secondary materials: –4,660,685 t; proportion of reused or recycled secondary components, products and materials: –23 percentage points). Additional information is available in ↗ ESG Glossary and Explanations of Key Figures.

The BMW Group has launched some comprehensive preparatory initiatives in line with the "Ready for Circularity" principle. These will serve as a foundation for achieving closed material streams within the Company and across its value chain. These initiatives include research and development, material procurement, supplier qualification, production, sales, the product use phase, and optimised use of materials and components at the end of a product's life cycle. These initiatives focus on continuously enhancing expertise and implementing measures related to vehicle development with the aim of increasing the use of secondary materials and promoting circular economy-friendly product design.

To continue to expand the circular approach to product development, the BMW Group is committed to drawing up global strategies for materials and components, with a particular focus on key materials such as steel, aluminium, battery materials and thermoplastics. The BMW Group is building up its expertise and technical capabilities in the area of recycling, including high-voltage storage (HVS) system recycling. This includes planning dismantling processes, testing recycling technologies and integrating these insights into the vehicle development process. To maximise resource conservation, the BMW Group is drawing up requirements for reusing components.

Another key initiative involves creating a data model based on digital twins, which facilitates material tracking from the end of a product's life cycle and helps to ensure that the circular economy is transparent. This data model will also support the verification of secondary materials by suppliers and the fulfilment of disclosure requirements. We expect this data model to facilitate cross-company data exchange in the medium term.

Other examples of actions can be found at a vehicle project level. The ambitions of the BMW Group are further exemplified in the BMW i Vision Circular, which was unveiled at the IAA in 2021. This concept vehicle is mostly made from recycled or renewable raw materials. Some of the insights gained from this project are also being incorporated into the NEUE KLASSE models. As a result, around one third of the new BMW iX3* is made from secondary raw materials. The storage compartment under the front lid and the engine compartment cover are composed of 30% recycled maritime plastic. The basic material in the yarn used for the Econeer seat cover, as well as the fabric used in the roof cladding and footwell mats is 100% recycled plastic. In terms of the chassis, aluminium featuring a secondary material content of 80% is used for the wheel mounts and swivel bearing and a content of 70% for cast wheels. Starting in 2023 with the BMW 5 Series, the BMW Group has disclosed the content of secondary materials in its new BMW and MINI vehicles as part of its ↗ Vehicle Footprint report. Since 2024, the MINI Countryman* has used cast wheels containing 70% secondary aluminium, measured using the mass balance method.

For the BMW Group, the circular economy involves a comprehensive strategic approach. The circular economy is considered in the development of products, taking into account their recyclability at the end of their use phase (Design for Circularity). This approach follows key principles that promote the use of secondary materials and make vehicles easier to dismantle and recycle.

With the strategic approach Design for Circularity, resource conservation is addressed during the vehicle development phase. This ensures that circular economy principles are embedded in the product design process from the outset. Design for Circularity also lays the groundwork for recovering high-quality secondary materials at the end of a vehicle's life. Components are designed and developed to include a defined feasible proportion of secondary materials whenever possible. This approach also focuses on selecting recyclable plastic materials during the development process that facilitate a high-quality recycling process at the end of the vehicle's life. In addition, improved dismantling concepts enable faster and therefore more economical dismantling and return to the parts and materials cycle.

Used components need to be refurbished and materials recycled to fully close the loop. The recycling of used components is already an example of a holistic circular economy approach within the BMW Group and is known as Remanufacturing.

The BMW Group has held a 50% stake in the joint venture Encory GmbH since 2016. Encory provides comprehensive circular economy solutions, processes, and products in the aftersales sector. The Company develops and implements logistics and consulting solutions, particularly for the collection, recycling and refurbishment of spare parts. Whenever feasible and practical, defective parts are retrieved in selected European markets, in addition to some other markets like China, in partnership with the joint venture. All suitable parts undergo a refurbishment process. They can then be reintroduced into the spare parts cycle as remanufactured components. Worn or damaged parts are disassembled by refurbishment partners instead of being completely replaced. Selected components are then cleaned, mechanically processed or replaced as needed, before being reassembled into a spare part. This process provides high-quality replacement parts that offer a number of advantages, such as reducing the use of valuable raw materials, cutting emissions and saving energy. This reduces the environmental footprint of spare parts and contributes to the responsible management of resources.

* ↗ Consumption and Carbon Disclosures.

As part of the joint venture Encory, the BMW Group is establishing a centre of excellence for battery cell recycling in the district of Straubing-Bogen. When it opens in 2026, the Company will put the concept of direct recycling into practice. This innovative process makes it possible to mechanically break down residual substances used to make battery cells, as well as whole battery cells, into their useful components. The raw materials obtained by doing so are used directly in pilot production in the Company's own centre of excellence for battery cells.

The BMW Group operates its own vehicle recycling facility at the Recycling and Innovation Centre in Lohhof near Munich, Germany, to promote best practices in vehicle recycling while continuously learning about and implementing the latest recycling technologies. Each year, thousands of vehicles are systematically dismantled and efficiently processed at this site. Most of these vehicles are pre-production vehicle models that are no longer required for testing purposes. The focus of the entire process is on identifying reusable series components and dismantling components that are suitable candidates for recycling. The disassembly process begins with deactivating restraint systems and draining fluids. Functional components used in mass-produced models are then passed on to registered retail partners, eliminating the need for disposal. During the mechanical dismantling of the remaining vehicle, materials like copper, which have a significant impact on recyclability, are separated out. Once the engine block and transmission have been removed, the rest of the vehicle structure is pressed and shredded. This method means that today's scrap can be turned into tomorrow's raw materials. Insights gained at the Recycling and Innovation Centre regarding the recyclability of components and materials are already being integrated into the BMW Group's product development processes.

The BMW Group actively promotes the recycling of end-of-life vehicles, to keep materials in circulation for longer; this includes reusing them to produce new vehicles. In the reporting year, the materials from the vehicles (including motorcycles) taken back by the Munich Recycling and Innovation Centre were recycled 85% in material form/95% including thermal processing (2024: 85% (in material form)/95% (including thermal processing).[1] This corresponds to a total scrapping weight for vehicles (including motorcycles) of 7,475 t (2024: 7,263 t/+2.9%).[1] In relation to sold automobiles and motorcycles, 85% (2024: 85%) of materials are recyclable as stipulated by legal requirements (European End-of-Life Vehicles Directive ELV 2000/53/EC).[2] At least 95% (2024: 95%) of sold units can be recovered.[1,2]

There are legal requirements in 33 countries for the return of end-of-life vehicles. Correspondingly, the BMW Group has contractual agreements between its national sales companies and importers that regulate the return of end-of-life vehicles. As a result, end-of-life vehicles can be recycled at more than 2,800 collection points. Research in this area is being stepped up in terms of the technology being used, processing efficiency, and costs in order to drive forward improvements in the recycling of end-of-life vehicles. The Car2Car funding project focuses on the recycling of aluminium, steel, glass, copper and plastic from end-of-life vehicles. This project began in January 2023 and was completed in December 2025. Together with representatives of the recycling industry, raw materials processors and the scientific community, the BMW Group led a project to improve the quality of secondary materials obtained from the recycling of end-of-life vehicles. Innovative dismantling and automated sorting processes will enable recyclable materials to be extracted to a far greater extent than previously. As part of the funding project, the BMW Group provided 433 end-of-life vehicles in 2023.

One of the project's findings was that, with properly adapted processes, it would be possible to recycle at least half of the material mass from vehicles currently on the roads for use in new vehicles. Metals account for most of this. This is a significant increase on the status quo regarding the current recycling of end-of-life vehicles as mixed scrap.

Increasing the proportion of materials recovery is currently limited by the requirements for profitability and comparability when compared with primary materials, reflecting the challenges of the recycling industry.

In order to increase resource efficiency, prevent waste, and keep materials permanently and efficiently in the loop, the BMW Group is expanding its closed loops to include materials to which the Company has direct access. This includes recycled materials from production and the sales organisation. Selected materials from production and the sales organisation are returned to selected material suppliers on an ongoing basis. Waste that is generated during production can be processed and fed back into the production cycle, while other materials that come about during the production process and are not considered waste, can be reutilised directly without the need for processing. This approach makes it possible to recover homogeneous recycled materials such as steel or aluminium and make them available as raw materials for new production processes.

The Chinese subsidiary BMW Brilliance Automotive Ltd. established a collection and recycling network already in 2022 to reduce the amount of primary materials used to produce new HVS systems. Work began on implementing a network of this kind in the European Union in 2024. Similar networks will also be gradually established over the coming years in other countries, such as the USA. The BMW Group plans to use HVS materials as secondary material for the production of new HVS cells. The BMW Group currently maintains several partnerships with companies from various regions for the purpose of recycling HVS materials, including with Redwood Materials, Inc., USA, SK tes (TES Singapore Pte. Ltd., Europe) and Huayou Recycling Technology Co., Ltd., China.

[1] Additional disclosure, based on SASB ↗ SASB Index.
[2] The percentages relate to the legal minimum requirements. In practice, higher recycling/recovery rates are also possible due to differences between vehicle versions and/or recycling/recovery processes.

In addition to actions in its own operations and in the value chain, the BMW Group supports innovation in the ecosystem by investing in start-ups to test out new technologies with the aim of bringing them to the mass market. Through BMW iVentures, the BMW Group has invested in a number of pioneering companies that focus on resource use and resource efficiency:

- Cyclic Materials, Inc., is developing a recycling process that reintegrates rare earth elements (REEs) into manufacturing. This innovation helps reduce the environmental impact of the global energy transition, as REEs play an essential role in the production of electrified vehicles.
- Deep Drive GmbH has created a cost-efficient, resource-efficient dual-rotor electric motor for vehicles. This motor increases the range of vehicles, delivers high torque density, and requires fewer natural resources.
- Lilac Solutions, Inc., is developing an ion-exchange lithium extraction technology with enhanced recovery rates, reduced impurities, and lower acid consumption.
- Mangrove Lithium, Inc., is working on an electrochemical process for producing high-purity, battery-grade lithium hydroxide more cost-effectively.
- The company Bcomp AG uses flax to create structural components made from natural fibre composites as an alternative to plastic.

The BMW Group is also investing in research and innovation projects to implement closed material cycles for certain product groups. The Circular Republic initiative, formed by the organisation UnternehmerTUM and the BMW Group in 2023, focuses on the transfer of knowledge between the world of science and companies to promote the circular economy. During the reporting year, the BMW Group continued to promote various formats, such as the Circular Republic Festival and joint projects.

The BMW Group also focuses on making sure that its manufactured products can be repaired. During the product development phase, the BMW Group already places a strong emphasis on ensuring its products can be repaired and that the components in its vehicles can be disassembled in a non-destructive manner. Repair manuals and documentation are made available to all specialist workshops. The BMW Group provides a benchmark catalogue which can be used to categorise damage. This provides guidance on whether and how repairs can be conducted, including the tools required. This catalogue can be used in combination with a visual inspection or measurement technology. A vehicle diagnostic system can be used to pinpoint the cause of issues in connected electronic and electrical components. This then makes it possible to get vehicles back on the road by replacing individual parts. The BMW Group also sells specialist tools that make complex repairs simpler and significantly shorten the time required to complete them.

The ease with which products can be repaired also has an impact on their ↗ service lives and expected durability. According to the BMW Group's end-of-life vehicle statistics, the average age of vehicles voluntarily returned to recycling centres is around 21.7 years (2024: 21.5 years/+0.9%). The industry average is around 19 years, according to an analysis by the German Federal Environment Agency.

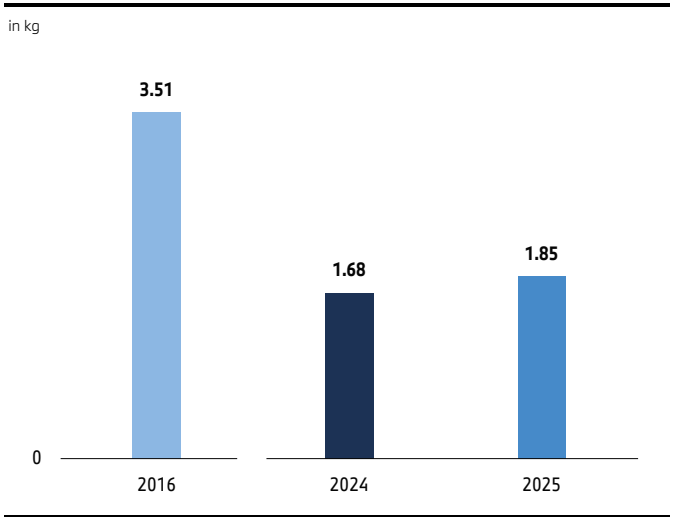
The longevity of the vehicles produced is based on a number of pillars, which are described below:

- Protection against the cost of unexpected repairs: In order to maximise the useful life of its products, the BMW Group offers protection against the cost of unexpected repairs for its BMW, MINI and BMW Motorrad brands, such as in the form of the BMW 2+1 36-month warranty and other warranty services. BMW Group customers in Europe benefit from the fact that defects can be fixed under warranty at the original retail partner or any other BMW Group recognised partner in the service network.
- Right to have defects rectified in the event of corrosion: In addition to the statutory warranty obligations, the BMW Group has given customers worldwide the right to have defects rectified in the event of corrosion within twelve years of the start of the quality period since 2004.
- Availability of spare parts: The BMW Group also attaches particular importance to ensuring the long-term availability of spare parts to keep customers' vehicles on the road and make sure that they retain their value over a long period of time.
- Condition Based Services (CBS): In addition, CBS uses sensors and special algorithms to monitor the condition of every BMW Group vehicle. Depending on the customer's driving profile, the service life of maintenance components can thus be optimally utilised.

Effective waste management

Waste management is part of the BMW Group's holistic approach to a circular economy and the environmental management system at its own production sites. Reducing the amount of waste for disposal per vehicle produced is one of the targets outlined in the BMW Group's environmental policy.[1] The BMW Group intends to reduce the amount of waste for disposal per vehicle produced by 25% by 2030 compared to the base year 2016. No material impacts, risks or opportunities related to this topic have been identified for the Company's own operations. The relevant disclosures are therefore provided in addition to ESRS on the basis of SASB ↗ SASB Index.

Waste for disposal per vehicle produced (automotive)[1]



In the reporting period, a total of 846,603 t of the waste generated in production was recovered (2024: 868,394 t/–2.5%).[1,2] Of the total volume of waste, 93.8% (2024: 91.7%/+2.3%) (799,343 t) (2024: 800,892 t t/–0.2%) was recycled (material recovery) and 5.6% (2024: 7.7%/–28.2%) (47,260 t) (2024: 67,502 t/–30.0%) was thermally recovered.[1,2] The ↗ amount of waste for disposal per vehicle produced went up by 10.1% year-on-year to 1.85 kg (2024: 1.68 kg).[1,2] Changes in the production volume may affect these reporting metrics ↗ Production Network.

Waste generated by production[1,2]

in t	2025	2024	Change in %
Total waste	**851,830**	**873,350**	**– 2.5**
Waste for recovery	846,603	868,394	– 2.5
Share of material recovery (in %)	93.8	91.7	2.3
Share of thermal recovery (in %)	5.6	7.7	– 28.2
Waste for disposal	5,227	4,956	5.5
Share of disposed waste (in %)	0.6	0.6	–

The BMW Group is also committed to the responsible use of resources within the supply chain. Established processes and actions help to minimise the material impacts identified here. All relevant policies, actions and targets for mitigating and managing impacts identified as material in the upstream value chain are described as part of the due diligence process for ensuring compliance with environmental and social standards within the supplier network. ↗ Social and Environmental Responsibility in the Supplier Network

[1] Additional disclosure, based on SASB. ↗ SASB Index.
[2] Due to improvements in the data infrastructure, the previous year's values have been adjusted retrospectively, thus increasing transparency (differences from adjusted values from the previous year: total waste: 374 t; waste for recovery: 310 t (material recovery: 310 t, thermal recovery: 0 t); percentage of material recovery in the total amount: 0 percentage points, percentage of thermal recycling in the total amount: 0 percentage points; waste for disposal: 64 t; percentage of disposed waste in the total amount: 0 percentage points). Additional information is available in ↗ ESG Glossary and Explanations of Key Figures.

EU TAXONOMY

Within the framework of the implementation of the European Green Deal and the Action Plan "Financing Sustainable Growth", the EU Taxonomy is a cornerstone of the EU's aspiration to become climate neutral by 2050. It aims to channel investment towards activities that are required to achieve climate neutrality.

The EU Taxonomy is a classification system that defines economic activities as environmentally sustainable based on fulfilment of predetermined technical assessment criteria. An economic activity can only be classified as sustainable if it substantially contributes to one of the six ↗ Environmental objectives. Moreover, no other environmental objective may be significantly harmed during performance of the activity and the company must observe minimum safeguards, among them compliance with human rights. The BMW Group publishes the Taxonomy-eligible and Taxonomy-aligned proportion of its revenues, capital expenditure and operating expenditure for Environmental Objectives I, II and IV.[1] No economic activities of relevance for the BMW Group have been defined for the other environmental objectives.[2]

The BMW Group's holistic understanding of sustainability

The BMW Group supports the overarching goal of the EU Taxonomy to promote the private financing of environmentally sustainable economic activities to make the EU climate-neutral by 2050. The BMW Group aims to achieve net zero carbon emissions across the entire value chain[3] (Scope 1, 2 and 3) by no later than 2050. ↗ Transition plan to achieve Net Zero emissions by 2050

The BMW Group developed a holistic approach for this purpose that takes into account the CO_2e emissions of vehicles over their entire life cycle. The CO_2e targets are integrated into the BMW Group's control system.

However, for the economic activities that are relevant to the BMW Group, the EU Taxonomy focuses exclusively on reducing carbon emissions during the use phase that are attributable to low-emissions (until 2025) and emissions-free drivetrain systems. Indirect carbon emissions, for instance those produced when generating charging current or during the energy-intensive production of high-voltage batteries, are not taken into account in the context of these economic activities. Moreover, the EU Taxonomy only reflects the impact of decarbonisation actions on in-house production to the extent that they serve to manufacture Taxonomy-aligned products or to the extent that they are explicitly included in the description of an activity. Increasing the energy efficiency of paint-shop processes, for example, reduces carbon emissions in in-house production, even if a purely combustion-engine vehicle is painted. In light of the BMW Group's previously defined economic activities, its sustainability efforts in this regard are not, or are only partially, taken into account in the EU Taxonomy. ↗ Climate Change Mitigation and Adaptation

Explanatory comments on reporting procedures

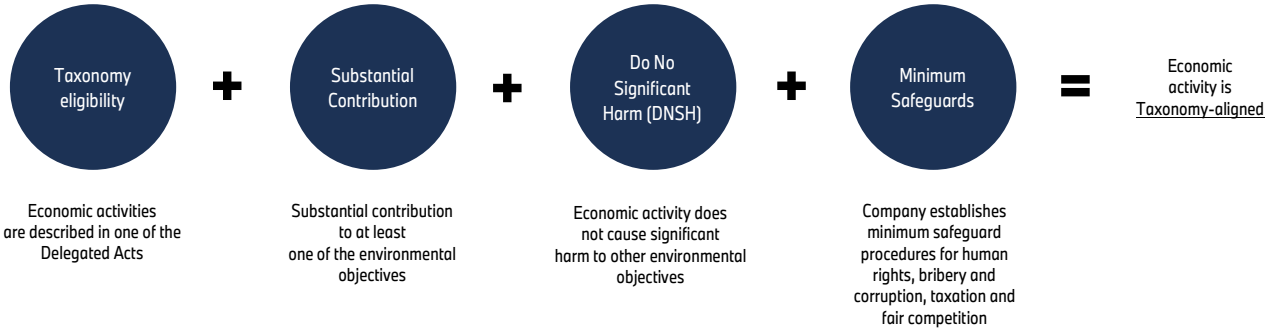
An economic activity is to be seen as Taxonomy-eligible if it is described in the Delegated Acts relating to one of the six environmental objectives, regardless of whether that economic activity meets the technical assessment criteria stipulated in those Delegated Acts. Following an analysis, the BMW Group's business activities can be summarised under the following economic activities:

Overview of economic activities

Economic activities	Code(s)	Description	Environmental objectives	Reporting 2025	Comments
Manufacture of low carbon technologies for transport	CCM 3.3, CCA 3.3	The production of automobiles and motorcycles, excluding - the sale of parts and components, such as after-sales business excluding the provision of repair services, - the supply of components for production to third parties	I „Climate change mitigation" II „Climate change adaptation"	Taxonomy alignment	Contribution to Environmental objectives II is subsumed under Environmental objective I
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5, CCA 6.5	The acquisition, financing, lease and operation of automobiles and motorcycles, excluding banking and insurance services performed by our non-automotive Financial Services segment	I „Climate change mitigation" II „Climate change adaptation"	Taxonomy alignment	Contribution to Environmental objectives II is subsumed under Environmental objective I
Sale of second-hand goods	CE 5.4	Sale of used third-party brand cars purchased by the BMW Group from external parties and resold to external third parties at the end of the lease agreement	IV „Transition to a circular economy"	Taxonomy eligibility	

[1] The definition of the three performance indicators and their differentiation from IFRS can be found in the glossary ↗ ESG Glossary and Explanation of Key Figures.
[2] EU Taxonomy reporting for the financial year 2025 already applies the provisions of the Commission's Delegated Regulation (EU) 2026/73 of 4 July 2025.
[3] In this context the entire value chain is to be understood as Scope 1 and 2 as well as the Scope 3 categories (categories 1, 4 and 11 for the Automotive segment) applicable to the BMW Group in accordance with the Greenhouse Gas Protocol.

Explanatory comments on reporting procedures



Economic activity CE 5.4 only includes the sale of used third-party brand vehicles that are purchased by the BMW Group from third parties and resold to external third parties at the end of the lease agreement. The sale of lease returns from BMW Group brands, on the other hand, is reported under CCM 6.5.

In order to determine the Taxonomy alignment of economic activities CCM 3.3, CCM 6.5 and CE 5.4 in the reporting year, they must be reviewed against the technical screening criteria relevant to them:

1. Substantial contribution to fulfilment of the environmental objectives "Climate change mitigation" and "Climate change adaptation" based on the specific carbon emissions (CO_2e) for the respective vehicles for economic activities CCM 3.3 and CCM 6.5
2. Substantial contribution to the fulfilment of the environmental objective "Transition to a circular economy" based on the specific requirements for the vehicles under consideration ("Substantial contribution") for economic activity CE 5.4
3. Do no significant harm ("DNSH") to other environmental objectives based on the specific requirements for each relevant economic activity

It must also be ensured that the BMW Group has established minimum safeguards.

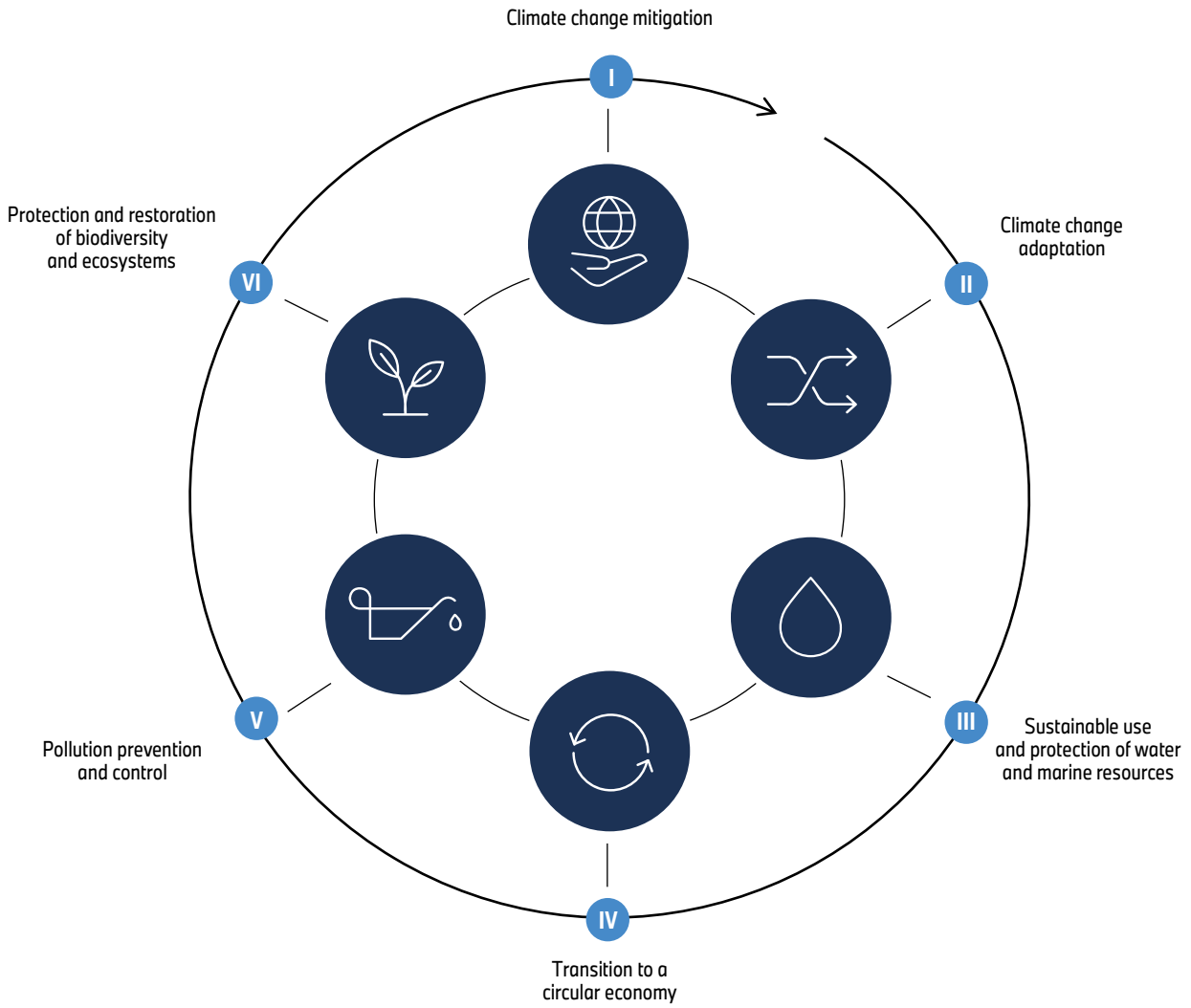
Substantial contribution

The BMW Group has reviewed its contribution to the environmental objectives "Climate change mitigation", "Climate change adaptation" and "Transition to a circular economy" for the reporting year. Economic activity CCM 3.3 and economic activity CCM 6.5 both make a substantial contribution to Environmental Objective I "Climate change mitigation" due to the manufacture as well as the financing and leasing of low-emissions (PHEVs <50g CO_2/km WLTP by 2025) and emissions-free vehicles (BEVs and motorcycles with 0g CO_2/km). Economic activity CCM 3.3 and economic activity CCM 6.5 as undertaken by the BMW Group are also described under Environmental Objective II "Climate change adaptation". There are, however, no identifiable values that can be separated from Environmental Objective I "Climate change mitigation".

In order to identify the specific CO_2 emissions of PHEVs that are not determined in line with Regulation (EU) 2019/631 (among others USA, China), assumptions were made based on the worst-case value for that vehicle model, even though these emissions may have been lower in reality.

Economic activity CE 5.4 makes a substantial contribution to the environmental objective "Transition to a circular economy". Since the 2024 reporting year, only trading with used third-party brand vehicles has been reported under CE 5.4.

Environmental objectives of EU Taxonomy



Do no significant harm

It is not possible to fully verify compliance with the DNSH criteria for economic activity CE 5.4 due to a lack of data on tyre categories and WLTP emissions values for third-party brands. As a result, no Taxonomy-aligned share can be reported for economic activity CE 5.4. For this reason, economic activity CE 5.4 is not included in the following analysis of the DNSH criteria.

Compliance with the DNSH criteria was reviewed in the reporting year for the five additional environmental objectives, based in each case on the particular requirements specifically for economic activity CCM 3.3 "Manufacture of low carbon technologies for transport" and economic activity CCM 6.5 "Transport by motorbikes, passenger cars and light commercial vehicles".

The vehicle portfolio for economic activity CCM 6.5 includes BMW Group vehicles and vehicles from other manufacturers (third-party products). As no data is available regarding the relevant attributes of these third-party products, it is not currently possible to make a comprehensive assessment in relation to the DNSH criteria. For this reason, these third-party products are not currently reported as Taxonomy-aligned.

DNSH audit – procedure and results

	Environmental objective	DNSH audit procedure		Fulfilment of CCM 3.3	Fulfilment of CCM 6.5
II	Climate change adaptation	CCM 3.3 & CCM 6.5: — Comprehensive assessment of climate risk and vulnerability, including consideration of physical climate risks at all major BMW Group production sites, as well as evaluation of potential damage caused by climate change based on long-term climate scenarios* to 2035 and 2050 — Analysis of potential natural hazards at all direct supplier locations in order to consider risks of shortages when selecting and evaluating suppliers — Derivation and, if necessary, implementation of adaptive solutions for risk mitigation in cooperation with the respective site representatives based on the risk analysis — ↗ Procedure and methodological basis for climate-related risks and opportunities, ↗ Physical climate risks, ↗ Transitory climate risks and opportunities		✓	✓
III VI	Sustainable use and protection of water and marine resources and protection and restoration of biodiversity and ecosystems	CCM 3.3: — Implementation of a comprehensive risk analysis with regard to the preservation and protection of the relevant environmental, water and marine resources — Conducting environmental impact assessments in accordance with EU Directive 2011/92/EU during the construction of new and expansion of existing sites within the EU, taking into account the environmental aspects of water and biodiversity — Conducting environmental impact assessments in accordance with EU requirements for sites outside the EU — Implementation of a certified environmental management system pursuant to ISO 14001 and compliance with all local statutory environmental requirements at all BMW Group production sites — ↗ Holistic Environmental Management within the BMW Group		✓	Not relevant
IV	Transition to a circular economy	CCM 3.3: — Use of secondary raw materials in BMW Group products as well as recycling-friendly product design — Waste management at production sites in accordance with the waste hierarchy — Systematic registration of substances of concern along the entire supply chain	CCM 6.5: — Established processes for compliance with recycling requirements — Waste management measures during maintenance and at the end of the vehicle life cycle — ↗ Circular economy and resource use	✓	✓
V	Pollution prevention and control	CCM 3.3: — Established processes for monitoring and ensuring compliance with statutory prohibitions and limits on the use of chemical substances in vehicle components — BMW Group internal guidelines for substitution testing for hazardous substances that are categorised as being of very high concern in accordance with Articles 57 and 59 of the REACH Regulation, provided they are used with a proportion exceeding 0.1% by mass in a mixture in BMW Group production processes and are consequently contained in the products of the BMW Group (taking into account the state of the art, economic, regulatory and technical aspects) — Hazardous substances that cannot be avoided are used in compliance with hazardous substance regulations and under controlled conditions	CCM 6.5: — Majority of PHEVs in the portfolio are not Taxonomy-aligned because RDE (real driving emissions) values can only be reduced to 80% of the limit for selected models (as per the Clean Vehicles Directive) — Further deductions for PHEV and BEV models due to requirements for rolling resistance coefficients for tyres and external rolling noise of tyres — Simplified calculation of alignment based on approved tyres, weighted by their purchase volumes and take rates	✓	Not complete due to RDE and tyre label requirements

* SSP1-1.9, SSP2-4.5, SSP5-8.5.

Minimum safeguards
Additionally, companies that carry out economic activities as defined by the EU Taxonomy are required to establish minimum safeguards. They require the implementation of processes to ensure compliance with due diligence obligations both within an organisation and in stages of the upstream and downstream value chain that have been outsourced. Specifically, this refers to compliance with human rights and regulations on bribery, corruption, taxation and fair competition. In its ↗ Policy statement on respect for human rights and corresponding environmental standards, the BMW Group has, among other things, committed to compliance with the following standards for minimum safe-guards as defined in Article 18 of the Taxonomy Regulation: the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the Ten Principles of the UN Global Compact, which we signed back in 2001. ↗ Purchasing and Supplier Network, ↗ Compliance

The minimum safeguard requirements are met.

EU Taxonomy performance indicators
The definition and calculation of the Taxonomy-specific performance indicators revenues, capital expenditure and operating expenditure and their distinction from IFRS are described in the glossary. ↗ ESG Glossary and Explanation of Key Figures

The proportion of total revenues, capital expenditure and operational expenditure relating to eligible and non-eligible eco-nomic activities are shown in each case as an aggregate per-centage for the BMW Group. All Taxonomy-eligible revenues, capital expenditure and operating expenditure for economic activities CCM 3.3 and CCM 6.5 are disclosed under Environmental Objective I "Climate change mitigation", given that there are no identifiable values for Environmental Objective II "Climate change adaptation" that can be separated from Environmental Objective I "Climate change mitigation". This approach avoids double counting of revenues, capital expenditure and operating expenditure when determining the KPI in the numerator across multiple economic activities.

In the case of capital expenditure and operating expenditure, all Taxonomy-eligible expenditure is allocated to the two economic activities CCM 3.3 and CCM 6.5. There is no independent Taxonomy-eligible capital expenditure and operating expenditure for economic activity CE 5.4.

In most cases, values from financial data were allocated directly to the economic activities for all three performance indicators, based, for example, on the drivetrain or the vehicle model. In the remaining cases, an allocation mechanism was used for each economic activity and each performance indicator. For Taxonomy-eligible and Taxonomy-aligned capital expenditure for economic activity CCM 3.3, the allocator is based on long-term Taxonomy-aligned revenues generated from the Automotive and Motorcycles segments:

— Allocator for economic activity CCM 3.3: proportion BEV x Automotive segment revenues (2026–2031)

The allocator is based on detailed long-term corporate planning for the next six years, as approved each year by the Board of Management and Supervisory Board. This formula is used for capital expenditure on property, plant and equipment (including right-of-use assets from lessee relationships), intangible assets and expenditure on research and development for economic activity CCM 3.3. For operating expenditure, the allocator is only applied to non-capitalised development costs.

For other operating expenditure (non-capitalised right-of-use assets [lessee], maintenance/repair expenses) relating to economic activity CCM 3.3, the allocator is based on the Taxonomy-aligned revenues generated from the Automotive and Motorcycles segments in the reporting period.

For Taxonomy-eligible and Taxonomy-aligned capital expenditure for economic activity CCM 6.5, the allocator is based on the Taxonomy-aligned financing volume for new customers in the current financial year:

— Allocator for economic activity CCM 6.5: DNSH alignment factor x BEV proportion x financing volume attributable to new customer contracts (2025)

It refers to capital expenditure on leased products.

Taxonomy-aligned proportion of revenues approximately at previous year's level – decrease in Taxonomy-aligned capital expenditure and operating expenditure
The following overview tables summarise the performance indicators revenues, capital expenditure and operating expenditure from Taxonomy-eligible and Taxonomy-aligned economic activities of the BMW Group. Regardless of the Taxonomy requirements, the BMW Group regularly and comprehensively addresses risks arising from climate change and their potential impact on its locations and supply chains. ↗ Climate Change Mitigation and Adaptation

— **BMW Group perspective**
The BMW Group continued to pursue its electrification and digitalisation strategy during the reporting year. This was marked by intensive preparation for the NEUE KLASSE models. ↗ Innovations and Product Technologies Major investment projects such as the sixth-generation high-voltage battery system have reached market maturity, and series production of the NEUE KLASSE is about to begin at the new plant in Debrecen. These developments also affected Taxonomy-aligned capital expenditure and operating expenditure during the reporting year.

Taxonomy-aligned capital expenditure was lower than last year at the BMW Group level. The Taxonomy-aligned proportion of capital expenditure was 25.1% (2024: 29.1%) or € 9,307 million (2024: € 10,687 million). Taxonomy-aligned capital expenditure as a proportion of the BMW Group's total capital expenditure is impacted significantly by additions related to leased products. Consequently, an examination of the proportion of Taxonomy-aligned capital expenditure at the BMW Group level does not reflect the huge investment in sustainable economic activities and products. Operating expenditure incurred for Taxonomy-aligned economic activities amounted to € 1,608 million (2024: €

2,146 million), corresponding to 28.6% of Taxonomy-eligible operating expenditure (2024: 32.3%).

The Taxonomy-aligned proportion of the BMW Group's revenues decreased in 2025. They amounted to € 18,844 million (2024: € 20,819 million), corresponding to a Taxonomy-aligned share of 14.1% of total Group revenues and a minimal decrease on the previous year of half a percentage point. This was mainly driven by changes in the pricing structure of the Taxonomy-aligned BEV portfolio and negative elimination effects between the Automotive segment and the Financial Services segment due to the rising BEV new leasing business. ↗ Voluntary additional information on the Taxonomy-aligned share per economic activity

— **Economic activity CCM 3.3, "Manufacture of low carbon technologies for transport"**
The Taxonomy-aligned share of revenues generated by the Automotive and Motorcycles segments corresponded to 12.3% (economic activity CCM 3.3 "Manufacture of low carbon technologies for transport") of total Group revenues (2024: 13.4%). As a percentage of third-party revenues of the two segments, the Taxonomy-aligned share equalled 19.3% (2024: 20.3%). ↗ Course of Business and Segments

The Taxonomy-aligned proportion of capital expenditure in the Automotive and Motorcycles segments fell by 2.5 percentage points to 18.4% (2024: 20.9%). Looking only at the Taxonomy-aligned additions to intangible assets and property, plant and equipment in the context of additions recorded by the Automotive and Motorcycles segments, however, the proportion of Taxonomy-aligned capital expenditure went up slightly by a good three percentage points to 64.6%. ↗ Voluntary additional information on the Taxonomy-aligned share per economic activity

— **Economic activity CCM 6.5, "Transport by motorbikes, passenger cars and light commercial vehicles"**
The Taxonomy-aligned shares for the three performance indicators are at a single-digit level, but on a continually upwards trajectory for revenues and operating expenditure in the Financial Services segment. This is due to the fact that there is a time lag before the effects of the vehicle fleet electrification ramp-up impact the financing and leasing lines of business. A further reason is the varied, stricter DNSH requirements for economic activity CCM 6.5, in particular those relating to Environmental Objective V "Pollution prevention and control", which lead to the exclusion of almost all PHEVs and a significant restriction in the recognition of BEVs (for details see section ↗ Do no significant harm). Third-party brands are not included in the vehicle portfolio in the reporting on Taxonomy alignment for economic activity CCM 6.5. A lack of available data regarding the tyre categories or WLTP emission values of third-party products makes it impossible to review compliance with the DNSH criteria in full.

The Taxonomy-aligned proportion of capital expenditure in the Financial Services segment decreased year on year to 6.7% (€ 2,484 million). Based on total capital expenditure in the Financial Services segment, the Taxonomy-aligned proportion decreased by nearly one quarter to 9.4% (2024: 12.4%). This decrease is primarily due to the downward trend of the allocator for capital expenditure under CCM 6.5. Taxonomy-aligned revenues increased by more than 40% year on year to € 2,450 million, in particular due to a significant increase in BEVs in the vehicle fleet. ↗ Voluntary additional information on the Taxonomy-aligned share per economic activity

— **Economic activity CE 5.4, "Sale of second-hand goods"**
This economic activity includes revenues from the sale of used third-party brand passenger cars after their intended use by clients in the Financial Services segment, but does not include revenues from the sale of used third-party brand motorcycles. Just over 1.2% (2024: 1.2%) of total revenues are Taxonomy-eligible in reporting year 2025. The Taxonomy-aligned share is zero due to a lack of data concerning the DNSH criteria.

As the overview tables from Delegated Regulations (EU) 2023/2486 and (EU) 2026/73 do not provide a detailed picture of the BMW Group's business model per economic activity, the following table provides detailed information about the three performance indicators as regards Taxonomy alignment and eligibility, reported separately for economic activities CCM 3.3, CCM 6.5 and CE 5.4.

Voluntary additional information on the Taxonomy-aligned share per economic activity

	2025 in € million	2025 in € million	2025 in %	2024 in %
Revenues[1]	by activity	of which Taxonomy-aligned	Proportion	Proportion
Manufacture of low carbon technologies for transport (CCM 3.3)	84,897	16,394	19.3	20.3
Transport by motorbikes, passenger cars and light commercial vehicles (CCM 6.5)	33,153	2,450	7.4	5.4
Sale of second-hand goods (CE 5.4)	1,663	0	0.0	0.0
Taxonomy-non-eligible revenues	13,739	n/a	n/a	n/a
Total revenues BMW Group	**133,453**	**18,844**	**14.1**	**14.6**
Capital expenditure[2]	by activity	of which Taxonomy-aligned	Proportion	Proportion
Manufacture of low carbon technologies for transport (CCM 3.3)	10,569	6,824	64.6	61.5
Transport by motorbikes, passenger cars and light commercial vehicles (CCM 6.5)	26,481	2,484	9.4	12.4
Taxonomy-non-eligible capital expenditure	73	n/a	n/a	n/a
Total capital expenditure BMW Group	**37,123**	**9,308**	**25.1**	**29.1**
Operating expediture[3]	by activity	of which Taxonomy-aligned	Proportion	Proportion
Manufacture of low carbon technologies for transport (CCM 3.3)	5,246	1,580	30.1	33.6
Transport by motorbikes, passenger cars and light commercial vehicles (CCM 6.5)	379	28	7.5	6.9
Total operating expenditure BMW Group	**5,624**	**1,608**	**28.6**	**32.3**

[1] Taxonomy-aligned share calculated with denominator as third-party revenue from Taxonomy-eligible values of the respective economic activity.
[2] Taxonomy-aligned share calculated with the Taxonomy-eligible value of the respective economic activity as denominator. See ↗ note [20] to the Group Financial Statements for details on the BMW Group's capital expenditure.
[3] Only includes the operating expenditure defined in the EU Taxonomy.

Contextual KPI information related to Taxonomy-aligned economic activities

in € million	2025	2024
Revenues		
Sales of products, related goods and revenue of service contracts	16,394	19,077
Revenues related to financial services	2,450	1,742
Total	**18,844**	**20,819**
Capital expenditure		
Economic activity CCM 3.3		
Property, plant and equipment*	4,713	5,668
Development costs	2,111	2,012
Leased products	–	–
Total	**6,824**	**7,680**
Economic activity CCM 6.5		
Property, plant and equipment*	2	2
Development costs	–	–
Leased products	2,482	3,005
Total	2,484	3,006
Total	**9,308**	**10,687**
Operating expenditure		
Economic activity CCM 3.3		
Development costs – not capitalised	1,426	1,915
Right-of-use assets (lessee) – not capitalised	15	18
Maintenance/repair expenses	139	192
Total	**1,580**	**2,125**
Economic activity CCM 6.5		
Development costs – not capitalised	25	18
Right-of-use assets (lessee) – not capitalised	–	–
Maintenance/repair expenses	4	3
Total	**28**	**21**
Total	**1,608**	**2,146**

Revenues for economic activity CCM 3.3 include small amounts from Taxonomy-aligned activities related to the BMW Group's company car programme. These company cars are generally transferred to the BMW Group's external sales programme within twelve months after a short period of in-house use.

* Including intangible assets and right-of-use assets from lessee relationships.

CapEx plan for Environmental Objective I "Climate change mitigation"

A CapEx plan is required to be drawn up for capital expenditure and operating expenditure that expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned. This plan has been approved by the Board of Management of BMW AG and covers a seven-year period (2025–2031). The CapEx plan covers capital expenditure and operating expenditure for the reporting year and planned capital expenditure and operating expenditure (only non-capitalised development costs) for 2026–2031 for economic activities CCM 3.3 and CCM 6.5. The selected future period corresponds to the detailed long-term corporate planning of the BMW Group and contains various investment measures with different implementation times (e.g. electrification of the vehicle fleet, model revisions, structural investments in production sites). The CapEx plan earmarks € 46,437 million for economic activity CCM 3.3 and € 34,251 million for economic activity CCM 6.5. Taxonomy-aligned capital expenditure and operational expenditure have decreased as compared to the previous year's plan. The electrification and digitalisation strategy will continue in the coming years, but total capital expenditure will reach a lower level after the planned peak in 2024.

CapEx plan for expansion of or transformation into Taxonomy-aligned economic activities

in € million		2025	2024
	Code(s)	2025–2031	2024–2030
Economic activities			
Manufacture of low carbon technologies for transport	CCM 3.3	46,438	73,451
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	34,251	25,324
Total		**80,689**	**98,775**

KPI Overview

Financial year 2025					**Environmental objective of Taxonomy-aligned activities**										**2024**	
KPI	Total	Proportion of Taxonomy-eligible activities[1]	Taxonomy-aligned activities	Proportion of Taxonomy-aligned activities	Climate change mitigation	Climate change adaption	Water	Circular economy	Pollution	Biodiversity	Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy-aligned activites in previous financial year	Proportion of Taxonomy-aligned activities in previous financial year
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	in € million	in %	in € million	in %	in %	in %	in %	in %	in %	in %	in %	in %	in %	in € million	in %
Turnover	133,453	89.7	18,844	14.1	14.1	0.0	–	0.0	–	–	12.3	0.1	0.0	20,819	14.6
CapEx	37,123	99.8	9,308	25.1	25.1	0.0	–	–	–	–	18.4	0.5	0.0	10,687	29.1
OpEx	5,624	100.0	1,608	28.6	28.6	0.0	–	–	–	–	28.1	0.0	0.0	2,146	32.3

[1] For Taxonomy-non-eligible scopes, see table ↗ Voluntary additional information on the Taxonomy-aligned share per economic activity.

Turnover

Financial year 2025					**Environmental objective of Taxonomy-aligned activities**								
Economic activities	Code(s)[2]	Proportion of Taxonomy-eligible Turnover	Taxonomy-aligned Turnover	Taxonomy-aligned Turnover	Climate change mitigation	Climate change adaption	Water	Circular economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		in %	in € million	in %	in %	in %	in %	in %	in %	in %	E	T	in %
Manufacture of low carbon technologies for transport	CCM 3.3; CCA 3.3	63.6	16,394	12.3	12.3	0.0	–	–	–	–	E	–	19.3
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5; CCA 6.5	24.8	2,450	1.8	1.8	0.0	–	–	–	–	–	T	7.4
Sale of second-hand goods[3]	CE 5.4	1.2	0	0.0	–	–	–	0.0	–	–	–	–	0.0
Sum of alignment per objective					**14.1**	**0.0**	**–**	**0.0**	**–**	**–**			
Total Turnover		**89.7**	**18,844**	**14.1**	**14.1**	**0.0**	**–**	**0.0**	**–**	**–**	**12.3**	**0.1**	**15.7**

[2] With reference to Annex II of Delegated Regulation (EU) of 27 June 2023 (EU 2023/2486) and 8 January 2026 (EU 2026/73).
[3] No Taxonomy-aligned value can be determined for economic activity CE 5.4 due to incomplete verifiability regarding fulfilment of all relevant DNSH criteria (pollution).

Capital expenditure (CapEx)

Financial year 2025					**Environmental objective of Taxonomy-aligned activities**								
Economic activities	Code(s)[1]	Proportion of Taxonomy-eligible CapEx	Taxonomy-aligned CapEx	Taxonomy-aligned CapEx	Climate change mitigation	Climate change adaption	Water	Circular economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		in %	in € million	in %	in %	in %	in %	in %	in %	in %	E	T	in %
Manufacture of low carbon technologies for transport	CCM 3.3; CCA 3.3	28.5	6,824	18.4	18.4	0.0	–	–	–	–	E	–	64.6
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5; CCA 6.5	71.3	2,484	6.7	6.7	0.0	–	–	–	–	–	T	9.4
Sum of alignment per objective					**25.1**	**–**	**–**	**–**	**–**	**–**			
Total CapEx		**99.8**	**9,308**	**25.1**	**25.1**	**0.0**	**–**	**–**	**–**	**–**	**18.4**	**0.5**	**25.1**

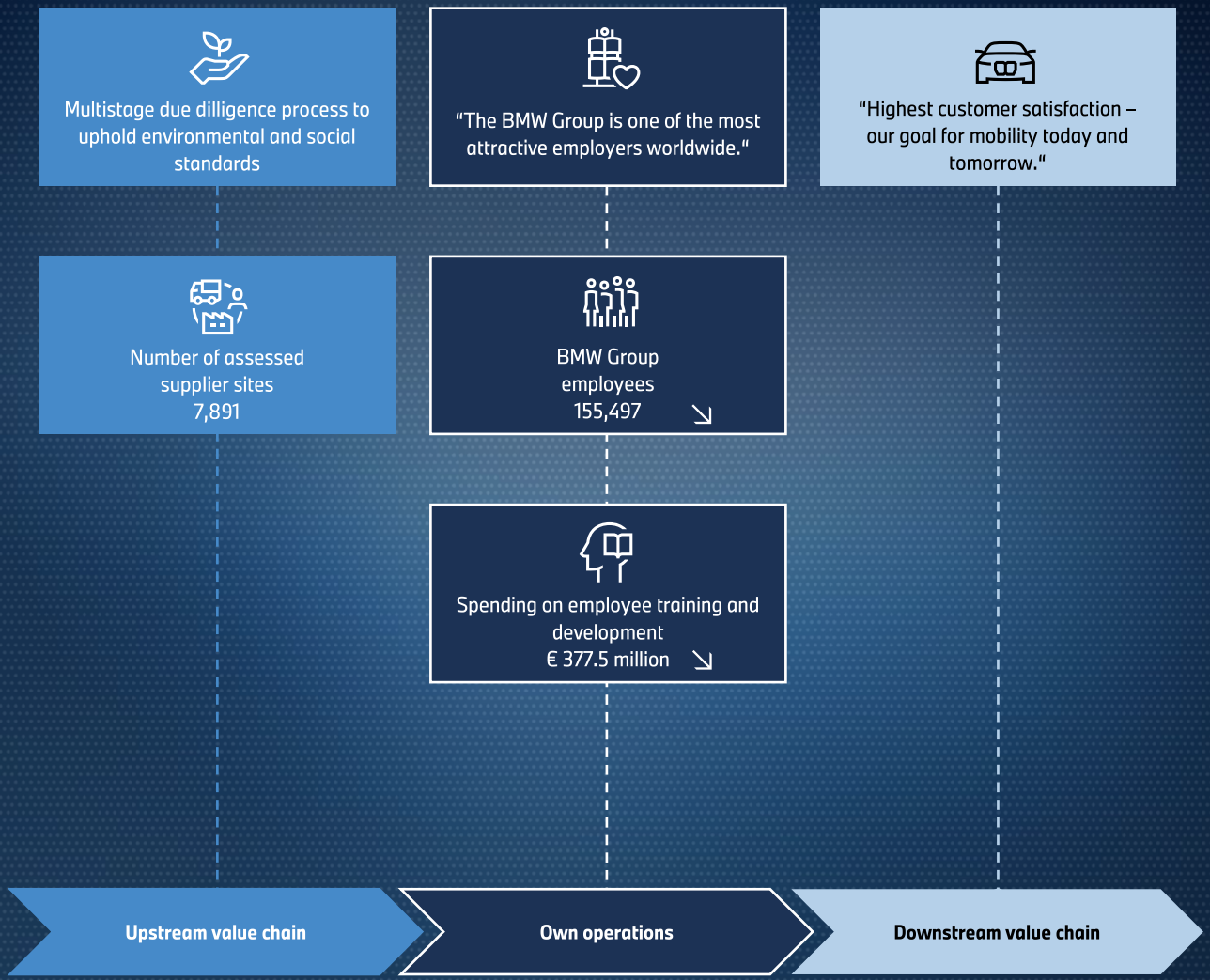
[1] With reference to Annex II of Delegated Regulation (EU) of 27 June 2023 (EU 2023/2486) and 8 January 2026 (EU 2026/73).

Operating expenditure (OpEx)

Financial year 2025					**Environmental objective of Taxonomy-aligned activities**								
Economic activities	Code(s)[2]	Proportion of Taxonomy-eligible OpEx	Taxonomy-aligned Opex	Taxonomy-aligned OpEx	Climate change mitigation	Climate change adaption	Water	Circular economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		in %	in € million	in %	in %	in %	in %	in %	in %	in %	E	T	in %
Manufacture of low carbon technologies for transport	CCM 3.3; CCA 3.3	93.3	1,580	28.1	28.1	0.0	–	–	–	–	E	–	30.1
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5; CCA 6.5	6.7	28	0.5	0.5	0.0	–	–	–	–	–	T	7.6
Sum of alignment per objective					**28.6**	**–**	**–**	**–**	**–**	**–**			
Total OpEx		**100.0**	**1,608**	**28.6**	**28.6**	**0.0**	**–**	**–**	**–**	**–**	**28.1**	**–**	**28.6**

[2] With reference to Annex II of Delegated Regulation (EU) of 27 June 2023 (EU 2023/2486) and 8 January 2026 (EU 2026/73).

SOCIAL INFORMATION



SOCIAL RESPONSIBILITY

ESRS S1-2

As a global company, the BMW Group takes a holistic approach when it comes to its social responsibilities. A key aspect in this context is ensuring adherence with environmental and social standards along the entire value chain. The BMW Group works in close cooperation with the General Works Council to uphold fair working conditions and respect for human rights, not only for our own employees, but also for suppliers and other business partners, such as sales partners. In addition to committing itself to meeting high social standards, the BMW Group also takes action to strive that these standards are met along the entire value chain. The transformation process towards decarbonisation will be implemented in a socially just manner for all affected stakeholders ↗ Just Transition Policy.

With a multinational workforce on all continents, the BMW Group has close ties with the societies in which it operates. There, the Company enters into local long-term voluntary social commitments.

Encouraging employees and ensuring their development is a core aspect of the BMW Group's social responsibility. The Company fosters a forward-looking working environment that offers individual training and further education opportunities ↗ Own Workforce.

Information about the multi-stage due diligence process regarding respect for human rights in the supplier network can be found in ↗ Social and Environmental Responsibility in the Supplier Network.

High-quality products and transparent behaviour are of central importance to the BMW Group. The BMW Group focuses on meeting the needs of its customers and providing them with a unique experience. More information about this can be found at ↗ Consumers and End-Users.

Basis for action

ESRS S1-1, S1-2, S1-3, S1-SBM-3, ESRS S4-1, S4-3

The BMW Group is committed to respecting human rights and the associated environmental standards. This applies not only to our own business area, but also to our relationships with suppliers and other business partners. The BMW Group uses clearly defined responsibilities and targeted actions to protect these fundamental rights. In 2005, the BMW Group reaffirmed its position in a joint declaration on human rights and working conditions, which was signed by the Board of Management and employee representatives. Multistage due diligence processes enable that internationally recognised standards are met. In addition to country-specific requirements, the BMW Group takes the following international standards into account in particular:

- International Bill of Human Rights, consisting of the United Nations Universal Declaration of Human Rights, as well as the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR)
- UN Guiding Principles on Business and Human Rights
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) and ILO Convention 169
- Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Companies and the
- Ten Principles of the UN Global Compact

The Human Rights Officer assumes an overarching steering function within the BMW Group. In this role, the Human Rights Officer monitors the implementation of the risk management measures provided for in the German Supply Chain Due Diligence Act (LkSG). The Human Rights Officer liaises closely with the relevant departments and reports directly to the Board of Management on a regular basis as well as on an ad hoc basis. Within the organisation, the Compliance function is responsible for the overarching concept for compliance with human rights and the associated environmental standards. In addition, the Compliance function coordinates the due diligence processes not only within the own business area, but also towards other business partners, such as sales partners. The BMW Group's Compliance Management System (CMS) provides the organisational framework for adhering to the significant requirements » Compliance and whistleblower systems.

In addition to the international standards, the ↗ BMW Group Code on Human Rights and Working Conditions applies to our own business area as well as our suppliers and other business partners. The respective responsible units (such as BMW Group departments or companies) and business partners are responsible for complying with human rights due diligence obligations.

Within the BMW Group, managers are responsible for implementing this Code and the ↗ BMW Group Code of Conduct in their own area. They are obliged to inform employees about the content and significance of the Code, in addition to advising them and supporting them with the application of the Code's principles in their daily work. Every employee must ensure that they follow the requirements related to human rights and working conditions and make sure that their professional conduct is in alignment with the Code's principles. The BMW Group has established taking social responsibility as a prerequisite for prospective business partners. Human rights-related and environmental due diligence obligations are for example incorporated into contracts with sales partners.

The BMW Group takes measures for prevention, control and remediation on a risk-based and ad hoc basis. It uses a catalogue of measures and a combination of trainings, contractual agreements, certifications, inspections and questionnaires for this purpose. If actual or imminent violations of human rights and/or related environmental standards are identified, the BMW Group takes remedial action to prevent, end or minimise them. The purpose of the control measures is to thoroughly investigate risks and indications and to check whether actual violations have occurred.

The issue of child labour is addressed by the BMW Group's Group-wide policies. According to this, a child's development must not be hindered by undertaking any kind of work that keeps them from receiving an education. Their dignity must be respected and their health and safety must be protected. In accordance with ILO Core Labor Standards and national legislation, the BMW Group adheres to minimum employment ages. We therefore verify whether applicants and employees have reached the minimum age for employment, for example, as well as determining which tasks may be performed by those under the age of 18. The BMW Group categorically rejects child labour. This also applies to the worst forms of child labour for children and young people under the age of 18, practices akin to slavery, or activities that are dangerous or immoral.

In line with ILO Core Labour Standards, the BMW Group also does not tolerate forced or compulsory labour of any kind, both in its own business area, by suppliers and other business partners. This also includes all forms of modern slavery and human trafficking. All employment contracts with the BMW Group or with enterprises and suppliers commissioned by it must always be concluded on a voluntary basis and may be terminated subject to reasonable or statutory notice.

There are no activities at the BMW Group for which a significant risk of material forced or child labour has been identified. The BMW Group has established an appropriate complaints management system as an integral part of its due diligence processes. This enables the Company to effectively prevent human rights and environmental violations and take immediate remedial action. The complaints management system includes various whistleblower systems, such as the ↗ BMW Group SpeakUP Line. Employees with questions or concerns relating to compliance can address these matters with their managers or the relevant Compliance functions. All ↗ Compliance incident reporting channels are published on the BMW Group website and are available to all internal and external persons, provided the underlying issue is related to the Company. Reported cases are checked and remedial action is taken promptly if necessary.

In the reporting year, no customer-related reports of human rights violations were received through the established channels.

Risk management and responsibilities

[1] Department programme design, prevention.
[2] Performing duties for the Human Rights Officer.

OWN WORKFORCE

Material impacts, risks and opportunities	Type	Sub(-sub)-topic	Stage of the value chain	Policies	Targets	Specific actions
An imbalanced demographic structure among BMW Group employees, particularly in the areas of training, further education, and management positions can lead to negative effects such as dissatisfaction, social inequality, and reduced innovative power.	Negative impact	Gender equality and equal pay for equal work		– Gender distribution at management level – Competitive and performance-related pay	– Share of women in management positions	– Early identification and development of female high-potential candidates – Regular reviews of remuneration structures and the gender pay gap
Workplace accidents within the BMW Group workforce can lead to physical injuries that negatively impact the ability to lead a fulfilling life and, in severe cases, may result in fatalities.	Negative impact	Health and safety		– BMW Group-wide health and safety management – Occupational safety along the value chain	– None	– Prevention through hazard and stress analyses – Qualification measures, quality audits and certification of the occupational health and safety management system – Holistic health management system with access to in-house health services
Preventive and supporting health measures at the BMW Group can have a positive impact on employees by enhancing their overall well-being and productivity, reducing health-related absences, and minimising workplace-related physical and mental ill health as well as recovering health in general.	Positive impact	Health and safety				
Creating a workplace where all BMW Group employees, with their wide range of perspectives and talents, can realize their full potential enhances employee satisfaction, innovative power, equal opportunities and personnel engagement.	Positive impact	Diversity		– People Engagement: strategic management of different perspectives and talents – Protection against discrimination	– Share of women in management positions	– Training and awareness-raising measures to ensure a prejudice-free working environment – Points of contact for employees with concerns about discriminatory behaviour – BMW AG's general operating and inclusion agreement
Training and skills development of BMW Group employees can contribute to the effective enhancement of employee qualifications, foster professional as well as personal growth and improve performance and employability.	Positive impact	Training and skills development		– Integrative Just Transition approach	– Investment in vocational training and further education	– Comprehensive training measures determined using a system-supported Training Needs Analysis process – Qualification and development of managers based on the Leadership Competency Model – BMW Group development programmes to retain top talent at an early stage

Material impacts, risks and opportunities	Type	Sub(-sub)-topic	Stage of the value chain	Policies	Targets	Specific actions
Secure employment can provide financial stability for BMW Group employees and contribute to mental health and well-being.	Positive impact	Secure employment		– Integrative Just Transition Approach	– Employer attractiveness	– Measures derived from the long-term strategic human resources planning, for example the use of different employment types – Use of working time accounts at all production sites where this is legally possible
The promotion of constructive social dialogue enables greater consideration to be given to the interests and needs of employees and can thus promote employee satisfaction and trust in the BMW Group.	Positive impact	Social dialogue		– Change process of the BMW Group	– None	– Central opportunities to participate and regular dialogue between employees and the Company – Measurement of the organisation's performance using the High Performance Organisation Index as part of a biennial employee survey
A high coverage by collective agreements can lead to secure working conditions and positively affect the economic and social welfare of BMW Group employees.	Positive impact	Collective bargaining		– Employee representatives and collective bargaining	– None	– Up to two meetings per year between the BMW EURO Works Council and corporate management

Upstream material Own operations material Downstream material

Secure employment

ESRS S1-4, S1-5, S1-6, S1-7, S1-SBM-3

The BMW Group is committed to an integrative Just Transition approach

In 2025, the BMW Group outlined its integrative Just Transition approach in a ↗ Just Transition Policy. This policy provides a comprehensive overview of the BMW Group's actions and areas of focus and explains them using illustrative examples. The department "Strategy Social Sustainability" reviews and updates the policy on a regular basis as part of its quality assurance process. The BMW Group actively drives a socially responsible transformation process for its employees. Additional information is available in ↗ Just Transition – Developing competencies for the future.

Employer attractiveness as strategic HR target

Targets and metrics are defined as part of the HR-related strategy and integrated into the BMW Group's target system. Both the inclusion of new key figures and adjustments to existing ones are decided by the Board of Management. The degree of target achievement is reviewed as part of the target management process, discussed on a regular basis by the Board of Management and then presented to the joint Supervisory Board[1] for confirmation. The annual review of the target achievement ensures that the targets for 2030 are achieved.

The BMW Group is one of the most attractive employers worldwide. Several factors ensure this: challenging work, individual development and organisational opportunities for employees, performance-related pay with attractive fringe benefits and a modern working environment.

The BMW Group has set itself the target[2] of being among the top 3 most attractive employers each year in a clearly defined competitive environment in Germany. Its target groups include pupils, specialists, academic professionals and students in the fields of economics, engineering and IT. The result reflects the BMW Group's positive image in relevant target groups based on rankings.

In order to maintain its attractiveness as an employer at a high level, the BMW Group continuously analyses and adapts its HR marketing strategies and communication policies. Our reputation as an attractive employer across all target groups allows us to fill vacancies with highly motivated and qualified talent despite increasing competition.

In 2025, the Trendence employer ranking system once again named the BMW Group the most attractive employer across all target groups within the defined competitive environment. The company also secured the top position in multiple target groups including, for the fourteenth consecutive year, the no. 1 spot among academic professionals. The BMW Group also monitors employer attractiveness in individual markets on an international basis to recognise trends at an early stage. Due to the extremely varied nature of the international methodology and provider landscape and the specificity of market requirements, the target applies exclusively to Germany. The underlying methodology is defined by the Trendence Institute for Germany; there are no plans to change the target.

The BMW Group's attractiveness as an employer is also reflected in its low level of employee turnover:

Employee turnover rate[3]

	2025	2024	Change in %
Employees, who have left the undertaking during the reporting period (headcount)	7,845	6,439	21.8
Attrition rate (in %)	5.0	4.1	22.0

Actions related to providing secure employment

The BMW Group's long-term personnel planning forecasts personnel requirements for the next six years. This planning is updated annually based on the Company's forecast performance. The impacts of the identified staffing requirements on new hires and leavers must be analysed to develop suitable measures. The BMW Group duly involves the relevant interest groups in the structured and long-term process, in line with country-specific and statutory conditions. This makes it possible to identify restructuring requirements at an early stage and to organise them responsibly. The Board of Management monitors the progress of personnel measures on a regular basis as part of the personnel management process during the year. A comparison is made between the personnel planning and the current or forecast number of employees for each Board of Management division at the end of the year so that measures can be implemented if necessary. The personnel requirements for each location are determined as part of the annual planning processes.

The Company makes use of working time accounts at its production sites where this is legally possible. These provide a flexible tool for adapting the amount of work based on operational requirements and ensuring that employees receive a consistent salary even if capacity utilisation levels fluctuate.

[1] A joint supervisory board is a supervisory board which is composed of an equal number of shareholder representatives (e.g. shareholders) and employee representatives.
[2] Absolute metric according to ESRS.
[3] Assurance level: reasonable assurance.

Own workforce characteristics

The BMW Group's workforce consists of both employees and non-employees.

BMW Group employees include all persons with temporary or permanent employment contracts with the BMW Group on 31 December of the reporting year. The total figure does not include employees in inactive early retirement phase, women on maternity leave, employees who are absent for reasons including sabbaticals, parental or family care leave, long-term sick leave, military service or accompanying their partner abroad, other BMW Group employees and temporary agency workers.

In addition to its own employees, the BMW Group also has non-employees. These are mainly temporary agency workers. The BMW Group defines temporary agency work in accordance with the ILO Declaration on Fundamental Principles concerning temporary agency work: an employee is hired by a temporary employment agency and then hired out to perform their work under the supervision and direction of the user company. There is considered to be no employment relationship between the temporary agency worker and the user company, although there could be legal obligations of the user company towards the temporary agency worker, especially with respect to health and safety. The temporary agency worker's employment contract is of limited or unspecified duration with no guarantee of continuation. The user company pays fees to the agency, and the agency pays the wages. The Company complies with the locally applicable legal requirements, such as the German Temporary Employment Act, as well as internal agreements with employee representatives that regulate the use of temporary agency workers.

Using temporary agency workers and temporary employees contributes to the Company's flexibility and responsiveness in a volatile market environment. In addition to being assigned to specific projects, they also help to balance out fluctuations, unforeseeable economic events and utilisation peaks.

The entire workforce of the BMW Group, including temporary agency workers, was considered equally in the materiality assessment. All employee groups were covered through the involvement of different stakeholder groups, including the Works Council ↗ Stakeholder Engagement. In addition, impacts resulting from the various areas of activity, production and indirect employment were taken into account.

Employees by geographical area and country[1,2]

headcount	2025	2024	Change in %
Total number of employees[3]	**155,497**	**158,441**	**– 1.9**
Europe	106,990	107,408	– 0.4
thereof Germany	87,436	89,490	– 2.3
America	17,545	17,639	– 0.5
Asia	27,520	29,932	– 8.1
thereof China	25,018	27,330	– 8.5
Africa	3,158	3,165	– 0.2
Oceania	284	297	– 4.4

Employees by contract type and gender[1]

headcount	2025	2024	Change in %
Total number of employees[3]	**155,497**	**158,441**	**– 1.9**
Number of permanent employees	**146,064**	**145,846**	**0.1**
Male	116,968	117,156	– 0.2
Female	29,058	28,649	1.4
Other	–	–	–
Not disclosed	38	41	– 7.3
Number of temporary employees	**9,433**	**12,595**	**– 25.1**
Male	7,354	10,161	– 27.6
Female	2,079	2,431	– 14.5
Other	–	–	–
Not disclosed	–	3	– 100.0
Number of non-guaranteed hours employees[4]	**–**	**–**	**–**
Male	–	–	–
Female	–	–	–
Other	–	–	–
Not disclosed	–	–	–

[1] Assurance level: reasonable assurance.
[2] Disclosed for each country in which the Company has at least 50 employees who account for at least 10% of the Company's total number of employees.
[3] Compared to the ↗ Key Performance Indicator, the joint operation Spotlight is included on a pro rata basis in accordance with ESRS.
[4] In addition to the temporary and permanent contract types, non-guaranteed hours employees are also reported in accordance with ESRS. This type of contract is not used by the BMW Group ↗ ESG glossary and explanations of key figures.

Employees by contract type and geographical area*

	Europe			America			Asia			Africa			Oceania			Total		
headcount	**2025**	2024	Change in %	**2025**	2024	Change in %	**2025**	2024	Change in %	**2025**	2024	Change in %	**2025**	2024	Change in %	**2025**	2024	Change in %
Total number of employees	**106,990**	**107,408**	**– 0.4**	**17,545**	**17,639**	**– 0.5**	**27,520**	**29,932**	**– 8.1**	**3,158**	**3,165**	**– 0.2**	**284**	**297**	**– 4.4**	**155,497**	**158,441**	**– 1.9**
Number of permanent employees	105,609	105,952	– 0.3	17,446	17,634	– 1.1	20,547	20,008	2.7	2,184	1,960	11.4	278	292	– 4.8	146,064	145,846	0.1
Number of temporary employees	1,381	1,456	– 5.2	99	5	–	6,973	9,924	– 29.7	974	1,205	– 19.2	6	5	20.0	9,433	12,595	– 25.1
Number of non-guaranteed hours employees	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Collective bargaining coverage and social dialogue

ESRS S1-2, S1-4, S1-8

Involvement of BMW Group employees in change processes

The employees of the BMW Group are one of the most important stakeholder groups, and are actively involved in shaping the future direction of the Company ↗ Stakeholder Engagement.

The BMW Group is continuously evolving on the basis of its Corporate Development Framework (CDF). Our employees are a key stakeholder group within this framework. According to the CDF, affected employees and interest groups are informed, involved and enabled throughout change processes. The first step in the BMW Group's established change process is to actively involve the affected interest groups. If employee representatives exist at the site, they are also being engaged as key stakeholders, depending on the project and the specific conditions.

The BMW Group respects the right to freedom of association and collective bargaining

The BMW Group recognises the right of all employees to representation and to conduct collective bargaining in order to negotiate working conditions. The corporate culture of the BMW Group is characterised by trusting and constructive cooperation with the relevant employee representatives. Even during discussions, the common goal remains to maintain a strong cooperative relationship for the benefit of the Company and its employees. Employees are neither favoured nor disadvantaged because of their membership or non-membership of a trade union or a body that represents employees.

BMW Group workforce involved both directly as well as indirectly through employee representatives

The involvement of employee representatives provides an important impetus for decision-making processes as part of dialogue or negotiation processes, which are taken into account in accordance with the applicable legal requirements. The nature and frequency of this involvement follow local legal standards. The HR department provides opportunities for involvement on an ad hoc, ongoing or regular basis in the form of information, consultation or co-determination. The level of the organisational units to be included depends on whether a change project is implemented locally or across locations. Another factor is whether the Company's own employees are informed on a central or local basis. Cross-location initiatives are communicated with the involvement of the responsible central departments. In addition to indirect involvement, employees can address their concerns directly with their manager or HR department. The BMW Group promotes regular dialogue between employees and the Company, particularly at locations where employees do not have representation. The BMW Group uses several different formats to keep its employees updated, such as at Company meetings in Germany, communication via the intranet, email and employee events. The most suitable channel is selected based on the nature of the information involved. Financial and human resources are made available in accordance with the applicable legal requirements.

The "Corporate Human Resources" division is responsible for ensuring that interests outlined in personnel policies are taken into account in dealings with employee representatives. This division defines the strategic and conceptual framework for labour, collective bargaining and social regulations, which are then implemented locally.

The "HR Business and Talent Development" division manages operational HR-related activities in Germany and at the international locations via the HR regions and the HR network. This division is responsible for the strategic management of processes and change management. The HR departments at the respective locations are responsible for implementing and realising proposals, with the specific actions varying from location to location.

* Assurance level: reasonable assurance.

Actions related to promoting social dialogue
Every two years, most recently in 2025, the BMW Group performs a Company-wide employee survey to measure the engagement of our employees and the performance of the organisation on the basis of the High Performance Organization Index (HPO-I). The next survey is planned for 2027.

The HPO-I indicator reflects the BMW Group's performance and future viability and is an important metric for the long-term management of the Company. The questions are reviewed before each employee survey and adapted to the current corporate and HR-related strategy as needed to take relevant new topics into account.

In addition to collecting key indicators, the employee survey aims to stimulate continuous dialogue. Each manager receives a summarised result for their area of responsibility, provided at least six responses have been received. Managers are required to discuss the outcomes with their employees and identify improvements and concrete measures for organisational development. The BMW Group's change management team supports managers in this with various workshop formats and guidelines. The employee survey includes questions on the assessment of the quality of the follow-up to the previous survey. Employees were asked whether they had been informed about the outcomes and whether measures had been identified and implemented. These outcomes are presented to the Board of Management and discussed. Changes in the perceived effectiveness of the follow-up process can be assessed by comparing the relevant responses with the previous survey.

In the survey in autumn 2025, the participation rate was higher than ever before at 90%. At the same time, the HPO-I improved again when compared to the last survey in 2023. 87% of the workforce would recommend the BMW Group as an employer. 89% of employees were convinced by the strategy of integrating sustainability and setting ambitious targets in this respect. Approximately 80% of respondents are optimistic about the future of the BMW Group. The topic of Compliance also scores well among the workforce, with 90% approval. Despite progress compared to the last survey, employees identified room for improvement in the optimisation of processes. The results of the survey will form the basis for concrete measures.

Another important opportunity for employees to get involved is the idea management system, which is a valuable source of improvements for the BMW Group. Employees can suggest improvements also outside the direct scope of their task. Awards are given for ideas which have positive impacts on the efficiency or sustainability of the BMW Group. Awards are dependent on the extent to which ideas are related to the submitter's area of responsibility. Numerous ideas were submitted in the reporting year. A significant number of these were successfully implemented and brought substantial benefits to the BMW Group. The proposals that were submitted focused on ideas with positive sustainability effects in particular.

The BMW EURO Works Council has been in place since 1995. It was established on the basis of an agreement reached with employee representatives. Corporate management communicates with this Council on a regular basis to make sure that the interests of employees are effectively represented at the European level. Through this institutionalised cooperation, the BMW Group ensures that the interests of employees are taken into account in decision-making processes at BMW Group level. At a European level, up to two meetings per year are held between the BMW EURO Works Council and corporate management. Workers' representatives from production sites outside Europe are also invited to attend.

The BMW Group is committed to maintaining the satisfaction and performance of its employees at all times in the context of social dialogue. Good operational cooperation at eye level is a fundamental principle of the BMW Group's corporate policy. This is demonstrated by the proportion of employees covered by collective bargaining agreements. Around 77%[1] of employees in the BMW Group are covered by collective bargaining agreements (2024: 78%[1]/–1.3%). In addition to the overarching metric for the BMW Group, the collective bargaining coverage is also calculated for countries in the European Economic Area (EEA) as well as outside the EEA where the BMW Group has a significant number of employees. For the BMW Group, these were once again Germany at 89% (2024: 89%/no change) and China at 100% (2024: 100%/no change) in the reporting year.

The workplace representation metric only looks at employees who are employed in a country in the EEA and in which the number of employees is significant. For the BMW Group, this is once again Germany in the reporting year at 100% (2024: 100%/no change).

In 2025, work stoppages lasted a total of 0[2] days (2024: 0 days/no change). The number of days idle for 2025 was 0[2] (2024: 0 days/no change).

[1] This metric has been reported in line with ESRS requirements since 2025. The figure for the previous year is an additional disclosure based on SASB. The metrics are comparable with each other.
[2] Additional disclosure, based on SASB ↗ SASB Index.

Percentage of employees who are covered by collective bargaining agreements and employee representation

	Collective bargaining coverage		Social dialogue
Coverage rate in %	Employees – EEA (for countries with >50 employees representing >10% total employees)	Employees – non-EEA (estimates for regions with >50 employees representing >10% total employees)	Workplace representation (EEA only) (for countries with >50 employees representing >10% total employees)
0–19%	–	–	–
20–39%	–	–	–
40–59%	–	–	–
60–79%	–	–	–
80–100%	Germany	China	Germany

Competency development and performance management

ESRS S1-2, S1-4, S1-5, S1-13

Just Transition – Developing competencies for the future

The BMW Group is committed to vocational training of young people and the continuous professional development of all employees. Technological progress and the transformation of the automotive industry require constant acquisition of new competencies and skills, especially in the future-oriented fields of electrics and electronics, electromobility, digitalisation with a focus on artificial intelligence and agile working methods. The BMW Group has adopted a forward-looking approach to the associated challenges facing its employment structure by systematically building up and transforming expertise. With its ↗ Just Transition Policy the BMW Group supports the transformation process for its employees.

Ongoing investment in vocational training and further education as strategic HR target

The BMW Group has committed itself to investing an amount in the mid-three-digit million range per year in vocational training and further education for all employee groups worldwide. In 2025, these investments totalled € 377.5 million* (2024: € 415.5 million/–9.1%).

Actions to ensure long-term high performance and employability

High-quality vocational training and further education is the foundation for a successful transition to electrified, digital and circular mobility. Training has a vital role to play in the BMW Group's ability to innovate and compete. It also opens up opportunities for employees in a changing world of work and specifically develops the individual skills of its employees through future-oriented vocational training and further education programmes to ensure that they maintain a high level of performance and employability over the long term.

The BMW Group opened the Talent Campus in Munich in 2025. This facility plays a key role in its training and further education programme. The BMW Group is investing in this flexible, tailored vocational training and further education infrastructure to develop its entire workforce and qualify our suppliers and partners. The Talent Campus underlines our commitment to Germany as a place of business and our social responsibility while driving growth and improving ability to compete.

During the reporting period, training focused on, among other things, building the specialist expertise required for the technological advancements represented by the NEUE KLASSE, developing digital skills including generative artificial intelligence, and compliance with standards and quality-related procedures across all areas of the Company.

The BMW Group uses a system-supported process called Training Needs Analysis to assess training requirements. It helps employees together with their managers to identify the training needs. This ensures that employees are provided with targeted training to address requirements in their respective area. Based on the required competencies, the identified needs are addressed with specific measures. The Training Needs Analysis takes place on a regular basis and supports the targeted development of skills in the workforce.

In 2025, the extensive training measures provided amounted to an average of 17.7 hours per employee (2024: 20.2 hours/–12.4%). The effectiveness of the training measures is assessed among others by using final tests. Evaluations provided by the participants also help to keep the quality of the training courses at a high level.

* Assurance level: reasonable assurance.

Actions related to the training and development of leaders based on the Leadership Competency Model

The development and training of leaders holds a central position at the BMW Group. This aspect plays a crucial role for successful corporate management. The training programme for leaders is based on the BMW Group's understanding of leadership and the Leadership Competency Model, which forms the basis for what the BMW Group expects and requires from leaders. A wide range of trainings and networking opportunities are provided for them, in addition to special workshop formats for management teams. The leadership qualification framework is modular, flexible and international to meet the growing need for networking, globalisation and high performance.

BMW Group development programmes to retain top talent at an early stage

In addition to an extensive range of vocational training opportunities, the BMW Group uses special development programmes to retain top talent at an early stage. Participants in the ProMotion doctoral programme write their dissertation in collaboration with the BMW Group. The globally oriented trainee programme AcceleratiON is aimed specifically at young people with leadership potential and prepares them for key roles of the future. As part of the student support programme Fastlane, the BMW Group supports students of STEM subjects during their master's degree studies. They also have extensive opportunities to enhance their competencies.

Vocational training, further education and future talents programmes fall under the "HR Services, Recruiting, Qualification" division. The HR departments at the respective locations are responsible for the local implementation and, if necessary, carry out additional individual and site-specific trainings.

Performance and career development processes

Every year, the BMW Group applies various performance and career development processes based on defined conditions and criteria. These are used on a regular and systematic basis to assess and develop the performance and potential of our employees. Depending on the specific process and the perspective role, both professional performance as well as leadership and social skills are assessed. The outcomes of these assessments play a vital role in staff development and can have an impact on remuneration. The aim of these processes is to strengthen the performance and future viability of the BMW Group. The Company pursues a holistic, Group-wide approach that combines performance assessment and talent development while also incorporating regional differences.

Percentage of all employees who have participated in regular performance and career development reviews

in %	2025	2024	Change in %
Percentage of total employees	82.8	81.3	1.8
Percentage of male employees	83.1	81.4	2.1
Percentage of female employees	82.0	81.2	1.0
Percentage of other employees	–	–	–
Percentage of not disclosed employees	21.1	13.6	55.1

Health and occupational safety

ESRS S1-1, S1-4, S1-14

Holistic health management policy

The BMW Group places a strong emphasis on maintaining employee health and high performance. The BMW Group evaluates its international occupational health and safety strategy on a regular basis, adjusting as needed. Suitable measures are developed, implemented and reviewed based on the defined vision. All plants operate under occupational health and safety management systems. All of these systems have been DIN ISO 45001 certified since 2025. This means that 100% of BMW Group employees, other BMW Group employees and temporary agency workers in the BMW Group work at a location that has an occupational health and safety management system (2024: 100%/no change).

Occupational health and safety standards

The BMW Group has established standards on various occupational health and safety topics to guide the implementation of safety measures. Regular assessments of methods and tools used in occupational health and safety ensure that internal requirements are improved on a continuous basis. Employee representatives are actively involved in this process and, where appropriate, with representatives for employees with severe disabilities and the HR department. The BMW Group conducts annual internal audits to ensure the quality of its processes. These audits verify compliance with occupational health and safety standards and ensure that legal health and safety requirements are complied with. Audits and certifications of sites are conducted by external service providers. All of the audits planned for 2025 were performed. The outcomes and the resulting measures were made available to all BMW Group sites. This is done to ensure consistently high safety standards across the BMW Group.

Integrating occupational safety along the value chain

The BMW Group regulates cooperation with contractual partners on safety-related aspects at its sites by way of a separate contractor declaration. At major BMW Group construction sites, all external workers of partner companies receive safety briefings from BMW Group experts. The contractor is responsible for providing safety instructions in the case of smaller orders. The department responsible for placing the order monitors compliance with the occupational health and safety regulations, supported by the relevant occupational health and safety department. Suppliers to the BMW Group are obligated to comply with internationally recognised occupational health and safety requirements via the ↗ BMW Group Supplier Code of Conduct, which is an integral part of the Purchasing Terms and Conditions.

Holistic health standards with access to in-house occupational health services

The variety of tasks at the Company's sites places extensive demands on occupational health and safety, which is controlled by the "Working Environment, Group Safety, Group Data Protection" division. Departments are responsible for compliance with the standards. The central functions provide these departments with support to assist with health management and occupational safety measures. Corresponding measures are implemented at the individual locations based on internal specifications, although local adjustments are possible. The BMW Group is committed to complying with the respective national occupational health and safety laws worldwide. In Germany, health services are under central responsibility. Outside of Germany, this is the responsibility of the individual locations and is regulated in accordance with the applicable legal requirements. The medical staff is made up of both BMW Group employees and employees of external service providers. It is important to the BMW Group that all employees have access to occupational health services. Additionally, the BMW Group's occupational physicians offer personalised advice on preventive measures and assist with designing the working environment to maintain the health and performance of employees in the long term.

Health service quality audits and training programmes

The BMW Group uses a comprehensive, multi-layered programme to ensure that high-quality health services are available. Internal and external training and development initiatives keep medical specialists and occupational health assistants current with the latest medical advancements. Annual audits are conducted in accordance with the DIN ISO 9001 and 45001 standards to assess this ongoing professional development. Emergency and rescue paramedics also participate in external training courses to enhance their skills and expand their knowledge. Individual locations are responsible for complying with country-specific statutory training requirements. They organise training courses with local service providers and are responsible for issuing certificates to document adherence to training requirements. Meetings are held to cover key health topics through regular discussions at a national and international level. Annual workshops bring together medical specialists and health managers to share their experiences, deepen their expertise and thereby contribute to keeping healthcare services at a high level.

As part of its training initiatives, the BMW Group provides occupational health and safety training for employees at all locations. Occupational safety trainings are assessed in consultation with experts in occupational safety and ergonomics. The seminar curriculum is drawn up in close collaboration with safety specialists, the Health Management department and the Training department. Development opportunities are provided for safety specialists based on the current state of the art as well as emerging specialist areas.

Health Initiative

The BMW Group has launched the "Health Initiative" to prevent illness and maintain employee performance. First aid is organised at the locations in accordance with local regulations. In the absence of specific requirements, the BMW Group applies German standards; these stipulate a first aider quota of 10% in production areas and 5% in administrative areas.

Prevention and health care

The BMW Group's international health management project groups are staffed by medical specialists and health experts. Their knowledge and experience provide valuable input for preventive measures. During the reporting year, these preventive measures focused on mental health.

In this context, multilingual lectures and dialogue formats with experts on the topic of mental resilience were conducted, highlighting the reciprocal influences between mental and physical health and offering options for action. The content is adapted to reflect the needs of our international sites and cultural differences.

The BMW Group focuses on low-threshold preventive measures to raise employee awareness of the importance of a healthy lifestyle. All available internal channels of communication are used. Action days, dialogue events and training courses are held on a regular basis to provide employees with information about and raise their awareness of relevant health issues. Furthermore, the preventive measures aim to reduce the number of musculoskeletal disorders that can arise from lack of exercise and incorrect physical strain, as well as metabolic disorders that are due to an unbalanced diet. Employees have access to programmes including the "6-week mental health programme" and events covering shift work, sleep hygiene and substance abuse. The reach and impact of these measures are quantified by analysing participation rates. Specific preventive actions are also evaluated to review and optimise their efficiency to the extent permitted by data protection regulations.

The BMW Group conducts comprehensive hazard and risk assessments to identify potential risks at work at an early stage. The aim is to take appropriate protective measures to prevent the health of employees being negatively impacted. Technical solutions take priority. All accidents at work are carefully documented. Analyses are performed to identify the root cause of accidents. Findings are taken from incidents of this kind and incorporated into the existing hazard and risk assessments with the intention of further improving preventive strategies and taking effective measures. Information about these accidents is exchanged within the occupational health and safety network. This exchange plays a vital role in preventing similar accidents at other sites and ensuring that the BMW Group makes continuous improvements in occupational health and safety on a Group-wide basis.

One example of the initiatives being used to promote safety at work is the global "Watch your path!" campaign, which ran until and including 2025. Analysis of accident black spots has shown that a significant number of accidents are related to walking, climbing stairs and cycling. The purpose of the "Watch your path!" campaign is to raise awareness of these activities and provide information on how to take precautions. The BMW Group analyses the campaign's effectiveness by comparing the latest accident figures to the initial metrics from the beginning of the campaign. This process not only measures success but also helps us to identify and implement further improvements when needed.

Accident frequency

The BMW Group uses these actions and campaigns to help reduce the number of occupational accidents and minimise our employees' exposure to potential health hazards. These occupational health and safety measures are part of a continuous improvement process, the effectiveness of which is assessed using an accident frequency rate.

The BMW Group has found no evidence of systemic or widespread physical injuries resulting from occupational accidents. All occupational accidents were isolated individual incidents. In 2025, there were 802 occupational accidents within the BMW Group (2024: 891 occupational accidents/–10.0%) and the accident frequency rate was 2.6 (2024: 2.9*/–10.3%).

There were a total of 4 fatalities due to work-related accidents (2024: 2 fatalities due to work-related accidents/+100%). These involved 1 BMW Group employee and 3 workers of external companies working at BMW Group's sites (2024: 2 workers working on the undertaking's site/50.0%). There were 0 reported fatalities due to work-related ill health during the 2025 reporting year (2024: 0/no change).

Number of work-related accidents and accident frequency rate

	2025	2024	Change in %
Total number of work-related accidents	**802**	**891**	**– 10.0**
Employees and other BMW Group employees	517	502	3.0
Temporary agency workers	285	389	– 26.7

	2025	2024	Change in %
Total rate of work-related accidents	**2.6**	**2.9***	**– 10.3**
Employees and other BMW Group employees	1.9	1.8	5.6
Temporary agency workers	8.3	10.7*	– 22.4

Number of fatalities from work-related injuries/accidents and other work-related ill health

	2025	2024	Change in %
Total number with fatalaties	**4**	**2**	**100.0**
Employees and other BMW Group employees	1	–	–
Non-employees	–	–	–
Workers working on the undertaking's site	3	2	50.0

Equal opportunities within the workforce

ESRS S1-1, S1-3, S1-4, S1-9, S1-SBM-3

People Engagement: strategic management of different perspectives and talents

The BMW Group considers a respectful working environment which ensures that all employees are valued to be a fundamental element of an open and inclusive corporate policy and the basis for successful collaboration. As part of People Engagement, the BMW Group fosters a working environment in which employees can contribute their different perspectives and talents to the Company's success and utilize their full potential. The BMW Group is committed to building a corporate culture of engagement and high performance while complying with national and international legislation.

The BMW Group does not tolerate discrimination of any kind. Every individual is entitled to a workplace that is free from discrimination, preferential treatment or harassment based on characteristics such as gender identity, skin colour, religion, nationality, political or other beliefs, ethnicity, disability, age or sexual orientation. This principle extends to other characteristics which are protected under local laws, including national minority status or former military affiliation (veteran status).

In the different focus fields

— Age and experience
— Equal opportunities for all genders
— Cultural background
— Physical and mental ability
— Sexual orientation and identity

the BMW Group plans actions and defines its global focus fields on an annual basis. The results are reviewed at the end of the year; these then form the basis for planning initiatives and measures for the following year.

* The previous year's figures have been adapted because the working hours for temporary agency workers were adjusted (difference compared to adjusted previous year's accident frequency rate for temporary agency workers 3.0); difference compared to adjusted previous year's accident frequency rate for employees 0.2).

The "HR Business and Talent Development" division is responsible for defining the strategic alignment in the area of People Engagement. Together with the HR departments at the individual locations, the division develops, manages and implements the corresponding measures. Additional programmes tailored to local needs are implemented and developed where required. The HR, Compliance and Legal departments are responsible for ensuring adherence to the principle of non-discrimination.

Increasing the share of women in management positions as a strategic HR target

We focused the share of women in management positions metric on BMW AG in Germany and established a target range of 20–25% for the four management levels below the Board of Management in Germany by 2030 as part of this year's strategy review.

This target covers the majority of management positions within the BMW Group and was selected to help us achieve the following strategic aims:

- Increasing performance and innovation via mixed teams
- High level of awareness of the needs of our customers and other stakeholders
- Unlocking women's earning potential

The target indicator is determined based on a comparison with competitors, development in previous years, planned staffing ratios and the percentage of women in STEM.

For the implementation of different target scenarios, a multi-year assessment is carried out to analyse the impacts on BMW Group's employee structure and ensure equal opportunities in terms of development. The multi-year simulation is calculated on the basis of the gender distribution in the workforce and the functional levels, as well as employees who join and leave. The HR department reviews the progress achieved and reports regularly to the Board of Management and the Supervisory Board, and at the annual meeting of Works Council representatives.

Actions related to the early identification and development of talent

Early identification and promotion of talent is crucial for increasing the share of women in management positions. The BMW Group is also aware of the need to achieve a high percentage of women in its future talent programmes. This is intended to ensure that the share of women in the total workforce and in management positions will continue to grow in the future. Maintaining a balanced gender ratio along with a wide range of perspectives and talents will contribute to the success of the BMW Group. To raise awareness, the focus is primarily on active communication and showcasing positive role models. To identify and develop international talent, a new onboarding guide was created and a network for sharing information and experience was established.

Gender distribution at management level*

	2025		2024		Change	
	headcount	in %	headcount	in %	headcount in %	share in %
Number of employees at management level	**12,647**	**100.0**	**12,755**	**100.0**	**– 0.8**	**–**
Male	9,866	78.0	10,003	78.4	– 1.4	– 0.5
Female	2,781	22.0	2,752	21.6	1.1	1.9
Other	–	–	–	–	–	–
Not disclosed	–	–	–	–	–	–

The distribution of employees by age group*

	2025		2024		Change	
	headcount	in %	headcount	in %	headcount in %	share in %
Total number of employees	**155,497**	**100.0**	**158,441**	**100.0**	**– 1.9**	**–**
Employees under 30 years	20,647	13.3	23,213	14.7	– 11.1	– 9.5
Employees between 30 and 50 years	98,925	63.6	99,954	63.0	– 1.0	1.0
Employees over 50 years	35,925	23.1	35,274	22.3	1.8	3.6

Number of employees by gender*

headcount	2025	2024	Change in %
Total number of employees	**155,497**	**158,441**	**– 1.9**
Male	124,322	127,317	– 2.4
Female	31,137	31,080	0.2
Other	–	–	–
Not disclosed	38	44	– 13.6

* Assurance level: reasonable assurance.

People engagement activities
The BMW Group promotes a respectful and discrimination-free working environment through a wide range of People Engagement activities. Employees have the possibility to participate in various networks, including Family and Women's Employee Resource Groups.

The BMW Group held international action days across the Company in 2025, including a number of events worldwide, such as panel discussions, workshops and hands-on activities. These activities raise awareness of different perspectives and talents and help to build a respectful and discrimination-free corporate culture.

In 2025, the BMW Group continued to work on actions related to physical and mental ability that were adopted in line with our general operating and inclusion agreement for employees with disabilities. This included expanding the training workshops for the deaf at BMW AG production sites. The BMW Group has international accessibility policies in place relating to construction, renting and IT access.

We use internal indicators to assess the effectiveness of our activities on a regular basis. The spirit of cooperation, dialogue with the internal networks and the biennial employee survey provide the BMW Group with important impetus and support for the further development of the actions that it takes in connection with People Engagement.

Training to ensure a prejudice-free working environment
We take targeted action against discrimination to foster a respectful and appreciative working environment. This includes the training course "Tackling Discrimination in the Workplace," which is mandatory for all employees in Germany. We also offer anti-discrimination training at our international locations.

Points of contact for employees
In addition to their managers, employees can contact relevant specialist departments, HR, the Works Council and representatives for employees with severe disabilities on matters relating to equal opportunities.

In addition, the ↗ BMW Group SpeakUP Line offers another point of contact available in 70 languages. All incoming cases are reviewed and processed. Appropriate action, including disciplinary measures, is taken where necessary.

Employees in Germany also have access to the Zero Tolerance hotline, an anonymous and professional support line which provides support on issues such as discrimination, bullying and sexual harassment in the workplace.

The BMW Group is not currently engaged in any court or arbitration proceedings in connection with cases of discrimination and related remedial action, which, in the Company's estimation, could have a material effect on its financial position. No reports received through the established notification systems were classified as material cases of discrimination.

Equal opportunities in the remuneration system

ESRS S1-1, S1-4, S1-16, S1-SBM-3

General principles of the BMW Group remuneration system
The BMW Group provides a comprehensive benefits package that includes attractive remuneration models as well as valuable additional benefits. These benefits vary by subsidiary and may include company pension schemes, insurance or mobility services. ↗ Benefits

We ensure that our remuneration system provides equal opportunities for all. Regardless of their gender and gender identity, skin colour, religion, nationality, political or other beliefs, ethnicity, disability, age or sexual orientation. ↗ Equal opportunities within the workforce

Actions related to ensuring fair remuneration
Uniform principles form the basis for a fair and balanced remuneration system for the BMW Group's employees. In terms of total remuneration, the BMW Group aims to ensure that our employees earn above average for the respective labour market. We do this by analysing annual global remuneration studies. We compare the remuneration provided to women and men on a regular basis to ensure gender-equal pay. Within the BMW Group, the level of performance and the results achieved by employees are an important factor in determining their remuneration. The BMW Group remunerates employees both for their individual and collective performances in accordance with local labour laws.

The ↗ Gender Pay Gap was –9.9% (2024:–10.9%/–9.2%). The gender pay gap in favour of female employees of the BMW Group is largely due to structural effects. As an automobile manufacturer, a large share of the BMW Group's employees work in production, where a disproportionately large percentage of the workforce is male. Given that wage levels are lower in production than for administrative or development roles, female employees benefit from an advantage when it comes to pay. The metric can therefore only be interpreted and compared to a limited extent, as it does not account for factors such as pay grades or country-specific wage levels, which makes its interpretation fundamentally difficult.

The ↗ Total Remuneration Ratio was also calculated for the first time. This metric represents the ratio of the highest-paid individual's annual total remuneration to the median annual total remuneration of all employees of the BMW Group. It was 1:72 in the reporting year. The metric can only be interpreted and compared to a limited extent, as it is influenced by factors such as regional differences in wage levels and the global composition of the workforce.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY IN THE SUPPLIER NETWORK

Material impacts, risks and opportunities	Type	Sub(-sub)-topic	Stage of the value chain	Policies	Targets	Specific actions
Inadequate working time impacts workers' income, well-being and living conditions at Tier-1 supplier locations.	Negative impact	Working time		– Multistage due diligence process to uphold environmental and social standards in the supply chain – BMW Group Supplier Code of Conduct	– Overarching targets for the procedures used to perform due diligence in the supplier network	– Commitment to initiatives – Risk analysis – Sustainability questionnaire (online assessment) – On-site assessments of supplier locations (on-site assessment) – Complaints procedure – Analysis of the effectiveness of the processes and measures implemented
Inadequate wages in the Tier-1 supply chain can potentially lead to negative impacts on workers, such as poverty and related societal issues.	Negative impact	Adequate wages				
Insufficient occupational safety and health conditions at Tier-1 supplier locations can potentially lead to a negative impact on workers, such as physical injuries or diseases.	Negative impact	Health and safety				
Violence, harassment and discrimination at Tier-1 supplier sites negatively impact the living and working conditions of workers.	Negative impact	Measures against violence and harassment in the workplace				
The use of child labour at Tier-1 supplier locations could deny affected children access to education and a normal childhood, while exacerbating poverty and social inequality.	Negative impact	Child labour				
Restrictions on employment freedom at Tier-1 supplier locations can potentially lead to negative impacts on workers' living and working conditions.	Negative impact	Forced labour				
Inadequate working time at n-Tier supplier locations can potentially lead to negative impacts on workers' wellbeing and living conditions.	Negative impact	Working time		– Process for responsible raw material management – Raw materials strategy » Raw materials security and strategy – BMW Group Supplier Code of Conduct	– Overarching targets for the procedures used to perform due diligence in the supplier network – Objectives for local projects	– Risk analysis – Reduction of critical virgin raw materials – Certification and traceability of raw materials supply chains – Commitment to initiatives – Implementation of local projects – Complaints procedure – Analysis of the effectiveness of the processes and measures implemented
Inadequate wages in the n-Tier supply chain can potentially lead to negative impacts on workers, such as poverty and related societal issues.	Negative impact	Adequate wages				
Imposing barriers on employee participation at n-Tier supplier locations can potentially lead to negative impacts on workers' rights and freedom of association.	Negative impact	Freedom of association, including the existence of work councils				
Insufficient occupational safety and health conditions at n-Tier supplier locations can potentially lead to a negative impact on workers, such as physical injuries or diseases.	Negative impact	Health and safety				
The use of child labour at n-Tier supplier locations could deny affected children access to education and a normal childhood, while exacerbating poverty and social inequality.	Negative impact	Child labour				
Restrictions on employment freedom at n-Tier supplier locations can potentially lead to negative impacts on workers' living and working conditions.	Negative impact	Forced labour				

Material impacts, risks and opportunities	Type	Sub(-sub)-topic	Stage of the value chain	Policies	Targets	Specific actions
Providing training and capacity building can impact the skills and capabilities of the workers at suppliers' locations.	Positive impact	Training and skills development		– Multistage due diligence process to uphold environmental and social standards in the supply chain – BMW Group Supplier Code of Conduct	– Objectives for local projects	– Implementation of local projects – Training programme – Analysis of the effectiveness of the processes and measures implemented

Upstream material Own operations material Downstream material

Due diligence in the supplier network

ESRS S2-1, S2-4, S2-SBM-3

Compliance with environmental and social standards is a key principle in the BMW Group's purchasing and supplier network. This includes, in particular, respect for human rights and related environmental standards and ethical business principles. Particular emphasis is placed on the responsible procurement of raw materials. The circular economy also makes a significant contribution to environmental and human rights issues given that it reduces, among other things, the need for primary raw materials. ↗ Circular Economy and Resource Use

In the upstream value chain, the workforce employed by the BMW Group's suppliers could potentially be affected by material negative impacts. This does not only affect the workforce in the production plants of direct suppliers, but also people who work in the extraction and processing of raw materials. In most cases, actual significant negative social or environmental impacts are the result of individual incidents. They are identified either via the BMW Group's control mechanisms, such as on-site assessments, or via various grievance mechanisms for reporting potential violations. Based on the LkSG risk analysis, a significant risk of restrictions on employment freedom in Taiwan was identified. Concrete measures are being taken to counter this (project within the sector dialogue) ↗ Commitment to initiatives. Negative impacts may result in risks of shortages or delays in the BMW Group's supply chain.

Multi-stage due diligence process

The BMW Group has a multi-stage due diligence process in place that covers a range of topics related to environmental and social standards in the supply chain. This firmly embeds responsibility for environmental and social standards in the supply chain within all relevant areas of the BMW Group. Environmental and social standards have been integrated into the development of components, commodity strategies, supplier development and the target management process. They are also used as mandatory criteria to be observed as part of our procurement processes.

Among other things, it takes into account the material impacts and risks in such areas as working conditions, equal treatment and opportunities, as well as other work-related rights. Environmental aspects such as pollution of water and soil, water, resource use and waste are also included. ↗ List of material Impacts, Risks and Opportunities

The ↗ Due diligence process for ensuring compliance with environmental and social standards in the supplier network is presented in detail on the BMW Group Website.

BMW Group Supplier Code of Conduct

The BMW Group sources components, materials and other services from a large number of manufacturing and distribution sites worldwide. The related social and environmental due diligence requirements are specified as minimum requirements for suppliers in the ↗ BMW Group Supplier Code of Conduct. The "BMW Group International Terms and Conditions for the Purchase of Production Materials and Automotive Components" apply to suppliers of production material and vehicle components. The General Terms and Conditions for Indirect Purchasing apply to suppliers of non-production-related material.

Upon conclusion of the contract, suppliers that have a direct business relationship with the BMW Group (direct suppliers) undertake, on the basis of the BMW Group Supplier Code of Conduct, to ensure that the stipulated human rights and environmental requirements are met and that these requirements are also extended to suppliers that do not have a direct business relationship with the BMW Group (indirect suppliers).

The BMW Group Supplier Code of Conduct is based, among other things, on the following external frameworks and guidelines and incorporates relevant requirements:

- German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz [LkSG])
- International Bill of Human Rights, consisting of the United Nations (UN) Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR)
- UN Guiding Principles on Business and Human Rights
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) and ILO Convention 169
- Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Companies and the
- Ten Principles of the UN Global Compact

The BMW Group Supplier Code of Conduct contains clear provisions on responsible business practices, environmental responsibility, social responsibility and the use of critical raw materials. The "Social Responsibility" section of the BMW Group Supplier Code of Conduct deals extensively with working conditions and human rights. This includes, among other things, the issues of child and forced labour, slavery and human trafficking. Freedom of association and the right to collective bargaining, protection against discrimination, and the right to health and safety in the workplace are also discussed at length. The section on environmental responsibility focuses on the reduction of air, water and soil pollution, and addresses the topics of decarbonisation, resource conservation and the circular economy. This includes lowering the consumption of energy, water and raw materials. The section also covers measures to protect biodiversity and the responsible handling of hazardous materials and waste. This includes, among other things, the application of the Minamata Convention, the Stockholm Convention, the Basel Convention and the REACH Regulation, in addition to other laws and provisions on the handling of hazardous materials, chemicals and substances.

Targets related to preventing negative human rights and environmental impacts

ESRS S2-3, S2-4, S2-5

The BMW Group maintains a holistic overview of environmental and social standards within its supplier network. Our overarching objective is to protect our business activities against negative human rights and environmental impacts.

The procedures followed to perform due diligence in the supplier network are connected with overarching targets (upstream E2, E3 and E5). The targets apply to the current financial year and are reviewed on a quarterly basis. They also have a direct impact on the remuneration of the Board of Management and senior executives and are determined using a comprehensive internal consultation process. We use stakeholder dialogues and other formats to record the concerns of external stakeholders. We apply this approach across the entire BMW Group regardless of region.

The BMW Group has set itself the goal that all direct supplier sites that have completed an assessment shall meet locally applicable statutory requirements for sustainability as well as international human rights standards (BMW Group minimum requirements). We measure our progress in this area using completed closure assessments that identify violations and on-site assessments carried out as part of the reverification process. A total of 36 closure assessments were conducted. We ensured compliance with the BMW Group's minimum requirements based on successful closure assessments (32) or by agreeing remedial measures (4). ↗ Preventive and remedial measures

Another objective is to correct any substantiated (verified) evidence of environmental or human rights violations in the upstream supply chain by arranging remedial measures. We also track how much progress has been made with each substantiated report. No indication (0) submitted through the reporting channels proved to be substantiated in the reporting year. ↗ Complaints procedure

Overview of actions related to the BMW Group due diligence process

ESRS S2-1, S2-2, S2-3, S2-4, S2-5

Commitment to initiatives

The Purchasing and Supplier Network division is responsible for developing and implementing due diligence processes within the supply chain. When integrating corporate due diligence into business processes, the BMW Group relies as far as possible on standardised procedures developed by industry-specific or cross-industry initiatives. The Company is committed to the view that standardisation and concerted action represent the best way to ensure compliance with environmental and social standards in complex and dynamic supplier networks. It is for this reason that the BMW Group is involved in a number of industry-wide and cross-sector initiatives. These include the sector dialogue initiative (Branchendialog Automobilindustrie), the Supply Chain Sustainability Working Group of the German Association of the Automotive Industry (VDA), the Responsible Business Alliance (RBA) and Drive Sustainability. Some of these are multi-stakeholder initiatives involving companies such as the BMW Group as well as trade unions and NGOs which represent the interests of workers in the value chain. The sector dialogue (Branchendialog Automobilindustrie) focusses, for example, on a project that addresses recruitment fees that restrict freedom of employment and worsen workers' living and working conditions. The purpose of this project is to increase transparency around recruitment practices in countries like Taiwan and define practical steps which can be taken to promote fair recruitment and improve conditions for workers. The BMW Group is committed to these initiatives on an ongoing, active and permanent basis.

Standardised procedures are embedded in the procurement process. These include the industry-wide sustainability questionnaire developed by the Drive Sustainability initiative (online assessment) and risk-based assessments at supplier sites (on-site assessments) in accordance with the standards of the Responsible Business Alliance (RBA) and the VDA´s Responsible Supply Chain Initiative (RSCI). These procedures enable expectations regarding human rights and the environment to be considered when direct suppliers are selected.

A comprehensive analysis of the effectiveness of the due diligence procedures in the supplier network was developed in accordance with the requirements of the German Supply Chain Due Diligence Act (LkSG). It includes a functionality assessment and a performance assessment, is conducted regularly and refined on an ongoing basis. The functionality assessment focuses on due diligence instruments and procedures in the supply chain, such as risk analysis, the complaints procedure, and preventive and remedial measures. It can be used to identify weaknesses in the process. The findings of the analysis are incorporated into an ongoing enhancement process. The performance assessment focuses in particular on preventive and remedial measures. The results and conclusions make it possible to implement targeted measures to enhance the due diligence process effectively.

Risk analysis and control mechanisms

The BMW Group consistently monitors and assesses the sustainability risks in its supplier network at both potential and active supplier locations. A variety of internal and external industry-standard data sources are used to identify and assess abstract environmental and human rights risks. These include country- and commodity-specific indicators, as well as media analyses at Group and site levels. The findings of the standardised online and on-site assessments form the basis for a specific risk analysis of direct suppliers, which is carried out annually and when circumstances require it. The inspections of supplier sites are generally carried out by external third parties or, to supplement quality assurance, by BMW Group's sustainability experts.

The online and on-site assessments are also used to establish if the supplier is complying with the standards set out in the BMW Group Supplier Code of Conduct. By signing a contract, direct suppliers undertake to implement, expand or continue to implement the necessary preventive or remedial measures, as well as control measures such as ISO certifications (DIN ISO 14001 and DIN ISO 45001), within a specified period. Depending on the risk, the requirements are to be extended to their suppliers. The extent of the preventive measures is based on the potential risks, the nature and scope of the business activity and the size of the supplier. These measures are queried, validated and evaluated as part of the procurement process using the online assessment. The aim is to minimise potential risks or to eliminate any deficiencies. In the reporting year, 7,891 supplier sites with contract volumes that exceeded the relevant threshold were assessed using the online assessment. (2024: 12,078 supplier sites/–34.7%) ↗ Purchasing and Supplier Network. If deviations from the BMW Group's requirements are identified, the Purchasing department agrees preventive measures with the supplier and monitors their prompt implementation. In the reporting year, 84% of the suppliers of production-related material implemented the specified preventive measures at the time of awarding (2024: 79%/+6.3%). A further 10% of the suppliers of production-related materials had agreed on specified preventive measures at the time of awarding (2024: 17%/–41.2%). Suppliers of production-related goods and services are required to successfully implement the measures up to the start of production. As part of the internal target management system, the implementation status of the externally validated prevention measures is assessed in the year in which production starts.

The BMW Group has put control mechanisms in place for direct suppliers in high-risk regions or high-risk commodities. Key instruments in this respect are on-site assessments of environmental and social standards at supplier sites using industry-wide or cross-industry assessment programmes, such as the RDA's Validated Audit Program (VAP) as well as the RSCI. In the reporting year, the Company inspected a total of 102 active and potential supplier sites (2024: 132 supplier sites/–22.7%). On-site assessments also include interviews with the workforce at the supplier sites being inspected to identify actual or potential impacts.

Preventive and remedial measures

Remedial or preventive measures are taken where risks or actual or potential impacts are identified at direct suppliers and, when circumstances require it, at indirect suppliers. These actions form an integral part of our processes ↗ Risk analysis and control mechanisms. They apply across all topics relating to due diligence on environmental and social standards in the BMW Group supply chain and are based on the requirements laid down by the LkSG. The measures are not limited to individual issue-specific content.

In order to achieve positive impacts preventively, the BMW Group provides mandatory training for its own purchasing staff on a needs basis. The BMW Group also provides voluntary training for purchasing staff, process partners and suppliers on the topic of sustainability in the supply chain. In addition, training documentation is reviewed by the direct suppliers for their own field of business. The training courses explain how environmental and social standards are interrelated and clearly communicate the BMW Group's expectations and due diligence measures. Participants in the training programme are made aware of the importance of due diligence in the supply chain and learn how to identify and minimise risks. The BMW Group provides specific training both as part of a comprehensive skills development programme and in special seminars for suppliers, such as a certified training course on the topic of sustainability. Moreover, suppliers can also access industry-wide training programmes run by initiatives such as the RBA, in which the BMW Group is involved. These training programmes are, among other things, integrated into the process of conducting on-site assessments at supplier sites as an additional measure to increase their effectiveness.

Where risks or actual or potential impacts are identified during on-site assessments, individual measures are put in place to prevent or minimise them. This approach is a standard part of the follow-up to the assessments. In these cases, the supplier draws up an action plan to remedy the findings. The BMW Group monitors the implementation of the measures in cooperation with the RBA and the RSCI. Suppliers are provided with training to support their efforts. If the findings are categorised as severe, the effectiveness of the agreed measures is verified in an on-site closure assessment.

In 2025, 32 of the 36 closure assessments carried out found that all violations of the BMW Group's minimum requirements (priority non-conformities) identified in the initial assessments had been remedied (2024: 22/+45.5% of 28/+28.6% closure assessments). In 4 cases, the closure assessment performed was not yet able to confirm that the agreed actions had been implemented successfully (2024: 6 cases/–33.3%). In these cases, the BMW Group and suppliers jointly agreed on measures again. A further inspection in the form of another on-site assessment has been planned in all of the cases. Five cases dating from 2024, where the closure assessment initially was not able to confirm that the measures had been implemented, have since been resolved by the suppliers. The effectiveness of the remedial measures was confirmed in further on-site assessments conducted in 2025.

Complaints procedure

The BMW Group has established internal systems to protect its business operations from negative impacts related to human rights and the environment, and to correct any substantiated (verified) evidence of environmental or human rights violations in the upstream supply chain by arranging remedial measures. The instruments are accessible to employees, suppliers and other third parties alike. For more on the BMW Group Compliance Organisation's notification system, see » Compliance and whistleblower systems.

In addition to established internal grievance mechanisms, the BMW Group continuously monitors and tests new applications developed by external organisations, such as those of the RBA. These can be added to the existing complaints system as needed. Since 2024, the BMW Group has been involved in a working group of the Sector Dialogue Automotive Industry on establishing and trialling a Company-wide complaints mechanism in Mexico. Information on the reporting channels available can be found on the BMW Group website and elsewhere. In the case of Company-wide channels, communication also takes place via the relevant initiatives. All notifications received are checked and, using a Group-wide electronic case management system, documented and processed. In the reporting year, 27 notifications of potential violations of the sustainability principles in the supply chain were received through the reporting channels (2024: 22 notifications/+22.7%).Of these, 10 were resolved in the reporting year, with none of the indications turning out to be justified (2024: 16 resolved notifications/–37.5%, 0 justified). If the notifications are substantiated, we work with the supplier to initiate suitable remedial and preventive measures. A target date is agreed by which time the implementation of each measure is to be completed. The measures undertaken are evaluated after the deadline has passed.

If a supplier refuses to implement the necessary remedial measures, an adjustment may be made to the supply chain. If necessary, the business relationship will be suspended temporarily while efforts are made to mitigate the risk. A termination of the business relationship will only be considered if no other effective means are available and the Company is unable to further leverage its ability to exert influence. The BMW Group strives to avoid this scenario by carefully selecting suppliers and providing them with the skills and support they need to further improve their own performance with regard to sustainability. In addition, the Company plays an active role in cross-sector initiatives to address systemic issues in a sustainable manner. In the reporting year, no existing supplier relationship was terminated due to severe sustainability violations.

Responsible raw material management

ESRS S2-2, S2-4

For the BMW Group, the responsible procurement of raw materials is the result of a holistic approach that takes economic, environmental and social aspects into account. Annual risk analyses of the BMW Group's raw materials portfolio form the basis for raw material-specific preventive and remedial measures to reduce environmental and human rights risks. ↗ Further information and raw material profiles are available on the BMW Group website. For an overview of the raw materials strategy, see » Raw materials security and strategy.

One approach is to reduce the use of critical primary raw materials. In this context, the BMW Group's secondary raw materials strategy, which aims to increase the share of secondary raw materials, is paramount. ↗ Circular Economy and Resource Use

Supply chain mapping forms the basis for analysing risks at indirect suppliers. Therefore, the Company works continuously to increase transparency throughout its supply chain, making use of external databases, among other things. In addition, the conditions for certifying raw material supply chains are undergoing continuous development.

The BMW Group focuses on close cooperation with its partners in its supplier network and is continually involved in specific raw material and cross-commodity initiatives and projects, such as the Initiative for Responsible Mining Assurance (IRMA), the Responsible Minerals Initiative (RMI), the Towards Sustainable Mining (TSM) initiative and the Aluminium Stewardship Initiative (ASI). The objective of this collaboration is to create a uniform international basis for the certification of raw material production and processing and to increase the acceptance and adoption of recognised standards. This is intended to accelerate their implementation along the supply chain. Maintaining an ongoing dialogue with civil society and other relevant stakeholders in the supply chain as part of these initiatives and projects is a key component in dealing with critical raw materials. These initiatives are multi-stakeholder efforts in which all relevant parties work together to achieve improved environmental and social standards

within the industry. The views of NGOs and affected population groups are taken into account in the decision-making processes.

With regard to what are known as ↗ Conflict minerals tin, tantalum, tungsten and gold (3TG), the BMW Group regularly uses RMI tools. This enables to trace raw materials back to the smelter.

Moreover, for selected raw materials the BMW Group is committed to the principle of "empowerment before withdrawal". Local projects are operated in collaboration with project partners and local stakeholders and may be run for several years. Currently, this concerns the raw materials cobalt, lithium, mica, natural rubber and nickel. These projects aim to achieve specific goals, and their success is measured using performance indicators.

Sustainability assessment of relevant supplier sites[1]

	2025	2024	Change in %
Number of evaluated supplier sites	7,891	12,078	– 34.7
Proportion of suppliers of production-related material with implemented preventive measures at the time of awarding (in %)	84	79	6.3
Proportion of suppliers of production-related material with agreed preventive measures at the time of awarding (in %)	10	17	– 41.2

Indications of potential violations in the supply chain

	2025	2024	Change in %
Number of notifications of potential violations of our sustainability principles received through our reporting channels	27	22	22.7
of which number of notifications that were clarified during the reporting year[2]	10	16	– 37.5
of which number of justified notifications that were clarified during the reporting year[3]	–	–	–

[1] Basis: industry-specific sustainability questionnaire (online assessment).
[2] All indications are processed until they are fully resolved, if necessary over several financial years. 17 indications received in 2025 were still at the internal processing stage at the end of the financial year and had not yet been fully resolved. Similarly, nine indications from previous years that had not yet been resolved by the end of the 2024 financial year were still being processed in 2025. Five of these indications were resolved in 2025 and were proven unjustified. The remaining indications will continue to be processed in the next financial year.
[3] No indication submitted through the reporting channels proved to be substantiated in 2024 and in the reporting year.

CONSUMERS AND END-USERS

Material impacts, risks and opportunities	Type	Sub(-sub)-topic	Stage of the value chain	Policies	Targets	Specific actions
The BMW Group is responsible for handling customer data transparently – insufficient traceability of data collection, storage and use can prevent customers from making informed decisions about individual use of their personal data.	Negative impact	Privacy		– Systems-based incident management as part of the information security management system (ISMS) – Policies for the safe handling of customer data in IT	– Securing departmental IT – Data protection projects on the rights of data subjects	– Strengthening customers' personal responsibility in relation to their personal data – Established Passkey procedure – Synchronised and automated implementation of data subject rights
The BMW Group is responsible for secure handling of customer data – incidents that comprise the security of personal data can negatively affect the personal rights of customers.	Negative impact	Privacy				
The BMW Group is responsible for the safety of its vehicles – quality and product defects can compromise the safety of customers and other road users.	Negative impact	Health and safety		– Corporate quality ensures that the highest quality and safety standards are met	– All BMW Group products and services are required to meet the highest standards in terms of quality and safety – Addressing 100% of complaints regarding safety-related deficiencies within one year	– Implementation of product quality and product safety standards – Encouraging and empowering customers to drive safely
BMW Group vehicles can contribute to overall traffic safety.	Positive impact	Health and safety				
Providing high-quality information on performance features and environmental impacts across the entire lifecycle of products and services enables customers to make informed purchasing decisions.	Positive impact	Access to (quality) information		– Customer experience at the core of the customer, brand and sales system (sales strategy framework)	– Customer orientation (increasing customer satisfaction)	– Training for employees in direct contact with customers – Review and optimisation of processes and responsibilities
Providing access to high-quality information, direct contact options and proactive vehicle safety warnings protects BMW Group customers from harm.	Positive impact	Access to (quality) information		– Customer experience at the core of the customer, brand and sales system (sales strategy framework)	– Customer orientation (increasing customer satisfaction)	– Enhanced transparency via the vehicle footprint – Provision of owner's manuals and safety booklets
Financial opportunities arise from positive reputation, loyalty and trust because of high customer satisfaction with purchasing decisions which are made possible by providing access to high-quality information.	Opportunity	Access to (quality) information				

Upstream material Own operations material Downstream material

Customer orientation

ESRS S4-1, S4-2, S4-5, S4-SBM-3

Characteristics of consumers and end-users

ESRS S4 relates to a company's consumers and end-users. The BMW Group defines these stakeholders as all those who choose its products and services. In the materiality assessment, all consumers and end-users were considered on an equal footing, in line with this definition. No differentiation was made between specific groups of people.

At the BMW Group, consumers and end-users comprise customers purchasing new and pre-owned vehicles of all brands, products from the Financial Services segment or digital services such as ConnectedDrive. The Company makes a distinction between customers purchasing new vehicles for private or business use. Private customers purchase a vehicle for their own personal use in their own name and for their own account through purchase, financing or leasing. By contrast, business customers (Corporate Sales, B2B) purchase, finance or lease vehicles on behalf of and for the account of their businesses.

As a global company, the BMW Group bears a social responsibility across the entire value chain. This also includes ensuring that fair working conditions and human rights are upheld in the sales organisation. ↗ Social Responsibility

The BMW Group always focuses on the customer

The BMW Group's consistent focus on the customer is the basis for its endeavour to create the best customer experience in the area of mobility. The NEUE KLASSE is an expression of the Company's transformation within the strategic areas of focus: electromobility, digitalisation and circularity.

The BMW Group entered the next era of individual mobility in September 2025 when it unveiled the first model of the NEUE KLASSE – the new BMW iX3*. The NEUE KLASSE is a major leap forward in terms of technology, driving experience and design. The entire product range, irrespective of drivetrain technology, will benefit from the innovations introduced by the NEUE KLASSE.

The BMW Group's Customer, Brands and Sales (CBS) system makes customer experience the focus of all its marketing and sales activities. Key elements include the seamless linking of digital and physical contact points, as well as addressing customers directly. CBS also drives the process of enhancing processes, systems and structures ↗ Providing information that meets the needs of our customers. Within the Company, the "Strategy, Customer Experience, Sales Management and Digitalisation" division is responsible for implementing the sales strategy. The relevant departments are responsible for implementing the measures.

Analysing market trends and brand perception

To identify customer perceptions and needs in relation to the Company, brands as well as products and design, specialist departments focus on monitoring and analysing market trends and the changing dynamics of environmental conditions. The "Corporate Strategy" division is ultimately responsible for market research.

In addition, surveys are regularly conducted among new car buyers about the product portfolio of the BMW Group's brands. The perception of the individual brands BMW, MINI, BMW Motorrad and Rolls-Royce among buyers and potential buyers of premium and luxury vehicles is surveyed neutrally and analysed in detail on a regular basis. The gained customer insights are integrated in brand and marketing strategies. These play a key role in how to address BMW Group's target groups, design advertising and communications. These findings are taken into account in specific strategies for sales and product design. All of this plays a major role in ensuring that the actions of the BMW Group are closely aligned with customer needs. Furthermore, feedback from the general public and experts is incorporated into the process.

Ensuring customer satisfaction

Customer satisfaction and enthusiasm are at the core of the customer relationship and form the basis for the long-term economic success of the BMW Group and its profitability.

The "Corporate Quality" division continually collects and analyses data to ensure a high level of customer satisfaction. Surveys that collect feedback on product, sales, service and digital offerings provide in-depth insights into the customer experience. Feedback on the BMW, MINI and BMW Motorrad brands and the services provided is systematically collected after a purchase as part of customer satisfaction surveys. Customers can submit their responses over a period of several weeks and make use of a variety of touchpoints in sales and service processes. In addition, customers are surveyed using market research methods in the first few months after taking delivery of their new vehicle regarding their use and satisfaction with the product.

The results of the surveys contribute directly to further improving processes. Together with the relevant departments, a catalogue of measures is drawn up based on a detailed analysis of feedback from customers. This includes the following points:

- Training for employees in direct contact with customers, both within the Company and the sales organisation
- Review and optimisation of processes and responsibilities

To measure its success, the Company refers to a specific indicator in its core markets each year. The survey includes feedback from customers who interacted with BMW Group sales and service operations during the period of the survey. The insights gained are used to optimise processes and the product, sales and service experience for customers.

* ↗ Consumption and Carbon Disclosures.

Providing information that meets the needs of our customers

ESRS S4-2, S4-3, S4-4, S4-5

Solutions-focused customer service

The BMW Group provides numerous ways for customers to contact the Company. The BMW Group offers AI chatbots and self-service tools to answer customer enquiries intuitively in an increasing number of countries. Customers can submit their concerns to the Customer Interaction Centre (CIC) by phone, email and post. A web form and online chat feature is also being rolled out to more and more countries. CIC agents who handle enquiries from customers go through mandatory training to ensure a high quality standard. ↗ BMW Group Code of Conduct

Once a CIC receives a customer request, the first step involves a CIC employee logging and categorising it. For product-related queries, vehicle data is recorded once the person has identified themselves. Standardised processes ensure that they are dealt with quickly and in a solution-oriented manner. CIC agents have access to an extensive knowledge base covering products, technologies and services and are using AI tools with increasing frequency. At the end of the process, customers are invited to assess how well the issue was resolved. CICs work on behalf of local companies. This ensures that specific national or regional regulations relating to standards, systems and partner contracts are taken into account.

Other means of contact can be used beyond the CICs and self-service options. For example, customers may reach out to the Company's global sales network for direct and personal support. The My BMW, MINI and BMW Motorrad Connected apps also provide assistance. Furthermore, external social media channels operated by the BMW Group provide customers and other interested parties with the opportunity to express their request.

High-quality contact with customers

During the reporting period, the BMW Group took additional steps to maintain and ensure the high quality of the processing of enquiries regarding products and services across all touchpoints. The "Customer Support" division ensures that customer care processes, digitalisation and organisational structures are managed on a holistic basis.

Definition and implementation of sales targets at the BMW Group

Strategic targets for the sales organisation are defined as part of the overall Company-wide strategy process. This provides for the permanent and long-term monitoring of the variables and the management of the measures geared towards achieving our goals. In this context, the Board of Management decides each year on the continuation of existing targets and the adoption of new ones, or any necessary adjustments. Once approved by the Supervisory Board, the results are integrated into BMW Group's target system. These targets are converted into specific requirements for the individual departments. This ensures that the implementation of the targets is closely monitored and that success in achieving them can be measured specifically. ↗ Performance Indicators and Performance Management

The customer focus performance component (product and customer service quality) was set as a non-financial target for the Board of Management in the reporting year. Customer satisfaction serves as a performance indicator.

As part of the overall target management process, the Company reviews the progress made in achieving targets over the course of the year. The results, including any necessary adjustment measures, are reported regularly to the Board of Management and the Supervisory Board.

Access to quality information

The BMW Group provides extensive documentation to ensure the safe use and operation of its products and services, as well as information on the broad range of options offered by (digital) services. Subject areas range from product and data safety to how to operate the product through to health and safety, and information on accessories and parts. The documents are available both in printed form, for example owner's manuals and safety booklets, and digitally, accessible via the vehicle or the Driver's Guide app.

In addition, the "Customer Journey, Customer Experience and Touchpoints" department was established as part of a strategic realignment of the "Strategy, Customer Experience, Sales Management, Digitalisation" division. The aim is to further enhance the provision of information to customers. By combining content and channels, we can ensure that customers have access to consistent, reliable and accurate information across all touchpoints. In doing so, the needs of all customers are addressed equally.

Making sustainability transparent

In its communications on sustainability, the BMW Group focuses on openness and transparency, which are backed up by targeted measures and processes. This is also in response to expectations within society regarding the environmental credentials of products and services, and legal requirements.

The Company has extended the disclosure of sustainability information to the product level. The vehicle footprint provides a summary of key vehicle data, including information on fuel consumption/energy requirements, carbon emissions over the entire life cycle of the vehicle, the use of secondary materials, and important social sustainability factors. We have made the vehicle footprint for all new BMW and MINI models available from market launch onwards since 2023. We published the vehicle footprint for the BMW iX3 50 xDrive* at the time of its world premiere in 2025.

* ↗ Consumption and Carbon Disclosures.

BMW and MINI customers can also use the My BMW and MINI apps to obtain access to detailed personal driving and efficiency statistics, which can help them to analyse their driving behaviour and their fuel consumption. The BMW Motorrad Connected App gives users an overview of their personal ride statistics for analysis.

Data security and data protection

ESRS S4-1, S4-2, S4-3, S4-4, S4-5

Customer data protection

A relationship with our customers built on trust is of great importance to the BMW Group. In accordance with applicable laws, priority is given to protecting privacy, maintaining confidentiality and ensuring the integrity of personal data.

The "Group Data Protection" division performs the role of BMW AG's Data Protection Officer and coordinates the global data protection network. Its main responsibilities involve monitoring compliance with data protection laws and providing training for employees to ensure that personal data is handled in line with legal requirements.

The division advises on new projects and ensures compliance with data protection requirements. In this capacity, it acts independently and without being subject to outside or hierarchical direction. It works closely together with the relevant data protection authorities, especially when it comes to fundamental issues arising out of the growing connectivity of vehicles.

BMW Group target: ensuring that data is processed accurately and securely

The BMW Group uses the term "customer trust" to denote trust that data is processed correctly and securely, which is the cornerstone of a sustainable business relationship. A systematic approach to incident management plays a key role in the prevention, early detection and effective resolution of risks related to customer data. Incident management is an integral part of the information security management system (ISMS) and operates worldwide in cooperation with the Customer Data Delegates (CDDs). The CDD role is firmly established within the sales companies, financial services companies and central divisions. The global CDD network ensures that teams carry out their tasks consistently and efficiently.

The following ongoing measures and targets are being implemented and are due to run until 2026:

- Internal auditing of sales companies
- Setting up of project teams to secure departmental IT
- Data protection projects on the rights of data subjects
- Regular global and regional CDD workshops

Dealing with the opportunities and risks associated with digitalisation

Advancing digitalisation and automation open up numerous opportunities. Areas where artificial intelligence is applied, e.g. in self-driving cars, in the optimisation of production processes or personalised customer experiences, offer great potential, but also entail risks, such as risks to data privacy and cyber security.
↗ Risks and Opportunities

The BMW Group is committed to continuously improving its processes and systems so that it can take opportunities and mitigate risks. Any identified data protection risks with the potential to have systemic or individual impacts are addressed without delay. In the reporting year, the following measures in particular were implemented or expanded to ensure data quality and enhance data security:

- Consolidation and revision of customer profiles to ensure data consistency and accuracy
- Support from CIC to guide customers in using their data responsibly
- Establishment of the Passkey procedure as a particularly secure way to register for online services
- Implementation of a system-wide approach for a synchronised and automated exercise of data subjects' rights in accordance with the GDPR.

Furthermore, specific data protection guidelines have been defined for digital communication channels, such as the BMW, MINI and BMW Motorrad websites and the My BMW app, MINI app and BMW Motorrad Connected app. These define requirements for website and app development, define terms such as personal data and provide specific guidelines on the secure handling of customer data.

Organisation of and approach to preventing the misuse of data
Personal data obtained through contact with customers is collected, processed and used in accordance with data protection laws. The BMW Group collects vehicle-, customer- and customer (group)-related data that could be linked to specific individuals using a combination of different identifiers. The actions we take to prevent customers being negatively impacted include anonymisation and the Privacy by Design approach.

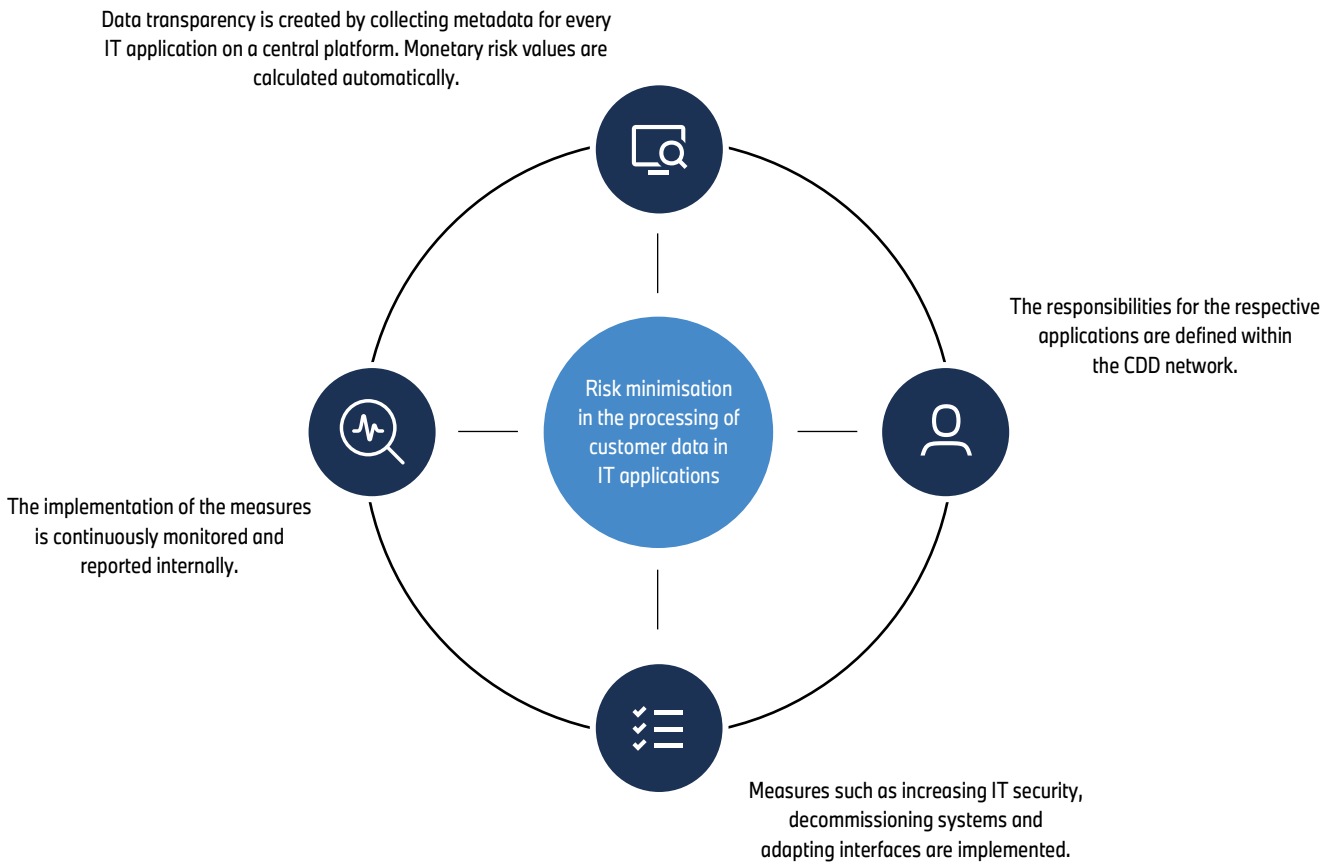
All systems are reviewed on a regular basis to ensure they comply with current IT security standards. Specialised expert teams systematically identify and resolve potential vulnerabilities. New findings are integrated into the development of mandatory safety standards.

With the aim of minimising risks when customer data is processed in IT applications, the BMW Group takes a structured approach that gives equal consideration to all customer groups.

The objective of minimising the Company-wide risk of a customer data breach is an integral part of the target management process. The coordination hereof lies with the CDDs and the responsibility with IT and Company departments.

In the unlikely event of a customer experiencing a negative impact, a structured incident response process is activated. The Group Data Protection Officer, the responsible sales company and the CIC work together to investigate the incident and implement appropriate remedial measures.

Structured approach to minimising risks when processing customer data



Protecting vehicle data
The BMW Group is responsible for protecting any vehicle data transmitted. It is also required to ensure that vehicle data is transferred securely to and securely processed by service providers. BMW Group automobiles use Internet connections or private networks to connect to the ConnectedDrive backend or third-party services.

A special gateway controls access to the Internet in accordance with the extended vehicle approach, which is based on the DIN ISO 20078 standard. This approach ensures compliance with data protection and data security requirements at a high level, while also fulfilling legal cyber security requirements, such as the UN R155 regulation.

As part of the CarData service offering, customers purchasing BMW, MINI, Rolls-Royce and BMW Motorrad vehicles are provided with full transparency and control over how their data is shared with third parties. CarData meets the requirements of the EU General Data Protection Regulation (EU GDPR) with regard to the right to access information and data portability, while also providing a basis for meeting the requirements of the Data Act from 2025 onwards. The service was rolled out in Europe in 2017 and in the USA in 2020, demonstrating the BMW Group's commitment to complying with country-specific data protection regulations.

Health and safety

ESRS S4-1, S4-2, S4-3, S4-4, S4-5

Product quality and product safety standards
All BMW Group products and services are required to meet the highest standards in terms of quality and safety People's safety has top priority, right from the vehicle development stage. The "Corporate Quality" division bears overall strategic responsibility for product quality. Responsibility for the vehicle safety strategy lies with the "Total Vehicle" department. The relevant departments are responsible for implementing the measures.

Optimum chassis tuning, highly effective braking systems and stable passenger compartments are of key importance in terms of product safety. In addition, the vehicles are equipped with the latest safety systems for active and passive driving safety, which both reduce the risk of accidents occurring – for example, through collision warning or lane departure warning systems – and mitigate the consequences of an accident, for example via airbags or seat belts. To this end, the responsible Company departments continuously monitor the latest research findings on health and safety and take them into account in the requirements for vehicle development.

Safeguarding quality standards
The problem management process is another component of the quality strategy. It comprises all the elements required to identify, process and resolve technical problems in a sustainable manner, all the way from development and production to use by the customer.

The logging of complaints regarding safety-related defects fulfils legal requirements. This involves the use of defined sensors that collect and evaluate data relevant to products in series production. The problem management process ensures that irregularities are registered reliably and forwarded for processing, and that the solution is followed up. The BMW Group has set itself the goal of resolving 100% of these complaints within one year.

This indicator has been published since the 2022 financial year and is compiled on an annual basis. The reference period is 1 December of the previous year to 30 November of the reporting year. In the reporting year 2025, 100%[1] of the safety and compliance-related problems were resolved (2024: 100%).

In addition, the problem management process is continually monitored using other internal metrics, with any weak points being identified in order to make improvements.

Safety concepts for BMW Group vehicles
To protect occupants and other road users, all vehicle models meet stringent internal safety standards and comply with statutory requirements. The latest findings from in-house research into accidents and product monitoring, involvement in national and international research projects, and analyses of external accident databases are fed into the development process. The demands of international consumer protection organisations, such as the New Car Assessment Programmes worldwide, constitute an important element and are also considered. With this in mind, the security concepts of the BMW Group are broadly designed and take into account, among other things, people of varying height, build and gender. The BMW Group's NEUE KLASSE introduces the next generation of comprehensive safety assistance systems.

In the reporting year, the BMW Group again scored highly in independent tests conducted by consumer organisations. The new MINI Cooper 3-door[2], MINI Cooper Electric[2] and MINI Aceman Electric[2] as well as the new BMW X3[2] achieved the highest five-star rating in the Euro NCAP (European New Car Assessment Programme). The new BMW X3[2] received the Top Safety Pick+ award from the US Insurance Institute of Highway Safety (IIHS) and a five-star rating in the China New Car Assessment Programme (C-NCAP).

[1] Additional disclosure, based on SASB, ↗ SASB Index.
[2] ↗ Consumption and Carbon Disclosures.

Percentage of vehicle models[1] rated by NCAP programmes with an overall five-star safety rating[2]

in %	2025	2024	Change in %
European New Car Assessment Programme (Euro NCAP)	78.0	85.0	– 8.2
China New Car Assessment Programme (C-NCAP)	100.0	100.0	–
U.S. National Highway Traffic Safety Administration's (NHTSA) New Car Assessment Programme (US NCAP)	25.0	33.0	– 24.2

In 2025, the Company performed safety- and compliance-related technical operations that affected approximately 4.9 million vehicles[2] (2024: 12.2 million vehicles/–59.4%).

All of these operations were voluntary and carried out in close coordination with the authorities. The BMW Group works according to the principle of prevention. To avoid technical operations of this type going forward, the BMW Group has also developed a comprehensive programme that has been in place since 2023. The Company works continuously to further improve the safety of its vehicles.

Raising awareness of safe driving

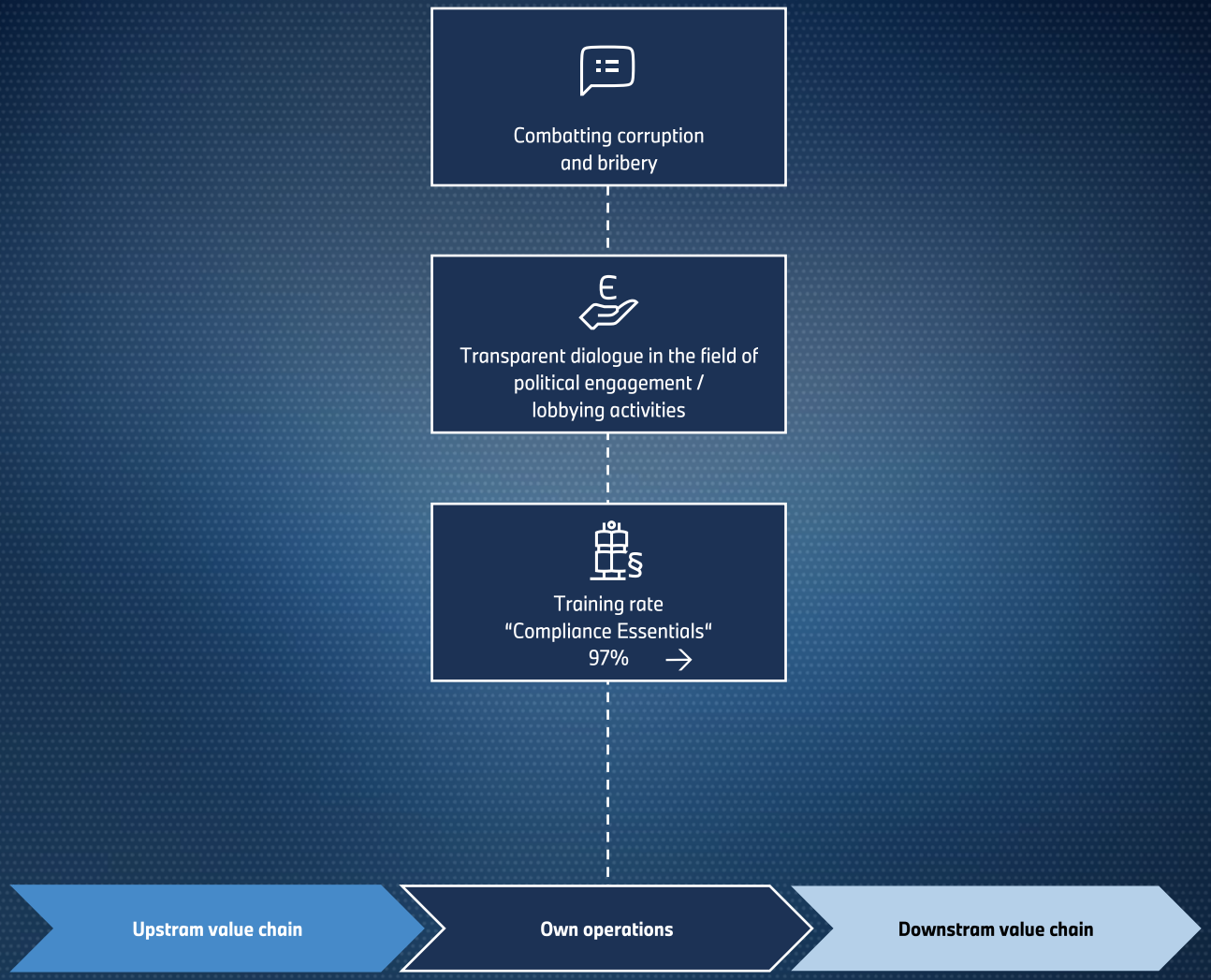
The BMW Group is committed to road safety and, in this context, offers a range of driver training courses. The options range from the standard BMW Safety Training course to the compact half-day Safety Compact programme and a tailored course for people with disabilities. Each of these offerings aims to improve driving skills, boost self-confidence behind the wheel and, as a result, increase the safety of all road users.

Exclusion of problematic substances

The Company is committed to reducing exposure to emissions inside the vehicle to a minimum. All BMW, MINI and Rolls-Royce brand vehicles are equipped as standard with interior air filters for pollutants and particles. Since 2020, the BMW Group has been using interior air filters equipped with nanofibre technology that not only trap fine dust, but also certain microbial particles and allergens.

[1] Vehicle models that were listed in the BMW Group portfolio at the end of the 2025 reporting year.
[2] Additional disclosure, based on SASB ↗ SASB Index.

GOVERNANCE INFORMATION



COMBATTING CORRUPTION AND BRIBERY

Material impacts, risks and opportunities	Type	Sub(-sub)-topic	Stage of the value chain	Policies	Targets	Specific actions
Having a clear selection and communication of core values and beliefs for employees (e.g. the BMW Group Code of Conduct) and trainings in place avoids negative environmental and social behaviour and strengthens the individual sense of responsibility of the employees, especially with regard to corruption prevention.	Positive impact	Prevention and detection including training		– BMW Group Compliance Management System (CMS) » Compliance Management System (CMS)	– Rate of completion of the mandatory "Compliance Essentials" web-based training course	– Internal compliance regulations – Internal communications measures and case-by-case consultation by Compliance – Regular monitoring, including reporting to management

Upstream material Own operations material Downstream material

Policy for preventing, detecting and combatting corruption and bribery

ESRS G1-1, G1-3

The BMW Group's corporate culture is based on values and fundamental beliefs, founded on trust, mutual respect and tolerance. The BMW Group Code of Conduct translates the BMW Group's corporate values into essential guiding principles for all employees and strengthens their sense of individual responsibility. In this context, they are also supported by a Compliance organisation and a regulatory framework to ensure that the Company acts within the law at all organisational levels. The Compliance Management System (CMS) comprises measures to combat corruption and bribery, thereby reinforcing a culture of integrity and compliance. In particular, it helps to reduce sanction and liability risks, as well as risks arising from other (non-)financial disadvantages such as reputational risks. Clear assignment of roles and responsibilities is also essential.

The CMS applies to all affiliated companies in which BMW AG holds a majority interest of more than 50%. BMW Brilliance Automotive (BBA) maintains its own CMS which has the same level of effectiveness as the BMW Group CMS. Non-controlling interests and 50:50 joint ventures are not part of the BMW Group's compliance organisation and are not covered by the CMS. These companies are required to set up and implement their own adequate and effective compliance programmes by taking a risk-based approach and to report on these to the BMW Group. This also applies to joint operation Spotlight Automotive Ltd. In exercising the rights as a shareholder of non-controlling interests with strategic relevance, BMW AG seeks to ensure effective compliance (ongoing development of a risk-adequate CMS and its proper implementation). As a shareholder, BMW AG receives reports on CMS-related topics and information as required. Further information on the CMS can be found in the Compliance chapter. » Compliance Management System (CMS), » Compliance as a corporate function

Actions taken to prevent, detect and combat corruption and bribery

ESRS G1-1, G1-3

Central Group Compliance's Prevent function sets out the basic structure of the Compliance Management System, including the anti-corruption compliance programme. The key components of the programme include a specific and Company-wide risk analysis, instructions containing specific guidance on how to act in situations where there is a risk of corruption, training courses, communications and case-by-case consultations. In addition, employees are provided with support in day-to-day situations via IT systems. Regular monitoring is also carried out to ensure compliance with requirements.

The BMW Group has set up a notification system to handle queries and notifications on compliance-related issues, including corruption and bribery. For more information on the notification system, please refer to » Compliance and Notification Systems.

As part of the Detect function of central Group Compliance, compliance investigations are conducted on an ad hoc or non-ad hoc basis and where necessary, action measures are derived. This applies to all areas covered by the CMS, including anti-corruption. For information on the monitoring and control mechanisms of the CMS, see the Compliance chapter. » CMS Monitoring and Controls

Compliance investigations are generally performed by the local Compliance functions in consultation with central Group Compliance, provided the issues are not of a Company-wide nature and there are no indications of conflicts of interest on the part of the local function. Compliance investigations with a Company-wide impact are performed by Group Compliance. Should any suspicion arise in connection with the central Group Compliance function, Group Corporate Audit assumes responsibility for investigating the matter. This means that the committee conducting the investigation is kept separate from the line management involved.

The Board of Management, the Supervisory Board and the auditor are informed annually of the number of notifications of

compliance infringements, the number of audits conducted and the results of these audits within the scope of compliance reporting. In addition, more detailed half-yearly reports are prepared on the basis of materiality criteria.

New or amended principles and instructions are published on the intranet and communicated directly to all managers, who are requested to distribute the information within their respective areas of responsibility. Recently published internal regulations have a direct impact on the Prevent pillar of the CMS and, as a result, increase the likelihood that employees will act within the law. In addition, separate communication measures are implemented within the Company when there are compliance-specific modifications to principles and instructions (including newsletters, communication formats and events to raise awareness among employees).

In its internal regulations on anti-corruption, the BMW Group takes into account the standards established by the United Nations Convention against Corruption (UNCAC).

The key issues of combatting corruption and bribery, as well as the compliance aspects related to lobbying, form part of the 30-minute web-based "Compliance Essentials" training course, which the defined group of employees is required to complete every two years. The training course also covers information on notification systems, including points of contact for whistleblowers and the BMW Group SpeakUp Line. The training course primarily teaches the basics of anti-corruption using explanatory case studies and test questions. Information on the prohibition of corruption and bribery, including the prohibition of bribery of public officials and the prohibition of bribery and corruptibility in business dealings (active and passive), is presented using specific examples. ↗ BMW Group SpeakUP Line

The members of the Board of Management of BMW AG also complete the web-based "Compliance Essentials" training course.

In the reporting year, the members of the Supervisory Board of BMW AG received training in the form of a written document on the subject of combatting corruption and bribery. The relevant content of the training, including the question-and-answer format, was also the subject of a presentation given to the members of the Supervisory Board by the Chief Compliance Officer as part of routine reporting.

Training of high-risk functions regarding anti-corruption – BMW Group target and target achievement

ESRS G1-1, G1-3

With regard to corruption and bribery, from the BMW Group's perspective, those employees who are engaged in indirect activities are potentially particularly relevant from a risk perspective. Indirect activities include activities that do not primarily serve the manufacture of products. However, the group of people affected also includes senior employees from the direct areas, such as "Meister" (master craftsmen).

The BMW Group strives to maintain a training rate of at least 95% at all times for the web-based "Compliance Essentials" training course. This target is particularly relevant for the Prevent pillar of the CMS because it aims to raise awareness among a large number of employees. The overarching goal in this context is to combat corruption and bribery in accordance with applicable national and international standards (e.g. UN Conventions). Only central Group Compliance was involved in setting the target. Compliance helps employees to meet the target using internal communications activities. Training and communication measures play a crucial role in combatting corruption. Furthermore, the training rate is regularly reported to management. Managers are responsible for monitoring the completion of mandatory training by their employees and are supported in this task by an IT-based escalation process.

Number of valid training certificates for high-risk functions as of the reporting date*

	2025	2024	Change in %
Valid training certificates for high-risk functions as of the reporting date (in %)	97	97	–
Valid training certificates for high-risk functions as of the reporting date (in terms of number of persons)	102,950	101,132	1.8

The target training rate was achieved or exceeded in both the reporting year and 2024.

* 11 December of each year.

POLITICAL ENGAGEMENT AND LOBBYING ACTIVITIES

Material impacts, risks and opportunities	Type	Sub(-sub)-topic	Stage of the value chain	Policies	Targets	Specific actions
Participation in political decision-making in an extensive manner leads to reputational damage and negative publicity.	Risk	Political engagement and lobbying activities		– The BMW Group's policy related to representing its interests	– Targets and effectiveness are not measured because lobbying activities are dependent on external factors	– Disclosure of the BMW Group's positions and lobbying activities – Compliance aspects related to lobbying as part of the required web-based "Compliance Essentials" training course

Upstream material Own operations material Downstream material

The BMW Group's policy for representing its interests

ESRS G1-5

The BMW Group's strategy is derived from an analysis of the key global megatrends that significantly influence the automotive industry ↗ Environmental Analysis. As a global company with a complex value chain, the business activities of the BMW Group impinge on the interests of a range of stakeholders. Against this backdrop, the BMW Group maintains continuous dialogue with its stakeholders and factors their different perspectives into its decision-making process. In doing so, the relevant regulatory framework is taken into account. The BMW Group is also increasing the transparency of its decision-making processes by communicating its BMW Group Strategy and positions on political, regulatory and social issues. At the BMW Group, the Corporate and Governmental Affairs department is responsible for understanding the values and aims of the people around us, managing relationships and communicating with relevant stakeholders. The governmental affairs structures within the BMW Group are an integral component of this department and are responsible for its relationships with political stakeholders. The actions taken by the BMW Group to reduce the risk of negative media coverage include the disclosure of the BMW Group's positions and lobbying activities and raising the awareness of employees via the required web-based "Compliance Essentials" training course. ↗ Actions taken to prevent, detect and combat corruption and bribery To maximise training completion rates, this online training programme integrates target achievement and effectiveness monitoring ↗ Training of high-risk functions regarding anti-corruption – BMW Group target and target achievement. Given that lobbying activities depend on external factors, the BMW Group's policy for representing its interests does not include measuring targets or effectiveness. The purpose and content of lobbying activities are described in the defined core segments.

The BMW Group's lobbying activities are coordinated in committees. The documents are fully recorded and made available using the BMW Group's internal committee management system. If new regulatory requirements and legislative proposals are communicated to the BMW Group via external networks (e.g. by industry associations or ministries), they are initially assessed and the relevant assumptions are prepared together with internal departments. The assumptions and lobbying positions which form part of the BMW Group's involvement in discussions within associations are presented and adopted by the relevant committees. Internal requirements are also derived from the BMW Group's positions and must be implemented by the BMW Group's business entities.

There were changes to the Board of Management in the 2025 reporting year. No members were appointed to the Board of Management who held a comparable position in public administration (including regulatory authorities) in the two years prior to their appointment. In the 2025 financial year, a member was appointed to the Supervisory Board who had not held a comparable position in public administration in the two years prior.

BMW Group positions and lobbying activities

ESRS G1-5

Sector-specific advisory opinions from companies can exert a constructive influence on political decisions from the BMW Group's perspective and contribute to sustainable and effective legislation. It is with this in mind that the BMW Group actively engages in discussions on key strategic topics such as climate change mitigation, the circular economy, reducing its carbon footprint as part of its efforts to meet the climate targets set out in the Paris Agreement, and transparent supply chain management. Involvement in political decision-making processes carries with it the risk of negative media coverage and a resulting loss of reputation. The BMW Group engages in transparent dialogue and provides comprehensive information on its political positions on its website and in relevant transparency registers. ↗ Transparency register entries, ↗ Advocacy

Lobbying activities are related to and influence the material impacts, risks and opportunities. Examples of these interactions are provided in the descriptions of the political areas below. ↗ List of Material Impacts, Risks and Opportunities

Drivetrain policy and sustainability
The BMW Group is calling for a comprehensive revision of the EU legislation on fleet-wide emissions targets from 2035 onwards. The Group's aim is to consider all available drivetrain technologies as potential solutions. In addition to battery-powered electric vehicles, these include plug-in hybrids, fuel cell vehicles and vehicles with internal combustion engines.

A holistic approach to promoting emissions-free mobility requires a transparent, simple and cost-effective framework, with seamless access to charging infrastructure being particularly important. An approach that is open to technology with a diverse range of low- and zero-emissions drivetrain options will ensure that the Company is strategically resilient. Focusing on a single technology would expose us to the risk of geopolitical dependencies and could lead to bottlenecks in critical raw materials, delaying the transition to electromobility.

In the transport sector, electromobility remains the primary pathway for new vehicles to achieve climate neutrality. In addition, the BMW Group is committed to consistently reducing CO_2e emissions across the entire value chain of its vehicles, thus meeting its obligations in line with the climate targets set out in the Paris Agreement. In this context, the BMW Group is in constructive dialogue with the German Bundestag and the German government with the aim of driving the implementation of the Renewable Energy Directive III (RED III) in Germany. The purpose of the Group's actions in this area is to significantly reduce its carbon emissions across all energy sources used in the transport sector (including electricity, hydrogen and combustion fuels) while also supporting a reduction in total sectoral emissions.

To accelerate the integration of electromobility with the energy supply, the BMW Group is actively involved in bidirectional charging (Vehicle-to-Grid, V2G), with a focus on feeding electricity stored in vehicle batteries back into the public grid. The Company is in close dialogue with policymakers at both a national and European level regarding these initiatives.

Establishing binding national and multilateral carbon limits and expanding the ETS-1 and ETS-2 emissions trading systems could drive cross-industry decarbonisation and further reduce the carbon footprint of energy-intensive materials.

Urban mobility
Increasing urban migration is causing housing shortages and placing significant strain on transport systems. Many local authorities are implementing traffic regulations and bans to manage traffic volumes.

The BMW Group works with cities and local authorities to develop sustainable solutions. These actions improve transport efficiency and reduce the CO_2 footprint of our products during the use phase. The BMW Group has run pilot projects in cities such as Rotterdam to encourage people to walk, cycle or take public transport instead of taking short car journeys. These initiatives also increase the frequency of trips in efficient driving modes. Successful tests in the Netherlands have shown how scheduling charging for periods with lower carbon emissions can reduce carbon footprints.

Geopolitics and trade policy
The BMW Group advocates for cooperation, free trade and open markets worldwide. It works closely with associations, NGOs, suppliers and legislators to remove international trade barriers like tariffs and to harness the benefits of global partnerships.

The BMW Group is committed to cooperating with political stakeholders at the global level to promote free trade and unrestricted market access.

Digital policy
Digitalisation affects all areas of the mobility sector. However, advances in digital technology have implications for our products: in addition to providing more avenues for us to sell digital products, they also create challenges, e.g. in the area of cyber security, due to the increased connectivity of vehicles.

In this context, the establishment of uniform global standards and a statutory framework (e.g. EU Data Act, China's cross-border data transfer) is a key priority. This helps to offset, among other things, risk to the Company's reputation in the event of incidents affecting the security of consumers' or end-users' personal data. The BMW Group continues to engage with relevant authorities in Germany, the EU, the corresponding Directorate General, the European Parliament and China.

These standards should be flexible and agile enough not to impair innovation and to fully exploit the advantages provided by digital progress. In this context, compliance with the respective vehicle registration policies and the relevant cyber security regulations must be ensured at all times.

Human resources and social policy
In the area of labour and social policy, the BMW Group focuses on initiatives to reduce administrative burdens and represents these interests when dealing with political stakeholders in Germany and at EU level as part of its political activities and its work with associations.

The BMW Group was consulted as an expert capacity by a government commission looking into ways to implement the EU Pay Transparency Directive with as little administrative burdens as possible. Gender-neutral remuneration is a core principle of our internal remuneration system. With regard to the national transposition of the EU Pay Transparency Directive, the BMW Group advocates in particular for the appropriate consideration of collectively agreed remuneration systems as well as established evaluation systems.

The BMW Group is committed to finding ways to simplify payroll processes. These include making it easier to use electronic sick leave notices using a push-based process rather than a pull-based workflow and simplifying the methodology used to determine long-term care insurance contribution rates linked to the number of children an employee has.

At a European level, the BMW Group supports practical solutions that facilitate mobility within the EU market. It has called for exemptions to be made for business travel under the A1 certificate and posted worker reporting schemes.

Taxes and incentives
Tax and incentive frameworks for low-emissions vehicles are evolving rapidly. Approaches differ across regions and reflect local attitudes to technological advances in the field of mobility. While governments strongly support battery electric vehicles (BEVs), the outlook for plug-in hybrid vehicles (PHEVs) and hydrogen fuel cell electric vehicles (FCEVs) will depend on technical requirements, the level of political backing and the pace of infrastructure development.

Incentives for zero- and low-emissions vehicles should be attractive for both private and business customers. Effective measures include lower taxes, expanding the charging and hydrogen refuelling infrastructure and reducing operating costs. Leasing models can improve access to affordable pre-owned vehicles and drive the wider uptake of electromobility. Expanding charging and hydrogen refuelling networks will deliver long-term benefits, strengthening the overall electric vehicle market and boosting consumer confidence in new technologies.

Competition at charging points and technological innovation like smart and bidirectional charging can reduce the cost of charging. The most direct way to drive the expansion of electromobility is to ensure that the cost of electricity used to charge vehicles remains below that of fossil fuels.

Sustainability and supply chain
Furthermore, the BMW Group is committed to reliable recording of CO_2e footprints based on real data and supports the ongoing international scientific and political discussions on effective carbon accounting. The Catena-X automotive data space is developing standardised global calculation methods and exchange formats for CO_2e emissions.

Based on its strategic focus on the circular economy, the BMW Group is committed to an efficient legal framework for the circular economy. The BMW Group applied "Design for Circularity" principles throughout the development process of the BMW iX3*. As a result, around one-third of the new BMW iX3 50 xDrive* is made from secondary raw materials. This is clear evidence of the BMW Group's commitment to conserving resources and reducing its environmental footprint. The BMW Group is not convinced of the merits of statutory requirements governing the use of recycled material or inefficient dismantling regulations. Instead, we believe that the primary benefit brought about by the circular economy will be a boost in competitiveness. Our aim is to focus on innovating the automation of recycling technologies. The BMW Group shares information about its solutions with political stakeholders at a national and international level. ↗ Milestones along the road to the circular economy

Transparency register entries

ESRS G1-5

The BMW Group is listed in the EU Transparency Register and in the equivalent registers of the EU Member States listed below.

Entries in the EU Transparency Register and in equivalent registers of the Member States

	Register name	Identification number in the register
BMW AG	EU Transparency Register	7193977808-18
	Lobby register for the representation of interests vis-à-vis the German Bundestag and the Federal Government	R002370
	Bavarian lobby register	DEBYLT007F
BMW Motoren GmbH	Lobbying and interest representation register	LIVR-01130
BMW Automotive (Ireland) Ltd.	Register of Lobbying maintained by the Standards in Public Office Commission	1373
BMW France S.A.	Register of Lobbying maintained by HAUTE AUTORITÉ POUR LA TRANSPARENCE DE LA VIE PUBLIQUE (HATVP)	5HABRCXV, ZV92LP1H, YVIKRQAH, PVXASO43, UVPUF1GH, GVTU7903, EVJFE0PH, LV1DGNI3, BHOB62A3, 0VE7PMF3, Y3GQAMLH, DHMZCMYV, Y3KG6M5V, 0V2ARJJV, LV1C6E0V, C34BL90V, Q36SB5KV
Alphabet España Fleet Management S.A.U.	Registro de Lobbies del Ayuntamiento de Madrid	3846

* ↗ Consumption and Carbon Disclosures.

Political contributions

ESRS G1-5

The BMW Group made political contributions to the following recipient groups in the reporting year:

— Dialogue events: sponsoring of political events for collaboration and exchange purposes

— Collaborations: sponsoring of reciprocal businesses (for advertising purposes) or lectures by representatives of the BMW Group

The following table summarises significant political contributions made in the reporting year. Political contributions went down in the reporting year compared to 2024 due to political trends and the Group's efforts to use resources more efficiently.

Due to its close ties to the BMW Group, the BMW Foundation Herbert Quandt (BFHQ) was also incorporated into the key performance indicators. BFHQ did not make any political contributions for the BMW Group in 2025.

Significant political contributions by recipient group

	2025			2024			Change in %		
		by recipient group			by recipient group			by recipient group	
in €	All recipients	Dialogue events/ Other events	Cooperations	All recipients	Dialogue events/ Other events	Cooperations	All recipients	Dialogue events/ Other events	Cooperations
Europe	270,500	181,500	89,000	344,966	158,966	186,000	– 21.6	14.2	– 52.2
thereof Germany	268,000	179,000	89,000	327,261	141,261	186,000	– 18.1	26.7	– 52.2
Americas	109,852	30,957	78,895	273,155	69,798	203,357	– 59.8	– 55.6	– 61.2
thereof USA	109,852	30,957	78,895	268,514	65,157	203,357	– 59.1	– 52.5	– 61.2
Asia	27,613	12,928	14,685	15,136	15,136	–	82.4	– 14.6	100.0
thereof China	–	–	–	–	–	–	–	–	–
Total	**407,965**			**633,257**			**– 35.6**		

OTHER ESG INFORMATION

GLOSSARY AND EXPLANATION OF KEY FIGURES

Where the data compiled has been validated by a second external party other than the auditor, this is indicated separately. In all other respects, it can be assumed that the metrics have not been validated by any other external body.

ESRS 2 MDR-M

ENVIRONMENTAL INFORMATION

B

Beyond Value Chain Mitigation
Beyond Value Chain Mitigation (BVCM) refers to all measures that a company takes in addition to its own value chain's measures to reduce CO_2 emissions 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. The BMW Group supports these initiatives voluntarily without taking them into account in the calculation of the BMW Group's CO_2e reduction targets.

Companies validated by the Science Based Targets initiative (SBTi) are strongly recommended to implement BVCM in addition to the reduction of CO_2e in their own value chain. One example of BVCM is the purchasing of CO_2e-sink certificates on the voluntary carbon market. Criteria such as additionality, permanence, and certification by independent institutions following international standards (e.g. CSI/C-Sink) contribute to the quality of the certificates employed and thus also to the impact of the BMW Group's commitment outside its internal value chain.

In addition, it is important to the BMW Group that the projects benefit society in accordance with the United Nations Sustainable Development Goals (UN SDGs). These include, for example, initiatives and projects that result in generating income for the relevant target groups from new jobs created by the projects or that revitalise depleted soils.

Biochar
Biochar is a carbon-rich material produced by the pyrolysis of (waste) biomass in the absence of oxygen. The process stabilises the carbon over the long term and produces a versatile product. Biochar is added to soil to improve its quality and for water retention. It is also used to reduce erosion. Its porous structure provides a habitat for beneficial microorganisms, improving soil health and contributing to long term carbon removal and sustainable agriculture efforts.

Biogenic CO_2 emissions (Scope 1 to Scope 3)
Renewable fuels such as biogas, biomethane or wood are considered carbon neutral. In the case of wood, for example, the CO_2 released during combustion is previously absorbed from the surrounding air and bound in lignin. Biogenic CO_2 is therefore part of a continuous cycle and does not contribute to a net increase in greenhouse gas emissions. Only the associated equivalents released during incineration (e.g. N_2O, soot, etc.) contribute to an increase.

The unit of the metrics is tonnes of CO_2 [t CO_2]. The BMW Group reports biogenic emissions separately from CO_2e emissions in a stand-alone balance sheet.

C

Cancellation of CO_2e certificates outside the undertaking's value chain in the reporting year by removal type, per type of recognised quality standard as well as contractually planned cancellations in the future
The metrics represent the amount of t CO_2e permanently removed from the atmosphere and stored in the reporting year, which are achieved by biochar projects, the operation of which is co-financed by the BMW Group to the amount of purchased credits. These projects are operated by external partners ("Beyond Value Chain" – outside the BMW Group value chain). This is evidenced by the CO_2e certificates in t CO_2e generated by the BMW Group's financing in the projects or their cancellation statements. The quantity of CO_2e certificates generated by the projects is calculated and certified using the assumptions and methodologies of the independent CSI C-Sink CO_2e standard, and confirmed annually by means of re-certifications by independent third-party auditors. In this context, only the proportion of the highly permanent PAC (Persistent Aromatic Carbon) fraction of the financed biochar yields is counted.

The share of CO_2e-negative emissions generated, which are removed and stored within the EU, is also shown, along with the share of projects that include corresponding adjustments (currently not relevant for the biochar projects financed because they are not included in NDCs [Nationally Determined Contributions]).

Furthermore, the currently planned quantity of cancellations of CO_2e sink project results will be reported until 2026.

CO_2e certificate
A transferable or tradeable voluntary instrument that represents the reduction or the removal of one tonne of CO_2e from the atmosphere, which is issued and verified in accordance with recognised quality standards. Volumes of ↗ Beyond Value Chain Mitigation CO_2e certificates that are obtained by the BMW Group are not credited in the CO_2e footprint.

CO_2 equivalents/CO_2e
CO_2e represent a unit for standardising the climate impact of different greenhouse gases (GHGs). This is necessary because the individual gases (for example, methane or nitrous oxide [laughing gas]) do not all contribute equally to the greenhouse effect. Therefore, 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 CO_2 so that all GHGs can be expressed on a comparable basis. For example, over a period of 100 years, methane has 28 times the impact of CO_2, while for nitrous oxide the impact is 265 times higher. CO_2e is measured in terms of weight (tonnes).

CO_2e emissions from the BMW Group (Scope 1 and 2) per vehicle produced (automotive)
To determine the metric, BMW Group's total Scope 1 and 2 emissions (↗ Scope 1: CO_2e emissions of BMW Group locations, ↗ Scope 1: CO_2e emissions company vehicles, ↗ Scope 1: CO_2e-emissions company-owned planes, ↗ Scope 2: CO_2e emissions from electricity/heating/cooling purchased by BMW Group locations and ↗ Scope 2: CO_2e emissions company vehicles) are divided by the number of automobiles produced in the financial year (excluding contract manufacturing).

The Scope 2 emissions are calculated using the market-based method.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e] per vehicle produced.

CO_2e emissions from the supply chain including transport logistics (Scope 3 upstream) per vehicle produced (automotive)
The total Scope 3 emissions of the automobile fleet determined in ↗ Scope 3: CO_2e emissions of purchased goods and services are added to the upstream transport emissions of the automobile fleet from ↗ Scope 3: CO_2e emissions from upstream transport and distribution [transport logistics] and divided by the number of automobiles produced in the reporting year. Motorcycles and the Customer Support segment ("aftersales products"), including their related transport logistics (e.g. spare parts or merchandise items), as well as products purchased by the BMW Group that are not components or raw materials for BMW Group automobile production (e.g. parts for motorsport vehicles) are not included.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e] per vehicle produced.

CO_2 emissions of the new vehicle fleet in China (Scope 3 downstream, tank-to-wheel)
The average CO_2 emissions of a manufacturer's fleet (use phase) are calculated on the basis of the volume-weighted average of CO_2 emissions across all new vehicles produced in China and imported into China during the reporting period. The basis for this is the individual vehicle-specific CO_2 emissions in the calendar year, which are determined using the WLTC type approval procedure (Worldwide Harmonised Test Cycle under China-specific test conditions). The CO_2 emissions metric for the BMW Group fleet calculated internally, includes legally permitted offsetting of off-cycle technology, NEV multiplier and a phase-in.

On the Chinese market, manufacturers receive positive credits for an overachievement of regulatory CAFC (Corporate Average Fuel Consumption) fleet limits. Failure to remain below the regulatory limits results in debits.

In addition, manufacturers receive positive credits for meeting or an overachievement of the ZEV quota specifications (Zero Emissions Vehicle quota). At the end of a calendar year, a positive CAFC/ZEV credit balance must be achieved in order to meet regulatory requirements. As CAFC/ZEV credits are valid for three years on the Chinese market, a short-term failure to meet fleet limit targets in one year can be compensated by an overachievement in a previous year. Moreover, it is possible to purchase credits from other manufacturers.

The metric is calculated based on GB 27999-2019 (Fuel Consumption Evaluation Methods and Targets for Passenger Cars).

This metric is a preliminary internal calculation.

The unit of the metric is grams of CO_2 [g CO_2e] per kilometre driven (after conversion from L/100km to CO_2 g/km).

CO_2 emissions of the new vehicle fleet in the EU (Scope 3 downstream, tank-to-wheel)
The average CO_2 emissions of the BMW Group fleet (use phase) are calculated on the basis of the volume-weighted average of CO_2 emissions across all vehicles newly registered during the reporting period. The calculation is based on all newly registered vehicles of a given manufacturer in the EU, including Norway and Iceland, during the calendar year, and the individual vehicle-specific CO_2 emissions determined using the WLTP type test procedure.

Average CO_2 fleet emissions within the EU (including Norway and Iceland) are required to be reported in accordance with the new Worldwide Harmonized Light Vehicles Test Procedure (WLTP) type test cycle as of 2021. This metric has been used by the EU Commission as the basis for calculating CO_2 fleet emissions since 2021.

The CO_2 emissions metric for the BMW Group fleet calculated internally, includes legally permitted offsetting of eco-innovations of minor significance.

Disclosure in accordance with the provisions of EU Directive 2019/631.

The metric is a preliminary internal calculation with a potential variation of +/- 0.5 g CO_2/km, as the official number of new registrations from the authorities is not available for all EU member states. Figures officially published by the European Commission

are not expected to be available until November of the following year. Prior-year figures have not been adjusted retrospectively.

The unit of the metric is grams of CO_2 [g CO_2] per kilometre driven.

CO_2 emissions of the new vehicle fleet in the US (Scope 3 downstream, tank-to-wheel)
The average CO_2 emissions of a manufacturer's fleet (use phase) are calculated on the basis of the volume-weighted average of CO_2 emissions across all new vehicles produced in the US model year period. The basis for this is the number of vehicles produced and delivered for sale by the manufacturer in the US market and the individual vehicle-specific CO_2 emissions, which are determined according to the US combined type approval procedure. The CO_2 emissions metric for the BMW Group fleet calculated internally includes the legally permitted offsetting of off-cycle technology, Advanced Technology Credits (BEV, PHEV), and efficient air-conditioning systems.

In the US market, manufacturers receive positive credits for an overachievement of regulatory GHG fleet limits. Failure to remain below the regulatory limits results in debits. At the end of a model year, a positive GHG credit balance must be achieved in order to meet regulatory requirements. As GHG credits are valid for five years on the US market, a short-term failure to meet fleet limit targets in one year can be compensated by an overachievement in a previous year. Moreover, it is possible to purchase credits from other manufacturers.

The metric is calculated according to the EPA-420-F-21-060 (Environmental Protection Agency: Revised 2023 and Later Model Year Light-Duty Vehicle Greenhouse Gas Emissions Standards).

This metric is a preliminary internal calculation.

The unit of the metric is grams of CO_2 [g CO_2] per kilometre driven (after conversion from miles to kilometres).

CO_2e emissions of the new vehicle fleet worldwide (Scope 3 downstream, well-to-wheel)
For the purpose of calculating this metric, volume-weighted average fleet CO_2e emissions are calculated for the EU core markets (27 EU countries including Norway, Iceland, Switzerland and UK) (driving cycle: Worldwide Harmonized Light Vehicles Test Procedure; [WLTP] basis: number of new registrations), USA (driving cycle: United States Combined; basis: production volume) and China (driving cycle: Worldwide Harmonized Test Cycle [WLTC], subject to China-specific framework conditions for testing; basis: import or local production volumes), in each case prior to deduction of legally permitted credit factors (e.g. supercredits and eco-innovations) and standardised in line with 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. In line with the well-to-wheel approach, the upstream emissions of the energy sources are included in the metric. The corresponding emissions factors from Sphera are used to calculate the upstream chain of fuel production (database version 2025.2, IPCC AR6, kg CO_2e/kg fuel). To reflect the CO_2e emissions resulting from the production of electricity in the respective core markets, the BMW Group uses the energy report published by the International Energy Agency (IEA; reference basis: previous year, g CO_2e/kWh) as a basis.

The metric covers the entire causal chain behind vehicle motion, i.e. from the extraction and provision of fuels to their conversion into drivetrain energy. This approach also includes the environmental impacts associated with the supply of energy.

The data collection method is based on the requirements of the Greenhouse Gas Protocol (Scope 3 Calculation Guidance Version 1.0, 2013).

The unit of the metric is grams of CO_2 equivalent [g CO_2e] per kilometre driven.

CO_2e reduction Scope 1 and 2
The reduction of Scope 1 and 2 emissions comprises a total value of CO_2e savings based on the actions newly implemented in the reporting year (Scope 1 and 2). The value reflects only those reductions that can be verified and that result directly from the actions newly implemented in the reporting year. This includes effects that can be attributed directly to the implementation of the actions, such as lower fuel consumption as a result of more efficient systems, reduced energy needs following the modernisation of equipment and infrastructure, and changes in the operating facilities that lead to fewer direct emissions as a result of switching energy sources.

The aggregation is determined based on the CO_2e calculations in the reporting year, whereby each individual action module approved and implemented is evaluated separately, and ultimately combined to form an overall total.

Additional effects beyond the direct impacts of the actions are not taken into account. These include changes in volumes in operations resulting from external factors such as production volume, fluctuations in demand or economic changes, as well as temperature effects that cannot be attributed directly to the actions implemented. Likewise, previous actions or those already completed are not taken into account when calculating the annual value, insofar as they have not been evaluated or confirmed again as part of the current reporting period.

The aim of this approach is to deliver a comparable, period-specific metric that shows the success of both the efficiency and decarbonisation measures newly implemented in the reporting year.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e].

CO_2e reduction in the supply chain (Scope 3 upstream)
The metric expresses the absolute quantity of CO_2e emissions that were saved during the reporting year as a result of measures taken to reduce CO_2e emissions in the supply chain of the automobiles produced.

The CO_2e emissions reductions achieved result from the sum of measures taken to reduce CO_2e in the supply chain that were agreed upon with suppliers and demonstrably implemented during the reporting year, for example, by using electricity from renewable sources and secondary materials. Agreements with suppliers of raw materials for aluminium and precious metals as well as with suppliers of high-voltage batteries led to substantial reductions.

The calculation is based on the same principles, methodologies and parameters applied in ↗ Scope 3: CO_2e emissions from purchased goods and services.

In the first step, the CO_2e emissions generated by these components are calculated using the "LCA for Experts" database (secondary database for life cycle analysis (LCA) provided by Sphera) without taking action to reduce CO_2e into account (secondary data). In the second step, the calculation of CO_2e emissions is repeated including measures that have been directly agreed with suppliers. The difference between the two calculations yields the CO_2e emissions saved.

This metric is calculated on the basis of all goods ordered for the BMW Group and partner plants for which measures have been agreed with suppliers. To be eligible for recognition, it must also be possible to map the measures methodically in the calculation models used in the calculation of metrics. In the reporting year, the categories are the use of electricity from renewable sources in manufacturing and when extracting raw materials as well as the use of secondary materials.

An external service provider commissioned by the BMW Group conducts the verification of measures at affected suppliers and their subcontractors at the manufacturing sites. A defined method is used to ensure that the contractually agreed measures to reduce CO_2e emissions are implemented unambiguously and without double counting 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 provisions, there is currently no 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 for Energy Attributes Certificates (e.g. guarantees of origin) that facilitates the distinct allocation of secondary materials to specific customers without duplication. Therefore, the secondary material quota is verified using system extracts from the relevant suppliers' Enterprise Resource Planning systems, along with details and evidence of secondary material procurement through mass balances. Furthermore, written confirmation is obtained from suppliers and upstream suppliers in the value chain to clearly attribute secondary materials to BMW Group products, preventing any possibility of double-counting with other customers.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e].

D

Durability (expected product lifetime)
The metric is defined as the average expected lifetime of the vehicles, expressed as the average vehicle age at end-of-life (ELV). The age of the vehicle is determined on the basis of the data provided by the end-of-life vehicle take-back points contracted by the BMW Group in the German market for returned BMW Group vehicles, excluding motorcycles. The vehicles recorded for the metric are those that have reached the end of their useful life due to their age and irreparable condition, or that have been taken back because of irreparable damage resulting from an accident. The date of first registration, the time of return and the number of vehicles taken back in a reporting year are used to calculate the average vehicle age. The calculated age of all vehicles (difference between return and first registration date) is summed and divided by the total number of returned vehicles. The data is based on information provided by partners in the end-of-life vehicle take-back network for BMW Group vehicles in Germany. The data originate from BMW Group take-back partners, representing around 10% of all authorised dismantling companies in Germany. These are primary data. The partners provide the data once a year. The metric is collected once every calendar year and refers to the year prior to the reporting year.

Furthermore, the industry average vehicle age in Germany is stated based on data supplied by the German Federal Environment Agency (Umweltbundesamt) (data as per 2023).

The unit of the metric is age in years.

E

Emission allowances
Emission allowances for ↗ Emissions (Scope 1) subject to regulated emissions trading systems (ETS) are tradable certificates that allow companies to emit a certain amount of greenhouse gases, primarily carbon dioxide (CO_2), into the atmosphere. These mandatory certificates are referred to as EU Allowances (EUA) in the EU ETS.

Emissions (Scope 1) subject to regulated emissions trading systems (ETS)
The metric indicates the percentage of Scope 1 emissions that are subject to regulated emissions trading systems (ETS), including the EU ETS, national ETS and ETS in countries outside the EU.

The emissions trading is based on a statutory cap that limits the cumulative greenhouse gas emissions (measured as CO_2e) of a defined group of emitters. This cap is usually reduced gradually each year to achieve the long-term emissions target. Emission allowances (certificates) are allocated or auctioned among the companies. Each certificate permits the emission of one unit of CO_2e (often one tonne of CO_2e per certificate). Companies can redeem or trade certificates, depending on whether their actual emissions are lower or higher than their allocation. The price of the certificates is determined by the market.

The cap is adjusted regularly, often on an annual basis, to ensure that the overall target (for example, reduction of greenhouse gases in a specific period) is achieved.

For the BMW Group, the EU-ETS-1 and UK ETS are relevant. Other emission costs (German Fuel Emissions Trading Act [BEHG]) unconnected to emissions trading (certificate trading) are not taken into account.

The unit of the metric is percent [%].

Energy Attribute Certificates (e.g. guarantees of origin); bundled instruments
The metric indicates the percentage of purchased electricity, heat, steam or cooling involving bundled instruments within the entire consumption of purchased electricity, heat, steam or cooling.

For the BMW Group, bundled means the bundled purchasing of Energy Attribute Certificates (e.g. guarantees of origin) and the corresponding accounting of physical electricity volumes from the same generation facility. This includes, among other things, so-called power purchase agreements (PPAs). Externally operated photovoltaic and wind power facilities on BMW Group locations (on-site PPAs) usually do not generate Energy Attribute Certificates, as the electricity does not flow through public electricity networks. Nevertheless, these volumes are treated as bundled instruments.

The unit of the metric is percent [%].

Energy Attribute Certificates (e.g. guarantees of origin); unbundled market instruments
The metric indicates the percentage of purchased electricity, heat, steam or cooling involving unbundled instruments within the entire consumption of purchased electricity, heat, steam or cooling.

For the BMW Group, unbundled means the separate and independent purchase of Energy Attribute Certificates and the accounting of physical electricity volumes. The Energy Attribute Certificates may originate from power plants and suppliers other than the physical quantities of electricity.

The unit of the metric is percent [%].

Energy intensity associated with activities in high climate impact sectors
The BMW Group operates within NACE sectors C29.10 and C30.91. This includes the manufacture of motor vehicles and their engines, as well as the manufacture of motorcycles. As a vehicle manufacturer and provider of leasing services, our business activities therefore lie exclusively in climate-intensive sectors. In terms of the energy intensity metric, the total ↗ energy consumption is included in the metric. The denominator is based on the BMW Group's net revenues ↗ note [7]. These net revenues are adjusted by an item related to the Financial Services segment's third-party business. Since the energy consumption associated with the production of vehicles sold under other brands is not included in the numerator of this metric, related revenues are deducted from the denominator.

The unit of the metric is megawatt hours per euro [MWh/€].

Energy consumption per vehicle produced (automotive)
This metric is calculated based on the energy consumption of the BMW Group automobile production, including component manufacturing (excluding partner plants, contract manufacturing and Spotlight Automotive Ltd.), in relation to the number of vehicles produced (excluding motorcycles, contract manufacturing and Spotlight Automotive Ltd.) in the reporting year. The metric considers BMW Group production sites from the first start of series production (initial SOP ramp up).

The energy data shown in the metric is derived from production sites that are certified according to the Eco Management and Audit Scheme (EMAS) (Germany and Austria), ISO 14001 (exception: Debrecen, Hungary, planned for 2026) and partially ISO 50001 (selected sites in Germany and China).

The energy values shown in the metric are based on the higher calorific value.

The unit of the metric is megawatt hours (MWh) per vehicle produced.

Energy consumption and mix
The metric covers the energy consumption of BMW Group plants for vehicle, motorcycle and component production as well as other BMW Group non-manufacturing sites (e.g. research centres, sales centres, office buildings). Partner plants and contract manufacturing are not included because they are not consolidated financially. Since 2024, the energy consumption of third parties on BMW Group production sites has also been measured. This includes the energy consumed by third parties on the site, provided production equipment is not owned by the BMW Group, the employees work for third parties and the equipment is either in a separate building or in a clearly separated area within a building. This also includes energy consumed by third parties on the site while construction work is being completed for future production up to the point when risk is transferred to the BMW Group. The metric shows the energy consumption per energy source for the entire BMW Group, including the energy supplied to third parties at BMW Group locations. Total energy consumption consists of the fuel consumption from natural gas and petroleum products, as well as the consumption of purchased or acquired electricity, heat, steam or cooling derived from fossil sources. In addition, renewable fuels, including wood fuel, landfill gas, biomethane and the consumption of purchased heat, steam and cooling from renewable sources, plus electricity from renewable sources, are included. The electricity from renewable sources* is generated by the Company itself via photovoltaic installations or sourced from power purchase agreements (PPA) and Energy Attribute Certificates (e.g. guarantees of origin).

The BMW Group generally calculates the share of electricity from renewable sources conservatively, i.e. shares of renewable power generation in the electricity mix are not used for the calculation. Electricity from cogeneration plants is counted as natural gas consumption.

Some of the electricity in the energy mix supplied to the BMW Group may partially originate from nuclear power plants. The corresponding percentages are derived from the statistical data for each country. Global figures are provided by the International Atomic Energy Agency (IAEA). The BMW Group uses the respective latest valid version.

The metric also includes the non-manufacturing locations over which the BMW Group has exclusive financial control. Energy consumption for the sites is extrapolated based on the gross floor area (GFA) and the type of use.

The extrapolation is based on an evaluation of the non-manufacturing sites for which primary data is recorded. The extrapolated consumption metrics are then added to the consumption of purchased electricity, heat, steam or cooling from fossil sources. All other sites are recorded on the basis of meter data or invoice values.

The data from production sites included in the metric is certified in accordance with the Eco Management and Audit Scheme (EMAS)(Germany and Austria), ISO 14001 (exception: Debrecen, Hungary, planned for 2026) and partially ISO 50001 (selected sites in Germany and China). Some of the non-manufacturing sites included in the metric are certified.

All energy values stated in the report are based on the lower heating value. The BMW Group uses the latest valid version of the conversion factors issued by the German Federal Office for Economic Affairs and Export Control (BAFA).

The unit of the metric is megawatt hours (MWh).

EU Taxonomy – operating expenditure (OpEx)
Operating expenditure in the context of EU Taxonomy 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 lease expenses relating to short-term lease contracts, expenditure for low value assets, and lease expenditure with 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. The capital expenditure metric in the context of EU Taxonomy comprises additions to intangible assets, in particular capitalised development costs, additions to property, plant and equipment, right-of-use assets in accordance with IFRS 16, and additions to leased-out products. Capital expenditure relating to the sale of parts to external third parties or the delivery of parts to cooperation partners is 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 as well as from the end-of-lease business with motorcycles as third-party brands were not included, as these economic activities are not classified as Taxonomy-eligible.

* See ↗ Glossary for a definition of electricity from renewable sources.

G

Greenhouse gas intensity (market- and location-based)
The greenhouse gas intensity is calculated based on the total greenhouse gas emissions of the BMW Group in tonnes of CO_2e ↗ Scope 1 to Scope 3: CO_2e emissions (total) (market- and location-based). The denominator is based on BMW Group net revenues ↗ note [7]. These net revenues are adjusted by an item related to the Financial Services segment's third-party business. Since the emissions associated with the production of vehicles sold under other brands are not included in the numerator of this metric, related revenues are deducted from the denominator.

The unit of the metric is CO_2 equivalent per euro [CO_2e/€].

I

Internal CO_2 price
The BMW Group calculates a CO_2 price as a shadow price, which is applied during development for evaluation purposes in connection with decisions on vehicle projects (Scope 3 downstream, Category 11 – use phase in accordance with the Greenhouse Gas Protocol). The CO_2 price is based on the CO_2 emissions limit set by the EU fleet regulations.

The EU fleet regulations set a value in euros per g of CO_2 emitted over the target for each unit sold. Multiplying this by the average mileage of 200,000 km, as used in the life cycle analysis in accordance with the assumptions of the Association of the Automotive Industry (VDA), yields the internal CO_2 price for the BMW Group.

A regular review (at least once a year) is carried out with regard to the revision of the European fleet regulations or, when needed, depending on potential amendments to the underlying regulatory system, by the Group Controlling and Sustainability Strategy units.

The unit of the metric is euro per tonne CO_2 [€/t CO_2].

L

Location-based method
A method to quantify the reporting company's Scope 2 CO_2e emissions based on average energy generation emissions factors for defined geographic locations, including local, subnational or national boundaries (Greenhouse Gas Protocol, Scope 2 Emissions Guidance, Glossary, 2015).

M

Market-based method
A method to quantify the Scope 2 CO_2e emissions based on CO_2e emissions emitted by the generators from which the reporter contractually purchases electricity ↗ bundled with contractual instruments, or contractual instruments ↗ unbundled (Greenhouse Gas Protocol, Scope 2 Emissions Guidance, Glossary, 2015).

Material
Material is a collective term for substances and mixtures of substances that are intended for the manufacture of products. This can include both ↗ raw materials and more highly processed substances and mixtures of substances. A differentiation is made between ↗ primary and ↗ secondary materials.

N

Net Zero
Reduction of Scope 1, 2 and 3 emissions (based on the science-based principles [SBTi] as well as the definition under ESRS) to a residual level that corresponds with achieving Net Zero emissions at global or sectoral level in recognised 1.5°C scenarios. This means a reduction in base year CO_2e emissions in the value chain of at least 90%, while simultaneously neutralising a maximum of 10% of the (residual) emissions through the use of permanent CO_2e sinks by the net zero target date and beyond.

Number and area of sites in or near biodiversity-sensitive areas
Number and area of sites owned, leased or managed by the BMW Group that are located in or near biodiversity-sensitive areas and on which the business activities of the BMW Group have a material negative impact.

The compilation of the metric essentially involves two analytical steps:

— Identifying BMW Group sites that are located in or near biodiversity-sensitive areas

— Assessment of the identified sites in terms of negative impacts on biodiversity-sensitive areas

The proximity of BMW Group sites to protected areas and their potential impacts are determined using the biodiversity platform Leeana.* Leeana considers the most important global biodiversity datasets for biodiversity-sensitive areas.

In the analysis, a distance of 1 km to protected areas is used as a reference. This distance reference makes it possible to assess local environmental impacts on neighbouring protected areas, such as direct exploitation of natural resources, local air pollution, noise or input into the soil, as well as loss and fragmentation of habitats. Within this radius, localised adverse effects on the environment can be recorded and assessed in a plausible manner.

* In the previous year, the IBAT platform was used for the territorial analysis.

For all sites identified by the Leeana tool analysis as being near a biodiversity-sensitive area, the second step is to identify and assess the potential impacts of the BMW Group's locations on biodiversity-sensitive areas. To this end, the potential impacts on protected areas are initially determined using the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) methodology developed by Global Canopy, UNEP FI (United Nations Environment Programme – Finance Initiative) and UNEP-WCMC (United Nations Environment Programme – World Conservation Monitoring Centre). A detailed analysis is carried out for all identified sites that could have a significant potential impact. These analyses are carried out manually by experts and take into account both the characteristics of the affected protected areas and the business activities at the sites assessed (e.g. differentiating between production, development, logistics or office sites).

A limitation of this approach is the assumption of regular operation in the respective business activity. Disasters or other unforeseeable and irregular events are not considered in the assessment.

As a result, the metric shows the BMW Group sites that are located in or near biodiversity-sensitive areas, insofar as a material negative impact on this biodiversity is identified.

The units of the two sub-elements of the metric are number (of sites) and hectares (total area of the sites).

O

Overall total weight of products and technical and biological materials
The metric comprises the total weight of the resource inflows to the BMW Group for the production of vehicles in the reporting period. The resource inflows contain the sum of the total weight of the vehicles produced, the auxiliaries and operating materials used in in-house production and other related process materials, as well as reused production residues.

Data from BMW Group plants and in-house production are used to determine the quantity of other related process materials and reused production residues.

The total weight of the vehicles produced is calculated on the basis of the average values, adjusted for the number of units, of representative BMW Group automobiles or motorcycles. The average values are derived from the average total material tonnage for each vehicle group. The material tonnage is determined on the basis of real IMDS (International Material Data System) data and extrapolated to the vehicle fleet (BMW Group automobile and motorcycle production volume).

The collection of additional related process materials, which are required for the manufacturing process but do not form part of the final product, is done by recording the relevant production waste generated during BMW Group's vehicle production. This category comprises, among other things, metal cuttings, plastic film, wood, paper and glass, as well as relevant process materials that accrue during production. The relevant waste categories are determined from weighted and systemically recorded data for waste documentation. The auxiliaries and operating materials data is gathered as real data (exception: UK, Motorcycle Production Brazil and Spotlight Automotive Ltd.).

An average is calculated based on this data and the BMW Group vehicles produced, and extrapolated to the other plants with product-relevant production (automobile, motorcycle and component production) worldwide.

The data on production waste shown in the metric as well as the real data underlying the extrapolation of auxiliaries and operating materials are derived from production sites that are certified according to the Eco Management and Audit Scheme (EMAS) (Germany and Austria), ISO 14001 (exception: Debrecen, Hungary, planned for 2026) and partially ISO 50001 (selected sites in Germany and China).

The unit of the metric is products and material tonnes [t]. The metric is composed of the resource inflows stated above and reported as a total mass in tonnes [t].

P

Potable water withdrawal per vehicle produced (Automotive)
Efficiency metric calculated from the potable water withdrawal measured for automobile production (BMW Group plants, excluding partner plants, contract manufacturing and Spotlight Automotive Ltd.) divided by the number of vehicles produced (BMW Group plants and partner plants, excluding contract manufacturing and Spotlight Automotive Ltd.). The metric considers BMW Group production sites from the first start of series production (initial SOP ramp up). Potable water withdrawal refers to water purchased from external water suppliers. If a BMW Group location does not purchase water from an external supplier, the primary source of supply is counted as potable water. This applies to the BMW Group plants in San Luis Potosí (Mexico) and Araquari (Brazil) At these plants, groundwater is the main source of supply.

The data shown in the metric is derived from production sites that are certified according to the Eco Management and Audit Scheme (EMAS) (Germany and Austria), ISO 14001 (exception: Debrecen, Hungary, planned for 2026) and partially ISO 50001 (selected sites in Germany and China).

Primary material
Primary material is a collective term for substances and mixtures of substances that are intended for the manufacture of products and are used in a production process for the first time. This can include both ↗ primary raw materials and more highly processed substances and mixtures of substances.

Primary raw materials
Primary raw materials are substances sourced directly from nature.

Q

Quantity of CO_2e emissions covered by an internal CO_2 pricing system (Scope 1, 2 and 3) and share of total emissions per scope
As described in ↗ internal CO_2 price, Scope 3 Category 11 use phase emissions, in accordance with the Greenhouse Gas Protocol, are affected by the internal CO_2 price. This is limited to the Automotive segment only. The pro-rata emissions are calculated as a share of the total emissions and expressed as a percentage.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e] (for the quantities) and percent [%] (for the share of total emissions).

R

Rates of recyclable content in the products (vehicles)
This metric reports the share of recyclable content in relation to the entire vehicle programme (for all BMW Group vehicles worldwide, including motorcycles).

Furthermore, the recyclable share is reported as an additional disclosure based on SASB, TR-AU-440b.3 for BMW Group automobiles in accordance with the statutory requirements laid down in the EU Directive on End-of-Life Vehicles (ELV 2000/53/EC). These percentages are based on vehicle weight. These metrics apply to the individual product/type approval scopes.

The quotas are verified as part of the European type approval (certification authority: Société Nationale de Certification et d'Homologation [S.N.C.H], Luxcontrol S.A.)/Chinese type approval (certification authority: Ministry of Industry and Information Technology [MIIT], Certification and Accreditation Administration of China [CNCA]) in accordance with ISO 22628 and can also be assumed to apply technically to all vehicles worldwide (BMW Group automobiles). The consideration of the calculated vehicles involves what is referred to as the "worst case" vehicle for the corresponding type approval. This means that vehicles within the same type approval may also have higher recycling/recovery rates, for example, if they contain more metal due to larger engines and/or transmissions. For BMW motorcycles, ISO 22628 certification has been demonstrated for representative types of motorcycles. It can also be assumed that the quotas are met for the remaining motorcycle models.

The unit of the metric is percent [%]. The percentages relate to the minimum required by law. In practice, higher recycling/recovery rates are also possible due to differences between vehicle versions and/or recycling/recovery processes.

Raw material
A raw material describes an unprocessed or processed substance that is used as an input for the manufacture of materials or intermediates or finished products. A differentiation is made between ↗ primary and ↗ secondary raw materials. The term "raw material" includes substances of a mineral and organic nature. It is to be distinguished from ↗ resources and ↗ materials.

Recycled content automobiles
The metric describes the average recycled content of the BMW Group's automobiles produced globally in the reporting year.

The following definition is applied in accordance with EN ISO 14021 to determine the recycled content, respectively the share of recycled material used.

Recycled material is defined in EN ISO 14021:2021-10 as "material that has been reprocessed from recovered [reclaimed] material by means of a manufacturing process and made into a final product or into a component for incorporation into a product". In accordance with EN ISO 14021:2021-10, the recycled content consists of the two material streams "pre-consumer material" and "post-consumer material".

To determine the recycled material required for automobile production in the reporting period, an analysis is carried out to ascertain whether recycled content values are available for the components, products and materials. The analysis follows an allocation model based on available data sources. Primary data from the suppliers is used where available. If not, material-specific data sets taken from the Sphera database (based on average industrial values) are used. Material-specific data sets are allocated according to the material classification. The recycled content is assumed to be zero if no data is available from suppliers or the Sphera database. The calculation is performed in accordance with EN ISO 14021*. The value is recorded for representative vehicles and allocated to every vehicle for the reporting year, while taking account of the vehicle groups.

To calculate the quantity of recycled materials, the amounts are extrapolated across the automobile production volume based on the vehicle groups used to calculate the vehicle mass. The total of recycled material is the metric numerator.

The metric denominator is the total weight of the automobiles produced by the BMW Group. The calculation is performed on the basis of the average values, adjusted for the number of units, of representative BMW Group automobiles. The average values are derived from the average total material tonnage for each vehicle group. The material tonnage is determined on the basis of real IMDS (International Material Data System) data and extrapolated to the vehicle fleet (BMW Group automobile production volume).

The unit of the metric is the percentage weight [%] and describes the relative share of recycled components, products and materials within the total mass [t] of the automobiles produced by the BMW Group in the reporting period.

* EN ISO 14021:2021-10. Environmental labels and declarations - Self-declared environmental claims (Type II environmental labelling) (ISO 14021:2016 + Amd 1:2021); German version EN ISO 14021:2016 + A1:2021.

Resources/natural resources
The term refers to natural resources that occur in nature and can be exploited for economic or consumption purposes. The definition excludes financial or human resources. Depending on the context, the term "resource" also contains ↗ materials, ↗ raw materials or, for example, "air", "water" or "soil".

S

Science-based approaches and methods
The Greenhouse Gas Protocol and its structure for allocating emissions are used to derive the reduction targets. The Greenhouse Gas Protocol is developed and coordinated by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) and includes the latest scientific developments. Building on this globally established framework, reduction targets for the individual ↗ scopes are derived. The BMW Group had its relative decarbonisation targets validated by the SBTi in 2020.

An intersectoral approach which is in line with the approach of the Science Based Targets initiative (SBTi) is used for the reduction objective. This involves using Scope-specific annual reductions (reduction rates) in relation to 2019 as the base year and then calculating the so-called near-term target (target year 2030). As such, the BMW Group applied the approach defined by the SBTi at this time and its methodology to establish science-based targets. This means that, in line with the specifications of this standard, biogenic emissions are only indirectly taken into account.

Ongoing revisions to the SBTi guidelines, which are expected to continue until at least the third quarter of 2026, and interim requirements applicable until then (including the mandated commitment to phase out combustion engine technology by 2035) currently prevent the validation of the absolute targets set in 2024. The complete consideration of all biogenic emissions required under the current SBTi standards is therefore still not fully reflected in the target-setting.

Scope 1 to Scope 3: CO_2e emissions (total)
CO_2e emissions generated by a company are categorised into different scopes. 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, heat and cooling 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 use of products and services. More details on the different categories reported by the BMW Group within the individual scopes are provided below.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e]. Biogenic emissions are reported separately.

Scope 1: CO_2e emissions (total)
Scope 1 emissions are generated directly within a company, for example, through the combustion of fossil fuels. The different categories reported by the BMW Group are described in more detail below.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e]. Biogenic emissions are reported separately.

Scope 1: CO_2e emissions from BMW Group locations
The metric includes all direct emissions from BMW Group locations that result from the use of a variety of fossil fuels at all BMW Group locations.

In addition, the metric includes emissions from the operation of test benches and the resulting CO_2e from destroyed volatile organic compounds (VOC). These are produced, for example, from the post-combustion of solvent residues in the paint shop.

The CO_2e emissions are calculated mainly by using the emissions factors of the VDA (latest valid version). These are based on the latest GWP values in accordance with IPCC AR6. which take into account the composition of the various sources of energy specific to each country. Renewable fuels such as wood are considered carbon neutral, because their CO_2 content is absorbed from the surrounding air and bound in lignin. However, they are reported together with their equivalents (e.g. N_2O, soot). Biogenic CO_2 emissions from bio-based fuels are reported separately.

The data from production sites included in the metric are certified according to the Eco Management and Audit Scheme (EMAS) (Germany and Austria), ISO 14001 (exception: Debrecen, Hungary, planned for 2026) and partially ISO 50001 (selected sites in Germany and China). Some of the non-manufacturing locations included in the metric are certified.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e]. The emissions factors [t/MWh] are applied to energy consumption [MWh].

Scope 1: CO_2e emissions from company vehicles
The metric includes all direct emissions from the BMW Group's vehicle fleet.

The vehicle fleet includes personally and non-personally assigned company and functional vehicles. Personally assigned vehicles may be used for business and personal purposes.

The metric is calculated based on fuel consumption for all markets where fleet consumption data can be obtained (#1 consumption-based method). If consumption-based data cannot be obtained for a market, the calculation is based on the mileage-based method (#2).

When calculating CO_2e emissions, the consumption-based method is the most accurate because there is a direct correlation between consumption and emissions.

#1 Consumption-based method

The data is sourced from aggregated fuel receipts (such as fuel card transaction records) and filling station data.

The following data is calculated for the reporting year:

— Fuel quantities and types (diesel, petrol) including units (e.g. litres)

— Emission factors for the relevant fuels including units (e.g. CO_2e kg/litre).

The calculation formula for the consumption-based method per country is:

CO_2e emissions = Σ (quantity of fuel consumed x emission factor of the respective fuel)

#2 Mileage-based method

The mileage-based method is based on activity data (i.e. kilometres driven per vehicle type) multiplied by fuel consumption factors (as a rule, the country-specific standard values by vehicle type) and emissions factors for fuels.

The data is sourced from fleet management systems and records (such as Excel tables).

The following data is calculated for the reporting year:

— Total distance driven by each vehicle in the reporting year, including units (e.g. kilometres, miles)

— The specific vehicle type, including VINs

— vehicle-specific fuel consumption factor according to WLTP, WLTC, US EPA, etc. (e.g. litre/100 km)

— Emission factors for the relevant fuels including the unit of measurement (e.g. CO_2e kg/litre)

The calculation formula for the mileage-based method per country is:

CO_2e emissions = Σ (distance driven by the respective vehicle type x country- and vehicle-specific fuel consumption x emission factor of the respective fuel)

The data for the respective countries resulting from calculation methods #1 and #2 is ultimately added up to yield the total reported Scope 1 CO_2e emissions.

The metric includes all emissions from BMW Group company and functional vehicles. Data is collected from five representative countries. Emissions are preferably calculated based on actual refuellings. This applies to the plant locations and/or markets in Germany, South Africa and the UK. In the USA and China, they are determined based on kilometres driven. If the data is incomplete or not available for the entire period at the time of collection, the values are extrapolated for the country or legal entity in question. The collected data cover approximately 80% of all BMW Group employees. The metric is extrapolated based on the number of employees to cover the entire BMW Group.

Emissions from company vehicles are also included on a pro rata basis under ↗ Scope 3: CO_2e emissions from employee commuting [Employees' commuter traffic] and ↗ Scope 3: CO_2e emissions from use of sold products [Use phase]. A system-based distinction is currently not possible.

For system-related reasons, refuelling of company vehicles include both business and private trips, with the exception of refuelling paid for by employees themselves.

The VDA's emission factors for diesel and petrol (latest valid version) are used to determine the CO_2e emissions. The VDA factors are based on the latest GWP values in accordance with IPCC AR6. The values are applied globally for all regions. In the USA, region-specific values are used. Biogenic emissions are reported separately.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e].

Scope 1: CO2e emissions from company-owned planes
The metric includes the emissions generated by company-owned planes on the basis of all flights operated worldwide.

Emissions from business travel undertaken on scheduled or chartered flights are not included in the metric, instead, they are reported under ↗ Scope 3: CO_2e emissions from business travelling.

Only those emissions that are generated directly as a result of operating the respective aircraft itself in the air and on the ground (turbine and auxiliary turbine) are taken into account.

Emissions generated by external factors (e.g. the potential use of a ground power unit or aircraft tug) are not taken into account.

Fuel consumption, which forms the basis for calculating emissions, is calculated using "Method B" as defined in Commission Implementing Regulation (EU) 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council and amending Commission Regulation (EU) No 601/2012 in the version dated 1 July 2024, which is defined as follows:

Actual fuel consumption for each flight [t] = Amount of fuel remaining in aircraft tanks at block-on at the end of the previous flight [t] + Fuel uplift for the flight [t] – Amount of fuel contained in tanks at block-on at the end of the flight [t].

A reduction of emissions through the use of alternative aviation fuels that are eligible for subsidisation is assessed when used, in accordance with Amending Regulation (EU) 2024/2493 of 23 September 2024. These fuels are only available to a very limited extent at present, and suppliers have so far been unable to provide the evidence necessary for the required acceptance in the NABISY system of the German Federal Ministry for Agriculture and Transport. As an alternative to NABISY, the Union Database (UDB) is currently being implemented as an EU-wide register to fulfil the requirement of Directives (EU) 2018/2001 (RED II) and (EU) 2023/2413 (RED III). Given the intention to not only report CO_2 emissions, but also to take into account the impact of other greenhouse gases which are produced through the combustion of kerosene, the current combined emissions factor published by the UK Department for Energy Security and Net Zero is applied. These factors are based on the GWP values over a 100-year time horizon stated in the IPCC's Fifth Assessment Report (AR5).

Other effects that are not based on the reported CO_2e emissions, such as condensation trails, are subject to great uncertainty in terms of the options currently available for evaluation and calculation and, as a result, are not included in the calculations for the metric. The NEATS (Non-CO_2 Aviation Effects Tracking System) IT system, which is based on the requirements of Implementation Regulation (EU) 2024/2493 cannot be used at present for reporting all of the non-CO_2 emissions produced. The system is currently in the introductory phase and has been available to users for this purpose since 30 September 2025 for a trial of the reporting of defined geographic application areas as part of the EU and SWISS ETS – however, it is not available for calculating the non-CO_2 emissions for all flights operated.

It should be noted that the metric defined in this context (unit: CO_2e) deviates from the emissions to be calculated for the respective Emissions Trading System (e.g. EU-ETS, SWISS-ETS, UK-ETS). These are determined in accordance with the clearly defined requirements of the relevant authorities.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e].

Scope 2: CO_2e emissions (total)
Scope 2 emissions relate to the indirect emissions from externally purchased electricity, heating and cooling. The BMW Group distinguishes between two categories, which are described in more detail below. The values are calculated using both the ↗ market- and ↗ location-based methods.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e]. Biogenic emissions are reported separately.

Scope 2: CO_2e emissions from electricity/heating/cooling purchased by BMW Group locations
The metric includes all indirect emissions from purchased electricity, heat and cooling at all BMW Group locations. For non-production locations over which BMW Group does not have operational control, it is assumed that non-renewable energy is used exclusively.

This metric also includes partly the ↗ Scope 2: CO_2e emissions from company vehicles from charging at BMW Group locations. A system-based distinction is currently not possible.

As with Scope 1, country-specific emissions factors, primarily VDA factors (latest valid version), are used to calculate CO_2e emissions in each country. The VDA factors are based on the latest GWP values in accordance with IPCC AR6. In district heating and cooling, local factors are applied in some cases instead of country-specific factors to account for regional differences. Biogenic emissions are reported separately.

The data from production sites included in the metric is certified according to the Eco Management and Audit Scheme (EMAS)(Germany and Austria), ISO 14001 (exception: Debrecen, Hungary, planned for 2026) and partially ISO 50001 (selected sites in Germany and China). Some of the non-manufacturing sites included in the metric are certified.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e]. The emissions factors [t/MWh] are applied to energy consumption [MWh].

Scope 2: CO_2e emissions from company vehicles
The metric includes indirect emissions (consumption of electricity) from the BMW Group's vehicle fleet expressed in tonnes of CO_2e.

The vehicle fleet includes personally and non-personally assigned company and functional vehicles. Personally assigned vehicles may be used for business and personal purposes.

The metric is calculated based on electricity consumption for all markets where fleet consumption data can be obtained (#1 consumption-based method). If consumption-based data cannot be obtained for a market, the calculation is based on the mileage-based method (#2).

When calculating CO_2e emissions, the consumption-based method is the most accurate because there is a direct correlation between consumption and emissions.

#1 Consumption-based method

Electricity consumption consists of @work charging options (charging stations at BMW Group locations), @public (charging at public charging stations) and @home (charging at employees' homes). Consumption is considered relevant if it is paid for by BMW Group. Consequently, a conservative approach is taken in respect of the classification of the consumption of electricity from renewable sources. The data is sourced from aggregated fuel receipts (such as fuel card data reports) and charging system data and meter readings.

The following data is calculated for the reporting year:

— Available charging options within a country/legal entity: @work, @public and @home

— Information on whether the charging type relies on electricity from renewable sources (in accordance with local and BMW Group requirements and considering ESRS criteria)

— Quantity of electricity consumed (broken down by charging option) in MWh

— Emissions factors for electricity in the relevant country (expressed in t CO_2e/MWh)

Calculation formula for the consumption-based method per country:

CO_2e emissions = Σ (quantity of energy consumed (MWh) x country-specific emissions factor for electricity [t CO_2e/MWh])

#2 Mileage-based method

The mileage-based method consists of compiling activity data (i.e. kilometres driven by vehicle type) multiplied by energy consumption factors (standard factors by vehicle type) and the country-specific emissions factors for electricity.

The country- and vehicle-specific energy consumption factor must be specified by the respective market, stating the source (e.g. WLTP weighted combined).

The data is sourced from fleet management systems, fleet management records (such as Excel tables) and meter readings, receipts and fuel card reports for electricity from renewable sources.

The following data is calculated for the reporting year:

— Total distance driven by each vehicle in the reporting year, including units (e.g. kilometres, miles)

— The specific vehicle type, including VINs

— Vehicle-specific energy consumption factor including unit (e.g. kWh/100 km)

— Emissions factors for electricity in the relevant country (expressed in t CO_2e/MWh)

Calculation formula for the mileage-based method per country:

CO_2e emissions = Σ (distance driven by the respective vehicle type x vehicle-specific energy consumption factor) x country-specific emissions factor for electricity (t CO_2e/MWh)

The data for the respective countries resulting from calculation methods #1 and #2 is ultimately summed up to yield the total reported CO_2e emissions.

The metric includes all emissions from BMW Group company and functional vehicle. Data is collected from five representative countries. Emissions are preferably calculated based on charging figures. This applies for the plant locations and/or markets in Germany, South Africa and the UK. In the USA and China, they are determined based on kilometres driven. If the data is incomplete or not available for the entire period at the time of collection, the values are extrapolated for the country or legal entity in question. The collected data cover approximately 80% of all BMW Group employees. The metric is extrapolated based on the number of employees to cover the entire BMW Group.

Emissions from company vehicles are also included on a pro rata basis under ↗ Scope 3: CO_2e emissions from employee commuting [employees' commuter traffic] and ↗ Scope 3: CO_2e emissions from use of sold products [use phase] and ↗ Scope 2: CO_2e emissions from electricity/heating/cooling purchased by BMW Group locations. A system-based distinction is currently not possible. For system-related reasons, charging of company vehicles includes both business and private trips, except for charging events paid for by employees themselves.

The main basis for determining CO_2e emissions is the VDA's emissions factors (latest valid version). The VDA factors are based on the latest GWP values in accordance with IPCC AR6. In the USA, region-specific values are used. Biogenic emissions are reported separately.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e].

Scope 3: CO_2e emissions (total)
Scope 3 emissions are generated in the upstream and downstream stages of the value chain. For details of the BMW Group's main categories in accordance with the Greenhouse Gas Protocol, see ↗ reporting overview for the Scope 3 categories.

Each of the reported categories is described in more detail below.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e]. Biogenic emissions are reported separately.

Scope 3: CO_2e emissions from purchased goods and services
The metric describes the absolute amount of CO_2e emissions related to the production of purchased goods and services which are emitted during the production of BMW Group vehicles (automobiles and motorcycles) and by Customer Support ("aftersales products"). It therefore reflects Scope 3 Category 1 of the Greenhouse Gas Protocol. The following are currently not considered in this category: racing vehicles, as well as purchased IT cloud services and engineering or development services.

A specific methodology has been developed for the BMW Group to determine CO_2e supply chain emissions. Due to the absence of supplier-specific CO_2e values across the entire supply chain, a model based on industry averages and, where available, 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 the absence of data, various estimates, assumptions and average values are used to determine the metric. The aim is to improve the model quality for calculating the metrics over the reporting years by increasing

transparency in the supply chains and by expanding the model details, while maintaining a consistent methodology.

The methodology outlined in the following is used to calculate the emissions data for BMW Group automobiles. Emissions data for motorcycles produced by the BMW Group and for Customer Support are determined using a simplified calculation.

BMW Group automobiles: the initial calculation of the supply chain CO_2e 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 drive models (petrol, diesel, PHEV and BEV) produced during the period under review. The bill of materials is configured in such a way that it already contains engine and drive variants, along with optional equipment.

For the representative vehicles, the CO_2e emissions of all installed components are calculated on the basis of their material composition and related processing steps. In each case, up to around 60,000 individual entries are evaluated per vehicle. The CO_2e value of the relevant vehicle is calculated by adding up these contributions.

For the vast majority of vehicle models produced that are not included in the representative vehicles, there is no individual CO_2e 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 CO_2e emissions. Vehicle derivatives that have not yet been evaluated can now be custom built using these basic components, with the components selected being determined by 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 calculations 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, a calculation would be available for a BMW 520i as a vehicle evaluated on a bill of materials basis, but not for a BMW 520i Touring in this instance. To ensure that the latter is accurately represented, the calculated CO_2e emissions for components such as the drivetrain, wheels and seats remain unchanged, while the body values are multiplied by a scaling factor when calculating the touring model. The methodology outlined above draws on the established Sphera database LCA for Experts to ascertain CO_2e factors for energy, raw materials and manufacturing processes. For the calculation, the current emissions factors in the Sphera database are used (database version 2025.2), which take account of GWP factors in accordance with IPCC (AR6) in the reporting year.

The CO_2e emissions of supply chains vary across different regions of the world. Therefore, for reasons of simplicity, the production sites of the vehicles are allocated to one of three regions: Europe, Asia or the USA. Then the emissions are calculated for the entire vehicle supply chain using the Sphera datasets that are valid for that region. The design of the BMW Group calculation method both facilitates and requires the use of a large number of different materials, for which the secondary data of the emissions factors must be provided for the calculation. This data is not equally available for all regions of the world. The approach taken by the BMW Group in this context involves closing gaps in the required secondary data by means of scaling using VDA material classes. The emission-intensive battery cells and catalytic converter coating are specifically calculated based on their actual production region, irrespective of the vehicle's manufacturing location.

Given the significant impact of battery cell production on electrified vehicles' total CO_2e 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 (automobile) built during the period under review its specific CO_2e baseline value for supply chain emissions (hereinafter referred to as the baseline value). The total fleet value of CO_2e supply chain emissions is calculated by adding up the CO_2e contributions of all automobiles produced in the reporting year.

Since the method described is based primarily on the use of secondary data – i.e. industry average values – individually agreed on CO_2e-reducing measures must be deducted from the fleet baseline value in a subsequent process step. The calculation of the total quantities of CO_2e emissions saved is described in the metric ↗ CO_2e reduction in the supply chain (Scope 3 upstream). Therefore, the share of supply chain emissions attributed to the automobile fleet is derived from the baseline value described above, minus the ↗ CO_2e reduction in the supply chain (Scope 3 upstream).

BMW motorcycles: the share of supply chain emissions attributed to the motorcycle fleet is calculated using a simplified method. In this case, a representative motorcycle (or scooter) is selected for each family of vehicles (with the same drivetrain: inline or boxer, electric drive); the supply chain emissions are then assessed for this derivative.

This also involves analysing the bill of materials at the component level, with a focus on the materials used and the associated manufacturing processes. Secondary data from "LCA for Experts" from Sphera is used here. This method draws upon components of ISO 14040/44 and follows common practice in preparing life cycle analyses (LCA). When scaling the emissions to the entire motorcycle fleet, the CO_2e values obtained for the supply chain of the assessed vehicle are scaled to all other derivatives of the same family using the vehicle mass. This value is then multiplied by the total number of vehicles (motorcycles) produced in the reporting year.

This estimation method for motorcycles does not work by scaling component elements and as a result is unable to model differentiations within the individual vehicle families in as much detail as is the case in the calculation for automobiles. CO_2e-reducing actions are not currently verified by motorcycle suppliers independently and are therefore also not accounted for in ↗ CO_2e reduction in the supply chain (Scope 3 upstream).

BMW Group Customer Support: The emissions produced by the Customer Support segment ("aftersales products") are calculated using a consumption-based methodology. To begin with, this involves calculating the emissions of a relevant sample of the parts which have the strongest revenues and volumes, including CO_2e-intensive parts, such as wheels and chemicals. As part of this, the components are assessed with regard to the materials they contain and the associated manufacturing processes. Secondary data from "LCA for Experts" from Sphera are used here. The method draws upon components of ISO 14040/44 and follows common practice in preparing life cycle analyses (LCA). A revenue-based extrapolation across the total volume is subsequently performed.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e]. Biogenic emissions are reported separately.

Scope 3: CO_2e emissions capital goods
The metric comprises upstream emissions from the manufacture of capital goods that were added to the BMW Group in the reporting year. Emissions from the use of the goods are not taken into consideration. When calculating the emissions, the BMW Group applies the "spend-based" method in accordance with the GHG Protocol. The additions for property, plant and equipment in the consolidated statement of changes in fixed assets ↗ note [20] are used for this purpose and evaluated with corresponding emissions factors. The emissions factors used originate from the Cornerstone Sustainability Data Initiative and are provided by Climatiq. These are based on the GWP values in accordance with IPCC AR6. The emissions in this category result primarily from construction activities as well as the manufacture of acquired technical installations and machinery.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e].

Scope 3: CO_2e emissions from upstream transportation and distribution [logistics]
The metric comprises the CO_2e emissions generated by transport logistics, which include inbound (production supply), outbound (vehicle distribution) and customer support (spare parts).

All modes of transport used within the BMW Group transport network for BMW Group vehicles (automobiles and motorcycles) up to the retail partner are taken into account:

— Road
— Rail
— Sea
— Inland waterway
— Air freight

In accordance with Scope 3 of the Greenhouse Gas Protocol, transport emissions fall under Categories 4 ("Upstream transportation and distribution") and 9 ("Downstream transportation and distribution"). Only the definition of Category 4 applies to the BMW Group's transport logistics because the BMW Group bears the transport costs up to the point of sale. Emissions after the point of sale are reported in ↗ Scope 3: CO_2e emissions from use of sold products [Use phase], because it is usually from this point onwards that the automobile or motorcycle is put into operation by the customer. Emissions from the BMW Group's own warehouses and distribution centres are reported in ↗ Scope 1: CO_2e emissions of BMW Group locations and Scope 2: CO_2e emissions from electricity/heating/cooling purchased by BMW Group locations).

The distance-based method (in accordance with the Greenhouse Gas Protocol) is used to calculate the CO_2e emissions of transport logistics. First, the transport performance is calculated (weight multiplied by distance) in tonne-kilometres [tkm]. The relevant weight in tonnes [t] comprises the gross weight (component/motorcycle weight including packaging and shipping material) for inbound, customer support and motorcycle outbound, while the vehicle mass is used for automobile outbound. Distance is the distance travelled in kilometres [km]. In the second step, the transport volume is multiplied by specific emissions factors in grams of CO_2e per tonne-kilometre [g CO_2e/tkm], depending on the technology used in the means of transport and the carrier. The emissions factors used account for the entire chain of emissions (well-to-wheel). This means they include all greenhouse gas emissions generated over the entire life cycle, from production and transport of the fuel/energy (well-to-tank) to combustion of the fuel/use of the energy (tank-to-wheel).

When it comes to specific emissions factors, the BMW Group draws on primary data from logistics service providers wherever possible. In case no primary data are available, the specific emissions factors are modelled in line with ISO 14083 and IPCC AR6. The main sources of information are GLEC (Global Logistics Emissions Council) Framework (reporting year 2025: GLEC V3.2) and shipping company-specific emissions data by CleanCargo (reporting year 2025: published in October 2024). In this context, "modelled" means that the default values defined in the GLEC framework are converted using parameters specific to the BMW Group (e.g. load factors for sea freight and road transportation). Standardised reference values (default values) only need to be applied in individual cases.

For the calculation of CO_2e emissions in inbound logistics, all transport flows in the production supply of component parts for automobile (BMW, MINI and Rolls-Royce) and BMW motorcycle manufacturing are considered. This includes transportation from the Tier 1 supplier's shipping location to the receipt of goods at the BMW Group production plants worldwide, including partner plants and excluding contract manufacturing sites. For this purpose, supported by internal IT applications, the billing and movement data are entered. Due to a time lag in the technical availability of data as at the reporting date for a given reporting year, correction factors are applied based on historical data from previous years for certain transactions in the calendar months of November and December. The relevant CO_2e emissions in production supply are calculated for each individual transport flow in line with the methodology described, and an average derivative-specific inbound transport logistics CO_2e value is assigned to each vehicle produced, depending on the production site and drivetrain variant.

The transport flows of new vehicles from the BMW Group production sites to warehouses and to points of sale worldwide are considered for the outbound emissions of automobiles (BMW, MINI, Rolls-Royce). In this case, too, the billing and movement data is recorded supported by internal IT applications. The associated CO_2e emissions for each vehicle produced are calculated using the methodology described above. An average derivative-specific outbound CO_2e value is calculated for each plant-market combination (for example, Munich plant to French market).

A simplified procedure is used to calculate the outbound emissions of BMW Motorrad Distribution as in the 2024 reporting year. This involves calculating a volume-weighted average weight including packaging and then identifying the sales markets, which together account for 80% of the retail volume. The main transport routes are analysed, the corresponding distances travelled are determined and motorcycle-specific emissions factors are modelled for these markets. The CO_2e emissions calculated on this basis are added up and extrapolated to 100% by applying the retail volume. The transport flows of transported new vehicles from the production plants, including manufacturing sites, via warehouses to points of sale worldwide are taken into account in a similar way to automobile outbound emissions.

The calculation of customer support (spare parts logistics) emissions considers the billing and movement data of transport flows for automobile (BMW, MINI, Rolls-Royce) and BMW Motorrad spare parts from goods receipt at the central BMW Group warehouse locations to markets and the distribution network worldwide. Due to time lags and technical issues related to the availability of data as of the reporting date, correction factors are applied for certain amounts for the calendar months of November and December based on historical data from previous years and industry averages. The corresponding CO_2e emissions are calculated for each transport flow in accordance with the methodology described and presented together with inbound and outbound data.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e]. Biogenic emissions are reported separately.

Scope 3: CO_2e emissions of business travelling
The metric includes all BMW Group business travel. Business travel using BMW Group-owned planes, Company vehicles and privately owned vehicles is not included in the metric. The metric reflects Scope 3 Category 6 of the Greenhouse Gas Protocol.

The CO_2e emissions generated by business travel are calculated based on real activity data relating to destinations, distances and the means of transport used. The flight data are based on the number of tickets sold per route booked at contract-based travel agencies. Where flight route distances are not provided by individual markets, these are calculated manually based on the point of departure and the destination. To calculate CO_2e emissions, the flight routes are divided into short-haul or long-haul flights in economy, premium economy, business or first class. Business travel with rental cars is based on data from all bookings made with BMW Group accounts with car rental companies and include distance, fuel and vehicle class. The travel agencies also provide distance data for rail travel. Exception: rail journeys undertaken by BMW Group employees on Deutsche Bahn AG trains in Germany are carbon neutral because energy from 100% renewable sources is used for long-distance and electrified commuter trains, and indirect emissions, and emissions from diesel transaction in commuter trains are offset by Deutsche Bahn AG. This means that these rail journeys are included in the calculation as having zero emissions.

The calculation is made using the current emissions factors published by the UK Department for Energy Security and Net Zero. These factors are based on the GWP values over a 100-year time horizon stated in the IPCC's Fifth Assessment Report (AR5). The calculation is carried out in the same way as the metric in ↗ Scope 1: CO_2e emissions from company-owned planes, without the inclusion of radiative forcing. Biogenic emissions are reported separately.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e].

Scope 3: CO_2e emissions of employee commuting [employees' commuter traffic]
The metric includes the CO_2e emissions generated by BMW Group employees commuting to work. The metric reflects Scope 3 Category 7 of the Greenhouse Gas Protocol.

The definition of BMW Group employees includes the number of all persons with temporary or permanent employment contracts at the BMW Group on 31 December of the reporting year. The figure does not include employees in inactive early retirement phase, women on maternity leave, employees who are absent for reasons including sabbaticals, parental or family care leave, long-term sick leave, military service or accompanying their partner abroad, other BMW Group employees and temporary agency workers. Commuting refers to the journey from home to the primary place of work and back. Only direct emissions generated during commuting are included; emissions resulting from the production of the means of transport are not accounted for.

A differentiation is made between the following modes of transport: (1) motorised individual transport (automobile, motorcycle), (2) company shuttle bus, (3) bicycle and pedestrian traffic and (4) public transport.

For technical reasons, the emissions generated from the use of company vehicles for commuting purposes are included in this metric as well as in ↗ Scope 1: CO_2e emissions from company vehicles and ↗ Scope 2: CO_2e emissions from company vehicles. The metric does not include journeys between BMW Group locations or business travel.

The data is calculated using real activity data for more than 80% of the employees. The remaining emissions are extrapolated based on the total number of employees.

For each location, the CO_2e emissions resulting from employee commuting are calculated based on the number of employees, the absence rate, the use of mobile working, the number of production days and the average distance between the primary place of work and home address. The distance is calculated per employee. Residential location data at the postcode level are available and are taken as a basis for the calculation. The

average per capita values for the respective locations are used in subsequent calculations. The average distance per mode of transport is calculated separately for each site. The distance travelled by company shuttle buses is calculated in kilometres.

To calculate the metric, a usage factor is attributed to each carrier, known as the modal split, on a site-specific basis. This indicates the percentage of employees who use a particular means of transport. The data for the usage factor is collected by external providers via surveys or provided by the BMW Group's plants and non-manufacturing sites (in-house mobility departments) based on their own data. The data is further validated by comparing them with the use of parking spaces, the number of employees with subsidised season tickets for public transport, the use of company shuttle buses and the number of bicycle parking spaces available. The automobile occupancy rate ranges between 1.05 and 1.1 people per vehicle. The figure is measured directly (by counting) at some sites and estimated on the basis of comparative figures at others.

Three different values are used to calculate CO_2e emissions:

- VDA's emissions factors (latest valid version) based on the most recent GWP values for emissions related to work shuttle buses in accordance with IPCC AR6. The calculation is based on CO_2e per litre of fuel.
- Emissions factors as per the TREMOD report published by the German Environment Agency (Umweltbundesamt), based on IPCC AR5 for personal vehicles. The calculation is based on CO_2e per kilometre.
- Values calculated in-house at the BMW Group based on the VDV 2019 statistics on public transport emissions. The calculation is based on CO_2e per passenger kilometre.

The values are applied globally for all regions.

The kilometre distance is multiplied by the usage factor for each mode of transport and subsequently by the allocated emissions factor and the number of employees per location. The sum adds up to the total CO_2e emissions resulting from employee commuting. Biogenic emissions are reported separately.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e].

Scope 3: CO_2e emissions from use of sold products [use phase]

The metric describes the absolute quantity of CO_2e emissions calculated for the use phase of BMW Group vehicles (automobiles and motorcycles) delivered in the reporting year. The absolute emissions in the use phase are based on the average CO_2e emissions by the global new vehicle fleet, including upstream emissions (Scope 3 downstream, well-to-wheel, see ↗ CO_2e emissions of the new vehicle fleet worldwide (Scope 3 downstream, tank-to-wheel). The metric reflects Scope 3 Category 11 of the Greenhouse Gas Protocol.

The total value in t CO_2e is the result of multiplying the average CO_2e emissions per kilometre for the EU, US and Chinese markets by the number of BMW Group vehicles delivered worldwide in the reporting period and an assumed average mileage over the entire life cycle (Automotive segment: 200,000 km, as per VDA 900-100; Motorcycles segment: 40,000 - 100,000 km depending on the model, based on statistical analyses). These core markets account for more than 80% of the BMW Group's sales. The actual values may differ from the calculated values depending on individual use and location.

This metric records the use phase emissions of all units sold in the reporting period over their entire expected life cycle.

In addition to the emissions generated during the use of the vehicles (tank-to-wheel), the emissions generated during provision of the required drive energy (well-to-tank) are also taken into account.

A detailed description of the global average CO_2e emissions per kilometre of a new BMW Group car can be found at ↗ CO_2e emissions of the new vehicle fleet worldwide (Scope 3 downstream, well-to-wheel).

The calculation of the average value is based on the regulatory consumption values of the vehicles delivered in the major core regions (EU, USA, China). BMW Motorrad uses certified consumption values according to the Worldwide Harmonized Motorcycle Test Cycle (WMTC).

A factor of 10% is added to these values in order to reflect deviations in customer driving behaviour compared to the statutory reference cycles and thus meet the SBTi requirement. This is how the tank-to-wheel emissions are calculated. In line with the well-to-wheel approach, the upstream emissions of the energy sources are included in the metric. The corresponding emissions factors from Sphera are used to calculate the upstream chain of fuel production (database version 2025.2, IPCC AR6, kg CO_2e/kg fuel). To calculate the CO_2 emissions resulting from electricity production in the respective markets, the BMW Group uses the energy report published by the International Energy Agency (IEA) (reference basis: previous year, g CO_2/kWh) as a basis.

This covers the entire causal chain behind vehicle motion, i.e. from the extraction and provision of fuels to their conversion into drivetrain energy. This approach also includes the environmental impacts associated with the generation of fuel and electricity.

The data collection method is based on the requirements of the Greenhouse Gas Protocol (Scope 3 Calculation Guidance Version 1.0, 2013). Biogenic emissions are reported separately.

The emissions of ↗ Scope 1: CO_2e emissions from company vehicles and ↗ Scope 2: CO_2e emissions from company vehicles are also partially included in this metric. A system-based distinction is currently not possible.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e].

Scope 3: CO_2e emissions from end-of-life treatment of sold products [disposal]
The metric describes the absolute amount of CO_2e emissions from the end-of-life treatment of sold products [disposal] (Scope 3 downstream). The metric reflects Scope 3 Category 12 of the Greenhouse Gas Protocol.

The CO_2e emissions from recovery in tonnes of CO_2e are based on TÜV-certified life cycle assessments of vehicles that are representative of the overall fleet. These were carried out at the respective start of production between 2018 and 2025 (according to ISO 14040/44) and form the basis for deriving the metric by scaling to the production volume for the entire fleet.

Representative vehicles (automobiles and motorcycles) of the vehicle variants produced in the reporting year are used for the metric. The calculation is carried out via the established "LCA for Experts" Sphera database (taking into account, among other things, the climate-impacting gases CO_2, CH_4, N_2O, SF_6, NF_3) in the database version available at the respective accounting dates between 2018 and 2025 and in accordance with IPCC AR5 and IPCC AR6. The modelling is based on conventional procedures specified in the End-of-Life Vehicle Ordinance, covering draining and dismantling procedures. Additionally, it includes the separation of metals during shredding and the use of energy from the shredder's light fraction (non-metallic fraction). The average values for the emissions generated by the disposal of existing vehicle types are used and multiplied by the number of vehicles produced per vehicle type. The calculation provides both the CO_2e emissions and the primary energy consumption associated with the processes. The cost of recovering the high-voltage batteries is taken into account in the emissions of Category 1 through the secondary material proportions and therefore does not contribute to the emissions in Scope 3 Category 12 (recycled content method).

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e] for emissions and terawatt hours [TWh] for energy consumption.

Scope 3: CO_2e emissions franchise [global retail partner network]
The BMW Group's sales organisation is structured as a multi-tier model in which sales are handled by BMW AG, its national sales companies (NSCs) or importers, and a network of retail partners in more than 140 countries. Adapted versions of this organisational form are also used for the products of BMW Motorrad and Rolls-Royce Motor Cars. The BMW Group has only limited influence on the sites of the legally independent retail partners – in other words, no operational control.

The CO_2e emissions of BMW, MINI, BMW Motorrad and Rolls-Royce Motor Cars retail partners are calculated as part of the reporting. Branches operated by the BMW Group (see Scope 1: CO_2e emissions of BMW Group locations and Scope 2: CO_2e emissions from electricity/heating/cooling purchased by BMW Group locations) as well as sites of service-only partners are not within the scope of the reporting. The metric reflects Scope 3 Category 14 of the Greenhouse Gas Protocol.

The methodology is based on an extrapolation of the CO_2e emissions on the basis of gathering actual consumption data (heating fuel, externally procured electricity) selected sites of the retail partners. The data surveyed and the resulting CO_2e emissions of around 1,400 locations cover a representative share of the BMW Group's global retail partner network. When selecting them, several criteria were taken into consideration, such as the number of sites in selected focus locations, the geographic distribution and the size of the facilities.

A multi-stage process is used to extrapolate the CO_2e emissions of selected locations in order to obtain a value that corresponds to the global BMW Group retail partner network. For the focus markets, the CO_2e emissions are extrapolated based on the CO_2e emissions calculated for the respective sites in order to obtain a country-specific value that feeds into the global overall total. In all other countries, the overall total is calculated using average values of the consumption data gathered in the focus markets while also using country-specific emissions factors. Adapted versions of this methodology are used for BMW Motorrad and Rolls-Royce Motor Cars; the results are likewise added to the global overall total. Due to lead times necessitated by the surveying process and to ensure that the methodology is internally consistent, consumption data for the previous year are collected. When calculating the value, the number of retail partner sites in the reporting year is taken into consideration.

Heating fuel-related CO_2e emissions are calculated primarily with the VDA emissions factors (currently applicable version). These are based on the latest GWP values in accordance with IPCC AR6, which take account of the country-specific composition of the various energy sources. The latest IEA data are used to calculate the CO_2e emissions that are generated by the external procurement of electricity. Likewise, these are based on the latest GWP values in accordance with IPCC AR6, which take account of the country-specific composition of the various energy sources. If a contract for electricity from renewable sources is in place for the external electricity supply, the electricity consumed from external sources is accounted for with zero CO_2e emissions. Biogenic emissions are reported separately.

The unit of the metric is tonnes of CO_2 equivalent [t CO_2e].

Secondary material
Secondary material is a collective term for substances and mixtures of substances that are intended for the manufacture of products and are obtained from waste or production residues. Secondary material can be used as a substitute for ↗ primary materials. This can include both ↗ secondary raw materials and more highly processed substances and mixtures of substances.

Secondary raw materials
A secondary raw material is a raw material or material obtained from waste or production residues. Secondary raw materials can be used as a substitute for ↗ primary raw materials.

Share of biological materials that is sustainably sourced
The metric includes the biological materials used in the BMW Group's vehicle production that were sustainably sourced. The metric is compiled based on primary data.

Biological materials are defined in accordance with the German Ordinance on the Deposit of Biological Material (BioMatHintV) and the German Patent Act (PatG): "For the purposes of this Ordinance, 'biological material' means any material containing genetic information and capable of reproducing itself or of being reproduced in a biological system".

By selecting appropriate certification systems and taking account of the cascading principle, the BMW Group is able to source materials sustainably.

When assessing the criteria for sustainable sourcing, the BMW Group is guided by the standards of the International Social and Environmental Accreditation and Labelling (ISEAL) Alliance. At present, suppliers can provide proof of certification by the Forest Stewardship Council (FSC) and the Leather Working Group (LWG). Only those quantities of biological materials for which an accepted certificate is provided are considered.

The BMW Group understands the cascading principle as a strategy for using raw materials or products made from them in consecutive steps over time and to use them for as long, as frequently and as efficiently as possible, and only when the materials can no longer be recycled, to use them for energy recovery.

The unit of the metric is percentage weight [%] and describes the relative share of biological materials that is sustainably sourced within the total mass [t] of the BMW Group's resource inflows in the reporting period. The metric denominator is ↗ overall total weight of products and technical and biological materials.

T

Total volume of recycled and reused water
This metric includes water and wastewater (treated or untreated) that has been reused more than once to reduce the water demand before it is discharged beyond the boundaries of the Company sites or shared facilities.

This may be within the same process (recycled), another process within the same facility (owned or shared with other companies) or another facility within the organisation (reused). Cooling and hot water circuits are not included. This metric covers the flow of water (recycled and reused) from the BMW Group's automobile production, the BMW Group's motorcycle production and the BMW Group's non-production sites. The volume of water is recorded using meters or extrapolated from the data sheets of the respective facilities. The unit of the metric is cubic metres [m^3].

Total water stored and changes in storage
The metric comprises the total volume of water stored as well as the changes in the storage volume at all production sites (including automobile and motorcycle production) and non-production sites.

The metric takes into account both the size of the storage volume and any changes in it. The metric takes all tanks with a minimum volume of 100 m^3 and a storage time of > 1 day into account. The storage capacities are derived from data sheets and measurements and then accumulated across all storage systems. Changes in volume are obtained by totalling all water inflows and consumption throughout the reporting year. These are either measured or otherwise extrapolated based on the measurements carried out in the plants or technologies. The unit of the metric is cubic metres [m^3].

Total weight and share of secondary reused or recycled components, secondary intermediary products and secondary materials
The metric comprises the weight [t] and the percentage [%] of secondary reused and recycled components, secondary intermediary products and secondary materials of the inflow of resources for the BMW Group's vehicle production in the reporting period.

The following definition is applied in accordance with EN ISO 14021 to determine the quantities that are reused and recycled.

Reused material is defined in EN ISO 14021:2021-10 as "reutilisation of materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process that generated it".

Recycled material is defined in EN ISO 14021:2021-10 as "material that has been reprocessed from recovered [reclaimed] material by means of a manufacturing process and made into a final product or into a component for incorporation into a final product". In accordance with EN ISO 14021:2021-10, the recycled content consists of the two material streams "pre-consumer material" and "post-consumer material".

The metric describes the percentages of recycled and reused materials that are contained in the BMW Group's vehicle production. It is composed of the total quantity of recycled material as well as the quantities of recycled auxiliaries and operating materials used in the in-house production of supplies, other related process materials and the quantity of reused materials in in-house production, which are required in vehicle production in the reporting period.

To determine the recycled material required for vehicle production in the reporting period, an analysis is carried out to ascertain whether information regarding recycled content is available for the components, intermediary products and materials. The analysis follows an allocation model based on available data sources. Primary data from suppliers is used where available. If not, material-specific data sets taken from the Sphera database (based on average industrial values) are used. Material-specific data sets are allocated according to the material classification[1]. The recycled content is assumed to be zero if no data is available from suppliers or the Sphera database. The calculation is performed in accordance with EN ISO14021[2]. The value is determined for representative vehicles and allocated to every vehicle for the reporting year, while taking account of the vehicle groups. The recycled content per vehicle is then extrapolated across the entire fleet (BMW Group automobile and motorcycle production volume).

Since there is no information available on the percentage of recycled materials contained in the auxiliaries and operating materials, a recycled content of zero is assumed for these quantities. A proportional recycled content value based on average industrial values can be counted for the other process materials from the BMW Group's vehicle production.

The material reused in in-house production is recorded by the sites with in-house production. Where there is no data on reuse in in-house production, the value is assumed to be zero. This includes materials that accrue as residue in the production processes, are not declared as waste and can be reused directly in the production process.

The categories of reused material and recycled material are allocated in accordance with the definitions set out above and there is no overlap, eliminating double counting.

The unit of the metric is the total mass [t] of the BMW Group's secondary reused or recycled components, secondary intermediary products and secondary materials in the reporting period. Furthermore, the percentage value is stated: the unit of the metric is the percentage weight [%] and describes the relative share of secondary reused or recycled components, secondary intermediary products and secondary materials within the total mass [t] of the BMW Group's resource inflows in the reporting period. The metric denominator is ↗ overall total weight of products and technical and biological materials.

The unit of the metric is cubic metres [m^3] per vehicle produced.

W

Waste (total quantity, breakdown and shares)
This metric covers the total quantity of waste generated by production, along with a breakdown of its shares and percentages. It comprises waste from the production of automobiles, motorcycles and components at BMW Group plants excluding partner plants and contract manufacturing. Waste arising from structural changes is not taken into account.

The metric covers the following information: (1) total waste, (2) waste for recovery (including both material and thermal recovery), (3) share of material recovery in the total quantity, (4) share of thermal recovery in the total quantity, (5) waste for disposal, (6) share of disposed waste in the total quantity.

The data shown in the metric is derived from production sites that are certified according to the Eco Management and Audit Scheme (EMAS) (Germany and Austria), ISO 14001 (exception: Debrecen, Hungary, planned for 2026) and partially ISO 50001 (selected sites in Germany and China). The waste quantities are determined using weighed and systematically recorded data for waste documentation.

The unit of the metrics is tonnes [t] (for quantities) and percent [%] (for shares). The metrics are additional disclosures based on SASB, TR-AU-440b.1 (1, 3, 4) or calculated based on SASB, TR-AU-440b.1 (2, 5, 6).

Waste for disposal per vehicle produced (automotive)
The metric is calculated by dividing the waste for disposal generated by automobile production (BMW Group plants, excluding partner plants, contract manufacturing and Spotlight Automotive Ltd.) by the number of vehicles produced (BMW Group plants and partner plants, excluding contract manufacturing and Spotlight Automotive Ltd.). The metric considers BMW Group production sites from the first start of series production (initial SOP ramp up).

The data shown in the metric is derived from production sites that are certified according to the Eco Management and Audit Scheme (EMAS) (Germany and Austria), ISO 14001 (exception: Debrecen, Hungary, planned for 2026) and partially ISO 50001 (selected sites in Germany and China). The waste quantities are determined using weighed and systematically recorded data for waste documentation.

The unit of the metric is kilograms [kg] per vehicle produced. The metric is an additional disclosure calculated based on SASB, TR-AU-440b.1 and the number of vehicles produced.

Water consumption in areas affected by water risks or water stress
The metric includes the total consumption of freshwater at the BMW Group locations in areas with high or very high water stress or high or very high water risk.

Water stress measures the ratio of total water demand to the available renewable surface and groundwater resources in a region.

If the ratio of water demand to renewable water supplies is below 10%, this is referred to as low water stress. Other categories are low-medium (10-20%), medium-high (20-40%), high (40-80%) and extremely high (>80%). The metric includes all production plants and test tracks in areas with a water stress level of more than 40%. Other non-manufacturing sites are below the materiality threshold and are therefore not taken into account.

[1] VDA 231-106 Material classification in vehicle construction: Composition and nomenclature.
[2] EN ISO 14021:2021-10. Environmental labels and declarations - Self-declared environmental claims (Type II environmental labelling) (ISO 14021:2016 + Amd 1:2021); German version EN ISO 14021:2016 + A1:2021.

In terms of water risk, in addition to water stress, flood risks as well as regulatory and reputational risks are considered on the basis of the ESG risk defined in the Aqueduct Atlas and RepRisk. The ESG Risk Index measures the extent to which a country is exposed to potential financial, reputational and compliance risks related to environmental, social and governance (ESG) issues that could jeopardise the quantity, quality and access to water. The index values are relative to the highest index achieved in a particular country in the previous two years. The higher the value, the higher the risk. Risk classes vary from low (<25%) to low-medium (25-50%), medium-high (50-60%), high (60-75%) and extremely high (>75%), with only the last two categories being relevant for the metric.

The flood risk refers to river and coastal flooding. The risk is determined by the hazard (flooding due to river overflow), the extent to which the population is exposed to the risk, and vulnerability. The index indicates the percentage of the population that is expected to be affected by flooding. Existing flood protection measures are also taken into account. In contrast to reputational risk, the risk is not determined for the entire country, rather at the regional level. The index for flood risk is calculated on the basis of the hazard (river flooding), the exposure (population in the floodplain) and the actual danger of the risk occurring, and takes existing flood protection measures into account, where appropriate. Extreme but infrequent flood years are averaged with more frequent, less severe flood years. The calculation for flood risk in coastal areas is similar, though on a different scale.

The assessment thresholds for flood risks are as follows:

Assessment thresholds for flood risks

	River flooding	Coastal flooding
Low	< 1/1.000	< 9/1.000.000
Low-Medium	1 to 2/1.000	9/1.000.000 to 7/100.000
Medium-High	2 to 6/1.000	7/100.000 to 3/10.000
High	6/1.000 to 1/100	2/10.000 to 2/1.000
Extrem hoch	> 1/100	> 2/1.000

The unit of the metric is cubic metres [m^3].

Water consumption (total)
The metric includes water consumption at all production sites (automobiles and motorcycles) and non-manufacturing sites, including test tracks, office buildings and branches of the BMW Group.

The metric measures the amount of water that is withdrawn in the Company's sites during the reporting period (see ↗ water withdrawal). Water quantities that are returned through sanitary use or the disposal of wastewater are deducted.

Meters record or calculate the water withdrawal, sanitary water, process wastewater as well as evaporation at production sites and at some non-manufacturing sites. The water consumption of the remaining sites is extrapolated, in the same way as water withdrawal, based on the number of BMW Group employees, other BMW Group employees and temporary agency workers. At non-manufacturing sites, the wastewater (sanitary effluent) proportion corresponds to the proportion of the water withdrawal.

The data from production sites included in the metric is certified according to the Eco Management and Audit Scheme (EMAS)(Germany and Austria), EN ISO 14001 (exception: Debrecen, Hungary, planned for 2026) and partially EN ISO 50001 (selected sites in Germany and China). The non-manufacturing sites included in the metric are partially certified.

The unit of the metric is cubic metres [m^3].

Water intensity
The water intensity is calculated based on the BMW Group's ↗ total water consumption in m^3. The denominator is based on BMW Group net revenues ↗ note [7]. These net revenues are adjusted by an item related to the Financial Services segment's third-party business. Since water consumption associated with the production of vehicles sold under other brands is not included in the numerator of this metric, related revenues are deducted from the denominator.

The unit of the metric is cubic metres per euro [m/€].

Water withdrawal
The metric includes the water withdrawal at all production sites (automobiles and motorcycles) and non-manufacturing sites, including test tracks, office buildings and branches of the BMW Group.

The metric measures the amount of water that enters the Company's (or facilities) sites during the reporting period and is neither discharged into bodies of water nor transferred to third parties. Withdrawal covers potable water, groundwater, surface water and rainwater. Water released back into the environment or returned to third parties during the reporting period is not deducted in the metric.

In general, the water in question is freshwater. This corresponds to groundwater and surface waters (surface water and rainwater) with an average annual salinity of < 0.5% (limit mentioned in Annex II of the Water Framework Directive).

All subsurface water in the saturation zone, which is in direct contact with the ground or subsoil, is referred to as groundwater. By contrast, surface water refers to inland waters, except groundwater, as well as transitional and coastal waters. With regard to the chemical status, territorial waters are also included by way of exception.

Meters record water withdrawal at production sites and at some non-manufacturing sites. Water withdrawal at the remaining sites is extrapolated based on the number of BMW Group employees, other BMW Group employees and temporary agency workers. This is based on an average freshwater requirement of 20 litres per employee per working day. Furthermore, the metric is corrected by the value which results from the average water withdrawal of all sites for which exact measurement values are available. Since particularly the personal water withdrawal varies considerably between countries, water withdrawal at international sites is adjusted for a country-specific factor.

The underlying average withdrawal per employee per day for German locations is based on the German Federal Ministry for Sustainable Building (BNB) and the Federal Statistical Office.

The data from production sites included in the metric is certified according to the Eco Management and Audit Scheme (EMAS)(Germany and Austria), ISO 14001 (exception: Debrecen, Hungary, planned for 2026) and partially ISO 50001 (selected sites in Germany and China). The non-manufacturing sites included in the metric are partially certified.

The unit of the metric is cubic metres [m^3].

Well-to-wheel
The well-to-wheel method takes into account the entire causal chain behind vehicle motion – from the generation and supply of primary energy to its conversion into drivetrain power. This approach also includes the environmental impacts associated with the generation 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). The approach can be divided into the following two components:

The well-to-tank method takes into account the CO_2 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 causal 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 from the absorption of energy consumed (fuel, electricity) to its conversion into kinetic energy by the vehicle. As such, this approach considers the causal chain that arises during the use of the vehicle.

Weight and recycling rate of materials recovered at the Recycling and Innovation Centre
The metric is calculated for vehicles (automobiles and motorcycles) taken back and dismantled at the BMW Group's Recycling and Innovation Centre in Munich, Germany, (as required by law in Germany). Almost all of these vehicles have been used by the Company, for example, as prototypes or pre-production vehicles.

When the vehicle arrives at the Recycling and Innovation Centre, a decision is made as to which parts can be reused and which need to be recycled (including the catalytic converter, high-voltage battery, etc.). The parts that can be reused are weighed during the loading process and then sold externally via selected retail partners. These parts form the first component of the metric. The second component is the metal waste (ferrous and non-ferrous metals) removed from the automobiles, which is recycled rather than sold. The material is weighed at the Munich, Germany, plant before the automobiles are shredded. This is not included in the metal waste resulting from production at the Munich, Germany, site. Some of the remaining waste is recycled (e.g. plastics) and included in the metric.

This metric is an additional disclosure based on SASB, TR-AU-440b.2.

The unit of the metric is tonnes [t] and/or percent [%]. The percentages relate to the minimum required by law. In practice, higher recycling/recovery rates are also possible due to differences between vehicle versions and/or recycling/recovery processes.

SOCIAL INFORMATION

A

Accident frequency rate
↗ Number and rate of recordable work-related accidents

Apprentices
People who complete a multi-year vocational training programme at a BMW Group company that includes practical and theoretical stages.

Assistants
People with a temporary contract at a BMW Group company working as temporary assistants for a contractually agreed, limited number of hours.

Authors of theses
Persons with a temporary contract who are writing a student research project at a BMW Group company during their study. This can also be a final-year thesis.

Average number of hours of training and further education per employee
The average number of hours of training and further education per employee is calculated on the basis of the total number of training hours in the reporting year in relation to the number of employees that the BMW Group had on 31 December of the reporting year. The training hours taken into account include all training and qualification measures carried out, including e-learning.

B

BMW Group employees
The definition of BMW Group employees includes the number of all persons with temporary or permanent employment contracts at the BMW Group on 31 December of the reporting year. The figure does not include employees in inactive early retirement phase, women on maternity leave, employees who are absent for reasons including sabbaticals, parental or family care leave, long-term sick leave, military service or accompanying their partner abroad, other BMW Group employees and temporary agency workers.

BMW Safety Compact Training
In half a day, the BMW Safety Compact Training course gives customers the confidence they need to enjoy everyday driving. Under the guidance of experienced instructors, the course enables customers to feel more confident in handling their vehicles.

BMW Safety Training
BMW Safety Training helps customers to react calmly in unexpected situations and to continue driving in a relaxed manner. Experienced instructors guide participants through various exercises in emergency and targeted braking, dynamic lane changes, and understeering and oversteering.

C

CarData
CarData is an IT platform providing vehicle data to both private and business customers, in particular to fulfil the requirements of the GDPR (General Data Protection Regulation) and, in future, the EU Data Act. In this context, the BMW Group does not pursue any business models that go beyond the legal requirements. ↗ CarData

Customer data breach
A customer data breach is an incident in which unauthorised third parties gain access to sensitive customer data, or that data is compromised or stolen.

Customer Data Delegate (CDD)
The Customer Data Delegate (CDD) is a central role within the BMW Group that is responsible for the management and protection of customer data. The CDD acts as a point of contact for all topics related to customer data governance and ensures that measures for the secure and legally compliant handling of customer data are implemented in the respective organisational department.

Customer Interaction Centre (CIC)
Customer Interaction Centres (CIC) serves as central points of contact for customer interaction and support for the BMW Group. It enables the Company to coordinate and process customer requests via various contact options, such as by telephone, email or chat.

Customer Trust
Customer Trust is a central component of the BMW Group's corporate culture and forms the basis for long-term customer relationships by ensuring security, reliability and integrity in interactions. ↗ BMW Group Code of Conduct

D

Direct suppliers (Tier 1 suppliers)
Suppliers of products or services whose delivery is necessary for the manufacture of BMW Group products and provision of BMW Group services, and who maintain a direct contractual relationship with entities of the BMW Group for the delivery and/or provision of service.

Distribution of employees by age group
The distribution of employees by age group in percentage terms is calculated as the number of employees in the respective age group in relation to the total number of employees as at 31 December of the reporting year.

Dual students
People with a temporary contract who are combining a degree programme with practical training/internships at a BMW Group company.

E

Employees accompanying partners abroad
Family members/partners who accompany their partner on an international assignment if the family member/partner is also employed by the BMW Group.

Employees by contract type and gender
The number of employees by contract type and gender is recorded as at 31 December of the reporting year. Gender identities are defined in line with the ESRS. In addition to temporary and permanent contract, ↗ Non-guaranteed hours employees are also reported in accordance with ESRS. This type of contract is not used by the BMW Group.

Employees by contract type and geographical area
The number of employees by contract type and geographical area is recorded in terms of the number of individuals as at 31 December of the reporting year. In addition to temporary and permanent contract, ↗ Non-guaranteed hours employees are also reported in accordance with ESRS. This type of contract is not used by the BMW Group. The breakdown by geographical area is based on the division into six continents as defined by the United Nations.

Employees by geographical area and country
The number of employees is recorded as at 31 December of the reporting year. The breakdown by geographical area is based on the division into six continents as defined by the United Nations. Countries in which the headcount is at least 50 employees, representing at least 10% of the Company's total number of employees, are reported separately.

Employees covered by collective bargaining agreements
The percentage for the BMW Group is calculated as the number of employees covered by collective bargaining agreements, divided by the number of all employees as at 31 December of the reporting year. Reporting covers those countries in which there are at least 50 employees, representing at least 10% of the Company's total number of employees.

Employees in the inactive early retirement phase
BMW Group employees who take advantage of the option of retirement via the Company's partial retirement working arrangement and are in the phase of the scheme in which they no longer work for the BMW Group.

Employee survey
Every two years, the BMW Group performs a Company-wide employee survey (excluding the employees of Spotlight Automotive Ltd.) to measure the general mood in the workforce and the performance of the organisation on the basis of the High Performance Organization Index (HPO-I). The survey is sent to all BMW Group employees present during the survey period.

Expatriates
Expatriates are employees who are temporarily sent by the BMW Group to another country to fulfil a task there. These employees establish their primary residence in the destination country. The foreign assignment is usually limited in time, after which the employee returns to the original place of work.

G

Gender distribution in management positions in number and percentage
The gender distribution in management positions in percent is calculated on the basis of the sum of employees in management positions for each gender identity in relation to the total number of employees in management positions as at 31 December of the reporting year. Gender identities are defined in line with the ESRS. In the BMW Group, management positions are those at hierarchical functional levels I to IV below the Board of Management.

Gender pay gap
According to the ESRS, the unadjusted gender pay gap between female and male employees is calculated on the basis of the average gross hourly pay level. This is calculated on the basis of the sum of the gross annual income as stated in the employee's payslip (including bonus payments, commissions, additional non-recurring payments), company car as a benefit, employer's contribution to the company pension and health insurance, divided by the annual paid working hours less unpaid absences, on average for all male and female BMW Group employees. Expatriates and employees who chose not to disclose a gender are not taken into account.

The unadjusted gender pay gap is first calculated locally for each company or location using the following formula:

$$\text{Gender pay gap} = \frac{\text{Average gross hourly pay level of male employees} - \text{Average gross hourly pay level of female employees}}{\text{Average gross hourly pay level of male employees}} \times 100$$

To determine the total BMW Group gap, the weighted average of the location gaps is calculated based on the number of male and female employees as at 31 December of the reporting year. This approach takes into account a fair consideration of different wage levels and avoids annual volatility due to exchange rate changes or varying purchasing power adjustments in countries with high inflation.

I

Identifiers
Identifiers are specific characteristics or data points that are used to clearly identify a person or object and distinguish them from others. In data processing, identifiers can take various forms, such as names, telephone numbers or email addresses.

Incident management
↗ Incident response procedure

Incident response procedure
The BMW Group's incident response procedure is a structured approach to identifying, assessing and responding to security incidents in order to minimise potential damage and ensure the integrity of IT systems.

Indirect suppliers (n-tier suppliers)
Suppliers who do not maintain a direct contractual relationship with entities of the BMW Group, but whose deliveries are also necessary for the manufacture of BMW Group products and provision of BMW Group services.

Information Security Management System (ISMS)
The BMW Group's information security management system (ISMS) is a comprehensive framework. Its objective is to protect the confidentiality, integrity and availability of information within the Company. It is based on the international ISO/IEC 27001 standard and integrates specific requirements and best practices from the automotive industry to meet the increasing threats and regulatory requirements.

Interns
Persons who complete a mandatory or voluntary internship at a company in the BMW Group as part of their studies. They are usually enrolled at a university of applied sciences or at a university.

Investment in vocational training and further education
The metric comprises all costs incurred in the BMW Group currency in the reporting year for vocational training within the BMW Group (excluding Spotlight Automotive Ltd.). This extends to personnel costs for trainers and apprentices as well as other costs and investments related to vocational training. The investment in further education 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. The target is defined as absolute in accordance with ESRS.

J

Journalist trainee
People with a temporary contract at a BMW Group company who have recently completed a university (of applied sciences) degree (usually in communications and politics) and have two years of practical experience in the field of corporate communications and politics.

N

Non-guaranteed hours employees
In addition to temporary and permanent contracts, metrics in the tables on BMW Group employees also show non-guaranteed hours employees in accordance with ESRS. This type of contract is not used by the BMW Group. According to ESRS S1-6, non-guaranteed hours employees are employed by the company without a guaranteed minimum or fixed number of working hours. The employee may need to make themselves available for work as required, but the company is not contractually obliged to offer the employee a minimum or fixed number of working hours per day, week, or month. This category includes for example casual employees, employees on zero-hour contracts and on-call workers.

Number and rate of recordable work-related accidents
The accident frequency rate is calculated based on the total number of accidents in the reporting year per million hours worked. Accidents are only included in the total if they result in at least one day of absence. This includes work-related accidents in the employee's own household (accidents in the office at home). Accidents that occur on the way to or from work are not included. The analysis covers accidents involving BMW Group employees, other BMW Group employees and temporary employees. Occupational accidents refer to work-related accidents as specified by ESRS.

The metric includes Spotlight Automotive Ltd. with a share of 100%.

Number of closure assessments (in which the mitigation of non-conformities was confirmed)
This metric refers to the closure assessments carried out at BMW Group supplier locations that are directly linked to a previous initial on-site assessment. For all findings categorised as serious during an initial assessment (for details see ↗ Number of supplier assessments), the effectiveness of the agreed measures is reviewed on-site as part of a closure assessment. This metric considers the total number of closure assessments carried out in the reporting year with an existing assessment result and the

subset of these for which it was possible to confirm that the agreed measures had been successfully implemented by the supplier location.

The metric is based on GRI 308-2 and 414-2.

The metric includes no information on the supply chain of the Chinese joint operation Spotlight Automotive Ltd., as the BMW Group does not have this information for the reporting year. The BMW Group supports Spotlight Automotive Ltd. with the implementation and further development of management approaches and reporting structures on due diligence obligations in the supply chain.

Number of employees who have left the BMW Group and rate of employee turnover
The turnover rate is based on the number of employees leaving the Company in the reporting year in relation to the average number of employees in each month (annual value as a percentage). Reasons for leaving include, in particular, resignations by employees and dismissals by employers, resignations by mutual agreement (including ↗ Employees in the inactive early retirement phase) and natural turnover due to retirement or death.

Number of fatalities as a result of work-related injuries/accidents and work-related ill health
This metric covers all occupational accidents resulting in fatalities suffered by BMW Group employees and other BMW Group employees, temporary agency workers and external workers working on BMW Group sites. Occupational accidents refer to work-related accidents as specified by ESRS. This includes deaths due to work-related accidents in the employee's own household (accidents in the office at home). Deaths that occur on the way to or from work are not included. An accident is defined as a temporary event caused by an external influence that results in injury, damage to health or death. Only accidents that occur on BMW Group premises, or in the office at home while performing an activity in the interest of the employer which result in death, are counted. The BMW Group's "Communication & Reporting/Accidents & Emergencies" procedural instruction and its health and safety policy ensure that the relevant people are informed in the event of an accident resulting in death. This includes the occupational health and safety management officer as the responsible point of contact.

Deaths resulting from work-related illnesses are included in this figure. They include fatal health disorders for which a company has been held responsible and successfully sued following a final court ruling. This presupposes that an official investigation has shown that the fatal illness or death is causally linked to the Company's working conditions.

The metric includes Spotlight Automotive Ltd. with a share of 100%.

Number of indications of potential sustainability violations in the supply chain
This metric includes the number of indications of potential violations of the sustainability principles of the BMW Group in the supply chain that have been received through the BMW Group reporting channels. It includes all indications on suppliers along the entire supply chain of all entities of the BMW Group recorded in the Group-wide electronic case management system during the reporting year. The reference date for the period cut-off is therefore the date on which a case was entered into the system.

The metric includes all personal indications. Personal indications are usually made through the following sources: BMW Group SpeakUp Line, BMW Group Compliance Contact, local Compliance offices, Ombuds Office, BMW Group Human Rights Contact Supply Chain, internal and external letters to the Board of Management/executives, as well as other personal indications to BMW Group units and departments.

In addition, non-personal indications, for example from media reports, are entered into the case management system and are thus included in the metric, provided that they are substantiated following an initial review.

The metric is based on GRI 308-2 and 414-2.

The metric includes no information on the supply chain of the Chinese joint operation Spotlight Automotive Ltd. as the BMW Group does not have this information for the reporting year. The BMW Group supports Spotlight Automotive Ltd. with the implementation and further development of management approaches and reporting structures on due diligence obligations in the supply chain.

Number of (justified) indications that could be clarified during the reporting year
This metric is a subset of the reported information in ↗ Number of indications of potential sustainability violations in the supply chain. The metric includes all cases that were opened and closed during the reporting year.

The metric consists of two sub-indicators:

— #1: Number of indications of potential violations that could be clarified during the reporting year

— #2: Number of justified indications that were clarified during the reporting year

Clarified means that the internal investigation has been finalised and the case is closed in the case management system. A case can be closed if the investigation has revealed that a case is unjustified or, if the identified violation has been shown to be justified, it has already been remedied. Both scenarios lead to an integration of the cases into sub-indicator #1.

The subset of cases that can be assigned to the latter scenario are also included in sub-indicator #2. The BMW Group carries out a plausibility check to process the information received. If a case turns out to be justified, a plan for elimination of the identified deficit is developed together with the supplier. Finally, the conclusion of these cases is preceded by an individual assessment by the BMW Group of the successful implementation of measures by the supplier concerned. After the measures have been implemented, the case is closed, archived and documented in the case management system. The definition of justified cases is based, among other things, on the German Supply Chain Due Diligence Act (LkSG) and the criteria for appropriateness defined therein (severity, ability to influence, probability of occurrence).

The metric is based on GRI 308-2 and 414-2.

The metric includes no information on the supply chain of the Chinese joint operation Spotlight Automotive Ltd., as the BMW Group does not have this information for the reporting year. The BMW Group supports Spotlight Automotive Ltd. with the implementation and further development of management approaches and reporting structures on due diligence obligations in the supply chain.

Number of supplier assessments
This metric includes the total number of on-site assessments carried out at BMW Group supplier sites with a start date within the reporting year. This includes on-site assessments of direct suppliers and their surrounding facilities such as dormitories, canteens and warehouses. Remote assessments and certification audits such as ISO 14001, ISO 45001, ISO 50001 and similar, which have been paid for by the supplier, are not included in this metric. The number of assessments refers to initial assessments (first assessments) and follow-up assessments (assessments shortly before the certification expires). Closure assessments (second assessments after initial auditing for successful completion of certification), which are directly linked to an initial audit to provide evidence of corrective action for possible deviations, are not included in the metric. The on-site assessments are largely carried out in accordance with the standards of RBA VAP (Validated Assessment Program of the Responsible Business Alliance) and VDA-RSCI (Responsible Supply Chain Initiative of the German Association of the Automotive Industry). These assessments are carried out on behalf of the BMW Group by external audit companies approved by the standard setter, such as TÜV Rheinland, Intertek, SGS, Elevate, DNV, etc., in accordance with the requirements of the standards mentioned and, in addition, by BMW Group sustainability experts for quality assurance purposes. The number and results of the assessments are documented in a database of the standard-setting organisations and transmitted to the IT systems of the BMW Group via an interface.

The metric is based on GRI 308-1, 308-2, 414-1 and 414-2.

The metric includes no information on the supply chain of the Chinese joint operation Spotlight Automotive Ltd., as the BMW Group does not have this information for the reporting year. The BMW Group supports Spotlight Automotive Ltd. with the implementation and further development of management approaches and reporting structures on due diligence obligations in the supply chain.

Number of supplier locations assessed with self-assessment questionnaire
The metric includes all sustainability questionnaires completed by supplier locations (also referred to below as the online assessment) that the BMW Group obtained and evaluated during the reporting year. Both active and potential (new) supplier locations from all purchasing areas of the BMW Group are taken into account.

The online assessments, which are based on the Drive Sustainability initiative's industry-wide sustainability questionnaire, are used as part of the awarding process. This is required for the purchase of production-related material with a contract value of more than € 2 million. A risk-based analysis is carried out for non-production-related purchasing processes, which currently includes all orders that are potentially exposed to a risk based on the abstract risk analysis, and which have a master agreement volume of over € 2 million or an individual agreement volume of over € 10 million.

This metric only includes online assessments that were fully completed by the supplier location, validated by an external service provider and sent to the BMW Group for assessment via an interface. Each supplier location is counted based on its site-specific online assessment, regardless of the number of times its assessment was revised during the reporting year. This metric primarily refers to all new questionnaires requested by the BMW Group within the reporting year. Since the right to view a questionnaire on the external service provider's platform can only be purchased for a period of 12 months, any questionnaires that are still required during the reporting year are also added to the newly requested questionnaires.

The basis for the calculation of the total number of online assessments in the reporting year are the monthly overviews of the external service provider's invoices, which are provided on its platform.

The metric is based on GRI 308-1, 308-2, 414-1 and 414-2.

The metric includes no information on the supply chain of the Chinese joint operation Spotlight Automotive Ltd., as the BMW Group does not have this information for the reporting year. The BMW Group supports Spotlight Automotive Ltd. with the implementation and further development of management approaches and reporting structures on due diligence obligations in the supply chain.

Number of supplier relationships terminated prematurely due to severe sustainability violations
This metric refers to all supplier relationships that were terminated in the reporting year due to severe sustainability violations. Only supplier locations with a clearly defined supplier ID that were escalated due to severe sustainability violations and that resulted in a suspension or temporary suspension of the respective supplier relationship are counted. This includes cases in which the sustainability violations were identified and escalated prior to the reporting year, but in which termination of the supplier relationship was only initiated during the reporting year. Escalation can, for example, be initiated on an event-driven basis in the case of incidents with legitimate criticality (predefined "escalation criteria" based, among other things, on the German Supply Chain Due Diligence Act, LkSG), which are handled as part of the supplier escalation process (ESPRO). This process is standardised across the entire BMW Group and includes sustainability-related criteria.

The metric is based on GRI 308-2 and 414-2.

The metric includes no information on the supply chain of the Chinese joint operation Spotlight Automotive Ltd., as the BMW Group does not have this information for the reporting year. The BMW Group supports Spotlight Automotive Ltd. with the implementation and further development of management approaches and reporting structures on due diligence obligations in the supply chain.

Number of vehicles recalled
This metric is an additional disclosure based on SASB TR-AU-250a.3. The metric represents the total number of vehicles recalled due to safety- and compliance-related technical measures.

Number of work stoppages
This metric is an additional disclosure based on SASB TR-AU-310a.2. The BMW Group discloses the number of work stoppages (strikes and lockouts) that affected more than 1,000 employees and lasted an entire shift or longer. The length of a shift varies depending on the type of shift and location but usually covers the daily working hours of a full-time employee. If a trigger (e.g. a collective bargaining agreement negotiation) leads to several events at different times, this is evaluated as one work stoppage based on the same cause.

O

Other BMW Group employees
This includes apprentices, dual students, interns, authors of theses, post-graduate students, scholarship holders, assistants, working students and (journalist) trainees.

P

Parental leave
Parental leave is a period of absence from work granted to an employee of the BMW Group before and/or after the birth of a child or in the case of adoption, usually on the basis of national legal regulations.

People Engagement
This policy outlines the targeted actions implemented by the BMW Group to foster a respectful and discrimination-free work environment where all employees can reach their full potential.

People on long-term sick leave
BMW Group employees who are absent due to illness for an extended period of time. According to the country-specific definitions, the employee is no longer counted as an employee of the BMW Group, but is expected to return to work after recovery.

Percentage of all employees who have participated in regular performance and career development reviews
The percentage of employees who have received an annual performance and career development reviews is calculated by dividing the number of annual performance and career development reviews conducted by the number of employees as at 31 December of the reporting year. The calculation broken down by gender is calculated in the same way. Gender identities are defined in line with ESRS. Only the regular annual performance and career development review agreed with management and carried out by 31 December of the reporting year is counted. Every employee who has been employed by the BMW Group for at least six months during the review period and is present when this process is applied in the respective BMW Group company is entitled to a review. If an individual has received two reviews, for example due to a change of position or an extraordinary interim review, only one review per employee is taken into account. In the international environment, team assessments rather than individual assessments are common in the production sector. These are not included in the indicator.

Percentage of employees in the European Economic Area (EEA) covered by employee representation
The percentage is calculated as the number of employees who have employee representation, divided by the number of all employees as at 31 December of the reporting year. Only employees who work in a country in the European Economic Area (EEA) are considered. Reporting covers those EEA countries in which BMW Group has significant employment, defined as at least 50 employees by headcount representing at least 10% of its total number of employees.

Percentage of employees who are covered by an occupational health and safety management system
All BMW Group locations have an occupational health and safety management system that is based on the globally applicable DIN ISO 45001 standard and the internal regulations of the BMW Group's occupational health and safety management policy. All production sites and selected support functions operate under occupational health and safety management systems. All of these systems have been DIN ISO 45001 certified since 2025. This means that 100% of BMW Group employees, other BMW Group employees and temporary agency workers in the BMW Group work at a location that has an occupational health and safety management system.

The metric includes Spotlight Automotive Ltd. with a share of 100%.

Percentage of safety and compliance problems investigated
This metric is an additional disclosure based on SASB TR-AU-250a.2 (2). The percentage of investigated safety and compliance problems covers all technical problems in BMW Group vehicles that are recorded as safety and/or compliance-relevant in the internal problem management process. The data is recorded by defined sensors that continuously analyse relevant data from vehicles in series production and report any anomalies. The number of problems that were processed in the reporting year is compared with the total number of problems recorded in the reporting year.

Percentage of vehicle models rated by NCAP programmes with an overall safety rating of 5 stars by region
The metric is an additional figure based on SASB TR-AU-250a.1. The BMW Group reports the percentage of vehicle models by region that have received an overall safety rating of 5 stars from NCAP programmes. The BMW Group focuses its reporting on Europe, China and the USA. The percentage is calculated as the number of BMW Group vehicle models rated by an NCAP programme with an overall rating of 5 stars divided by the total number of BMW Group vehicle models rated by this NCAP programme. Ratings for current BMW Group models as of the end of the reporting year are included in the count. Reporting for this metric is suspended if fewer than three ratings are available. The New Car Assessment Programmes (NCAP) are assessments of the safety level of a vehicle model by independent consumer protection organisations.

Postgraduate students
People with a temporary contract at a BMW Group company who are studying at a university and are working on their dissertation.

Privacy by Design
Privacy by Design is a concept that aims to integrate data protection and privacy into the development of products, services and business processes from the very beginning. It is based on the assumption that data protection should not be seen as an afterthought, but as a fundamental element that must be built into all phases of the life cycle of a system or application.

R

Ratio of the highest-paid individual's annual total remuneration to the median annual total remuneration of all employees
↗ Total Remuneration Ratio

Raw materials supplier
A raw materials supplier is an economic operator in the raw materials supply chain.

Raw materials supply chain
All activities and processes in the raw materials value chain up to the point at which a raw material is used as input to produce materials or intermediate or end products.

S

Sabbatical
BMW Group employees who use the option to take an employee-financed leave of absence for a specified period of time.

Scholarship holders
Persons with a temporary contract at a BMW Group company who either regularly gain practical experience in the same BMW Group company during their studies or who are completing a trainee programme.

Share of suppliers of production-related material with implemented or agreed preventive measures at the time of awarding
The metric consists of two sub-indicators:

— #1: Share of suppliers of production-related materials (direct suppliers) who had already implemented preventive measures at the time of awarding in the respective reporting year

— #2: Share of suppliers of production-related materials (direct suppliers) with whom agreements on preventive measures had been made in the respective reporting year

By signing a contract with the BMW Group, direct suppliers undertake to implement, expand or continue the necessary preventive or remediation and control measures by an agreed target date. The measures, which are queried, validated and evaluated as part of the procurement process using the Drive Sustainability online assessment, serve to minimise potential risks or to eliminate any deficiencies. For more details on the online assessment, see the metric ↗ Number of supplier locations assessed with self-assessment questionnaire.

This online assessment, which is validated by an external service provider, is assessed in the BMW Group system with regard to the minimum requirements defined by the BMW Group for supplier sites along the entire global value chain. The metric is based on supplier sites that were awarded a contract in the reporting year. Each supplier's site is only counted once, regardless of the number of times its online assessment was revised during the reporting year.

If all measures that fulfil the minimum requirements of the BMW Group have already been taken at a supplier site, the status is set to "green" and it is included in sub-indicator #1.

If a supplier site and the purchasing department have agreed on a date for implementing the necessary preventive measures as part of the procurement process, the status is set to "yellow" and it is included in sub-indicator #2.

The metric is based on GRI 308-1, 308-2, 414-1 and 414-2.

The metric includes no information on the supply chain of the Chinese joint operation Spotlight Automotive Ltd., as the BMW Group does not have this information for the reporting year. The BMW Group supports Spotlight Automotive Ltd. with the implementation and further development of management approaches and reporting structures on due diligence obligations in the supply chain.

T

Temporary agency workers
Temporary agency work is where a worker is employee by a temporary employment agency, and then hired out to perform his/her work at and under the supervision and direction of the user company. There is considered to be no employment relationship between the temporary agency worker and the user company, although there could be legal obligations of the user company towards the temporary agency worker, especially with respect to health and safety. The relevant labour contract is of limited or unspecified duration with no guarantee of continuation. The user company pays fees to the agency, and the agency pays the wages.

Total number of days idle
This metric is an additional disclosure based on SASB TR-AU-310a.2. The BMW Group reports on the total number of idle days resulting from work stoppages (including strikes and lockouts). This metric is calculated by multiplying the number of employees affected by each work interruption by the duration of the respective interruption in days, and then adding up these results.

Total Remuneration Ratio
This metric represents the ratio of the highest-paid individual's annual total remuneration to the median annual total remuneration of all employees (excluding the highest-paid individual).

The annual total remuneration of the highest-paid individual includes their basic salary, all other cash benefits (such as cash allowances, bonuses, commissions, cash profit-sharing and other forms of variable cash payments) as well as benefits in kind and service costs in accordance with IAS 19.

The total remuneration of employees is calculated on the basis of the gross hourly earnings and the same underlying population as in the ↗ Gender pay gap. To derive the gross hourly earnings, the gross annual remuneration is standardised based on contractual annual working hours. The median remuneration for employees is calculated for each company and then weighted by headcount to determine the median annual total remuneration for all employees at the BMW Group level.

The total remuneration ratio is calculated using the following formula:

$$\frac{\text{Annual total remuneration of the highest-paid individual in the BMW Group}}{\text{Median employee annual total remuneration (excluding the highest-paid individual)}}$$

Turnover rate
↗ Number of employees who have left the BMW Group and rate of employee turnover

W

Women in management positions
The BMW Group's strategic target for women in management positions is a relative target under ESRS and is calculated in line with ↗ Gender distribution in management positions in number and percentage.

Women on maternity leave
Maternity leave is a period of leave from work granted to an employee of the BMW Group before and/or after the birth of a child or in the case of adoption, usually on the basis of national legal provisions.

Working students
People with a temporary contract working at a BMW Group company during their studies for a contractually agreed, limited number of hours.

GOVERNANCE INFORMATION

P

Political contributions
In addition to financial benefits, political contributions include benefits in kind. The conversion of the respective benefit in kind is carried out as part of an equivalency calculation under the responsibility of the department providing the benefit and, if applicable, the responsible divisional controlling department. The Purchasing division is also included above a materiality threshold of € 20,000.

Political contributions are recorded by means of a Group-wide IT-supported inquiry. The feedback is analysed by the responsible department, checked for plausibility and clustered by type of recipient. The reported metric includes all contributions above a materiality threshold of € 2,250 per recipient (2024: € 2,000).

The BMW Group made political contributions to the following recipient groups in the reporting year:

— Dialogue events: sponsoring of political events for collaboration and exchange purposes

— Collaborations: sponsoring of reciprocal businesses (for advertising purposes) or lectures by representatives of the BMW Group

T

Training of high-risk functions regarding anti-corruption
The 30-minute Compliance Essentials online training course primarily teaches the basics of corruption prevention using explanatory case studies and test questions. Information on the prohibition of corruption and bribery, including the prohibition of bribery of public officials and the prohibition of bribery and corruptibility in business dealings (active and passive), is presented using specific examples.

With regard to corruption and bribery, from the BMW Group's perspective, those employees who are engaged in indirect activities are potentially particularly relevant from a risk perspective. Indirect activities include activities that do not primarily serve the manufacture of products. However, the group of people affected also includes senior employees from the direct areas, such as supervisors or "Meister" (master craftsmen). The rate is calculated on the basis of the number of persons with a valid training certificate in relation to the number of persons assigned to complete the training.

LIST OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

ESRS 2 SBM-3

Upstream material Own operations material Downstream material

Material impacts, risks and opportunities	Type	Sub(-sub)-topic	Likelihood	Time horizon*	Stage of the value chain	ESRS/ Entity specific disclosures (ESD)
ESRS E1 – Climate Change						
Through greenhouse gas emissions through upstream processes, such as sourcing and procuring raw material inputs, products and services for the production, development and offering of its own products and services (Scope 3, Upstream) and inbound transport of goods, the BMW Group contributes to climate change.	Negative impact	Climate change mitigation	Actual	Short term	Upstream material	ESRS/ESD
By greenhouse gas emissions through downstream processes, mainly through the use of sold products (Scope 3, Downstream) and through the transport of goods in distribution and in own logistics, the BMW Group contributes to climate change.	Negative impact	Climate change mitigation	Actual	Short term	Downstream material	ESRS/ESD
The BMW Group emits greenhouse gas emissions (GHG) through processes in own operations (Scope 1 and 2) thus contributing to climate change.	Negative impact	Climate change mitigation	Actual	Short term	Own operations material	ESRS/ESD
The network of sales partners and third-party locations consumes energy - and thereby uses natural resources and contributes to climate change.	Negative impact	Energy	Actual	Short term	Downstream material	ESRS
The production of the BMW Group products as well as operation of offices consumes energy (incl. building of the production and office facilities) and thereby especially the inefficient energy usage leads to unnecessary withdrawal of natural resources and contributes to climate change.	Negative impact	Energy	Actual	Short term	Own operations material	ESRS/ESD
The network of supplier locations consumes energy - and thereby uses natural resources and contributes to climate change.	Negative impact	Energy	Actual	Short term	Upstream material	ESRS/ESD
Adaptation efforts by the BMW Group may require adjustments to the supply chain with negative effects on suppliers or communities.	Negative impact	Climate change adaptation	Actual	Short term	Upstream material	ESRS
By offering BEVs, hydrogen and plug-in-hybrid electric vehicles and a charging network, the BMW Group enables the society to more environmentally friendly alternatives to traditional combustion engines (use of electricity from renewable sources implied).	Positive impact	Climate change mitigation	Actual	Short term	Downstream material	ESRS
Concluding power purchase agreements support the development of more renewable energy capacity and saving resources and emissions.	Positive impact	Energy	Potential	Mid term	Own operations material	ESRS
The switch to green operations may require significant adaptation costs, leading to increased operating expenses (OpEx) and substantial capital investments (CapEx) for e.g. energy efficiency measures, electrification, decarbonization, and digital transformation. These financial burdens could strain liquidity and profitability.	Risk	Energy		Mid term	Own operations material	ESRS
New or changing government regulation could lead to increasing costs or require adjusting operations in the supply chain.	Risk	Climate change mitigation		Mid term	Upstream material	ESRS
Risk of limitations in the use of certain energy sources due to regulatory restrictions, which may confine their application to specific sectors or require physical delivery, could lead to higher operating costs as some energy sources cannot be used for emission reduction measures.	Risk	Energy		Mid term	Upstream material	ESRS

Material impacts, risks and opportunities	Type	Sub(-sub)-topic	Likelihood	Time horizon*	Stage of the value chain	ESRS/ Entity specific disclosures (ESD)
ESRS E2 - Pollution						
Local pollution of soil through unplanned discharges of substances at supply chain production sites can potentially lead to negative impacts on soil quality.	Negative impact	Pollution of soil	Actual	Short term		ESRS
Local pollution of water through unplanned discharges of substances at supply chain production sites can potentially lead to negative impacts on water quality.	Negative impact	Pollution of water	Actual	Short term		ESRS
Contamination with microplastics due to tyre wear particles.	Negative impact	Microplastics	Actual	Short term		ESRS
ESRS E3 – Water and Marine Resources						
High water intensity in production processes of suppliers and further preliminary products of BMW Group can potentially lead to negative impacts on local water availability.	Negative impact	Water consumption	Potential	Mid term		ESRS/ESD
Water withdrawals within the supply chain can potentially lead to negative impacts on the ecosystem by limiting the availability of water.	Negative impact	Water withdrawals	Potential	Mid term		ESRS
New or changing worldwide government regulations regarding water consumption could require to adjust operations and therefore increase dependencies and reduce water availability due to exclusion.	Risk	Water consumption		Long term		ESRS
ESRS E4 - Biodiversity						
Usage of primary raw materials can potentially lead to negative impacts on nature and biodiversity in extraction areas through mining activities.	Negative impact	Direct exploitation	Potential	Mid term		ESRS
ESRS E5 – Circular Economy						
Insufficient waste management and improper disposal of hazardous waste at Tier-1 supplier sites can potentially lead to negative impacts on the environment and society.	Negative impact	Waste	Actual	Short term		ESRS
Insufficient waste management and improper disposal of hazardous waste at n-Tier supplier sites can potentially lead to negative impacts on the environment and society.	Negative impact	Waste	Actual	Short term		ESRS
Circular economy business models and products slow down the usage of natural and limited resources and reduce landscape and habitat disruption.	Positive impact	Resource outflows related to products and services	Potential	Long term		ESRS/ESD
A product made without circular principles and with high embodied CO_2e footprint of materials might lead to unfavourable market access, where regulatory requirements exist. Non-compliance with increasingly stringent regulations on non-renewable resources could lead to liabilities, penalties, fines, reputational damage, or loss of licenses and permits for the BMW Group.	Risk	Resources inflows, including resource use		Long term		ESRS/ESD
Applying circular economy business models can enable customers to reduce their resource usage (e.g. by prolonging product life spans through maintenance and design) and therefore increase customer satisfaction.	Opportunity	Resource outflows related to products and services		Mid term		ESRS/ESD
Financial opportunities and competitive advantages may arise through innovation, research and development with respect to resources inflows, including resource use.	Opportunity	Resources inflows, including resource use		Mid term		ESRS

Material impacts, risks and opportunities	Type	Sub(-sub)-topic	Likelihood	Time horizon*	Stage of the value chain	ESRS/ Entity specific disclosures (ESD)
Financial opportunities may arise from increasing the supply chain resilience by direct purchasing of raw materials.	Opportunity	Resources inflows, including resource use		Mid term		ESRS
ESRS S1 – Own Workforce						
Workplace accidents within the BMW Group workforce can lead to physical injuries that negatively impact the ability to lead a fulfilling life and, in severe cases, may result in fatalities.	Negative impact	Health and safety	Actual	Short term		ESRS
An imbalanced demographic structure among BMW Group employees, particularly in the areas of training, further education, and management positions can lead to negative effects such as dissatisfaction, social inequality, and reduced innovative power.	Negative impact	Gender equality and equal pay for work of equal value	Actual	Short term		ESRS
Secure employment can provide financial stability for BMW Group employees and contribute to mental health and well-being.	Positive impact	Secure employment	Actual	Short term		ESRS
A high coverage by collective agreements can lead to secure working conditions and positively affect the economic and social welfare of BMW Group employees.	Positive impact	Collective bargaining	Actual	Short term		ESRS
The promotion of constructive social dialogue enables greater consideration to be given to the interests and needs of employees and can thus promote employee satisfaction and trust in the BMW Group.	Positive impact	Social dialogue	Actual	Short term		ESRS/ESD
Preventive and supporting health measures at the BMW Group can have a positive impact on employees by enhancing their overall well-being and productivity, reducing health-related absences, and minimizing workplace-related physical and mental ill health as well as recovering health in general.	Positive impact	Health and safety	Actual	Short term		ESRS
Training and skills development of BMW Group employees can contribute to the effective enhancement of employee qualifications, foster professional as well as personal growth and improve performance and employability.	Positive impact	Training and skills development	Actual	Short term		ESRS/ESD
Creating a workplace where all BMW Group employees, with their wide range of perspectives and talents, can realize their full potential enhances employee satisfaction, innovative power, equal opportunities and personnel engagement.	Positive impact	Diversity	Actual	Short term		ESRS
ESRS S2 – Workers in the value chain						
Inadequate working time impacts workers' income, well-being and living conditions at Tier-1 supplier locations.	Negative impact	Working time	Actual	Short term		ESRS/ESD
Inadequate working time at n-Tier supplier locations can potentially lead to negative impacts on workers' well-being and living conditions.	Negative impact	Working time	Actual	Short term		ESRS/ESD
The use of child labour at Tier-1 supplier locations could deny affected children access to education and a normal childhood, while exacerbating poverty and social inequality.	Negative impact	Child labour	Actual	Short term		ESRS/ESD
Restrictions on employment freedom at Tier-1 supplier locations can potentially lead to negative impacts on workers' living and working conditions.	Negative impact	Forced labour	Actual	Short term		ESRS/ESD
Insufficient occupational safety and health conditions at Tier-1 supplier locations can potentially lead to a negative impact on workers, such as physical injuries or diseases.	Negative impact	Health and safety	Actual	Short term		ESRS/ESD

Material impacts, risks and opportunities	Type	Sub(-sub)-topic	Likelihood	Time horizon*	Stage of the value chain	ESRS/ Entity specific disclosures (ESD)
Violence, harassment, and discrimination at Tier-1 supplier sites negatively impact the living and working conditions of workers.	Negative impact	Measures against violence and harassment in the workplace	Actual	Short term		ESRS/ESD
Inadequate wages in the Tier-1 supply chain can potentially lead to negative impacts on workers, such as poverty and related societal issues.	Negative impact	Adequate wages	Actual	Short term		ESRS/ESD
Restrictions on employment freedom at n-Tier supplier locations can potentially lead to negative impacts on workers' living and working conditions.	Negative impact	Forced labour	Actual	Short term		ESRS/ESD
The use of child labour at n-Tier supplier locations could deny affected children access to education and a normal childhood, while exacerbating poverty and social inequality.	Negative impact	Child labour	Actual	Short term		ESRS/ESD
Imposing barriers on employee participation at n-Tier supplier locations can potentially lead to negative impacts on workers' rights and freedom of association.	Negative impact	Freedom of association, including the existence of work councils	Actual	Short term		ESRS/ESD
Insufficient occupational safety and health conditions at n-Tier supplier locations can potentially lead to a negative impact on workers, such as physical injuries or diseases.	Negative impact	Health and safety	Potential	Short term		ESRS/ESD
Inadequate wages in the n-Tier supply chain can potentially lead to negative impacts on workers, such as poverty and related societal issues.	Negative impact	Adequate wages	Potential	Short term		ESRS/ESD
Providing training and capacity building can impact the skills and capabilities of the workers at suppliers' locations.	Positive impact	Training and skills development	Potential	Mid term		ESRS/ESD
ESRS S4 – Consumers and End-Users						
The BMW Group is responsible for the safety of its vehicles – quality and product defects can compromise the safety of customers and other road users.	Negative impact	Health and safety	Potential	Mid term		ESRS/ESD
The BMW Group is responsible for handling customer data transparently – insufficient traceability of data collection, storage and use can prevent customers from making informed decisions about individual use of their personal data.	Negative impact	Privacy	Potential	Mid term		ESRS
The BMW Group is responsible for secure handling of customer data – incidents that comprise the security of personal data can negatively affect the personal rights of customers.	Negative impact	Privacy	Actual	Short term		ESRS
Providing access to high-quality information, direct contact options and proactive vehicle safety warnings protects BMW Group customers from harm.	Positive impact	Access to (quality) information	Actual	Short term		ESRS
Providing high-quality information on performance features and environmental impacts across the entire lifecycle of products and services enables customers to make informed purchasing decisions.	Positive impact	Access to (quality) information	Actual	Short term		ESRS
BMW Group vehicles can contribute to overall traffic safety.	Positive impact	Health and safety	Potential	Mid term		ESRS/ESD
Financial opportunities arise from positive reputation, loyalty and trust because of high customer satisfaction with purchasing decisions which are made possible by providing access to high-quality information.	Opportunity	Access to (quality) information		Mid term		ESRS

Material impacts, risks and opportunities	Type	Sub(-sub)-topic	Likelihood	Time horizon*	Stage of the value chain	ESRS/ Entity specific disclosures (ESD)
ESRS G1 – Business Conduct						
Having a clear selection and communication of core values and beliefs for employees (e.g. the BMW Group Code of Conduct) and trainings in place avoids negative environmental and social behavior and strengthens the individual sense of responsibility of the employees, especially with regard to corruption prevention.	Positive impact	Prevention and detection including training	Potential	Mid term		ESRS/ESD
Participation in political decision-making in an extensive manner leads to reputational damage and negative publicity.	Risk	Political engagement and lobbying activities		Mid term		ESRS

* The specified time horizon indicates when the material impacts, risks and opportunities can be expected for the first time.

LIST OF PHASED-IN DISCLOSURE REQUIREMENTS

ESRS	Disclosure Requirement	Full name of the Disclosure Requirement	Complete/ partial use
ESRS 2	SBM-1 paragraph 40b	Breakdown of total revenue by significant ESRS sector	Complete use
ESRS 2	SBM-1 paragraph 40c	List of additional significant ESRS sectors	Complete use
ESRS 2	SBM-1 paragraph 40e	Anticipated financial effects	Complete use
ESRS E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Complete use
ESRS E2	E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	Complete use
ESRS E3	E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Complete use
ESRS E4	E4-6	Anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities	Complete use
ESRS E5	E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Complete use
ESRS S1	S1-7	Characteristics of nonemployee workers in the undertaking's own workforce	Complete phase-in for KPI, only qualitative information
ESRS S1	S1-11	Social protection	Complete use
ESRS S1	S1-13	Training and skills development	Partial use for "breakdown by gender"
ESRS S1	S1-14	Health and safety	Partial use for "Work-related illnesses and the number of days lost due to work-related accidents and due to work-related fatalities, injuries and illnesses"

LIST OF DATAPOINTS THAT DERIVE FROM OTHER EU LEGISLATION

ESRS 2 IRO-2

Disclosure Requirement and related datapoint	Material / Not material	Location
ESRS 2 GOV-1 (ESRS 2.21 (d)) Board's gender diversity	Material	↗ Supervisory Board – composition and related objectives ↗ Board of Management - duties, composition, expertise
ESRS 2 GOV-1 (ESRS 2.21 (e)) Percentage of board members who are independent	Material	↗ Supervisory Board – composition and related objectives
ESRS 2 GOV-4 (ESRS 2.30) Statement on due diligence	Material	↗ Statement on Due Diligence
ESRS 2 SBM-1 (ESRS 2.40 (d) i) Involvement in activities related to fossil fuel activities	Not material	
ESRS 2 SBM-1 (ESRS 2.40 (d) ii) Involvement in activities related to chemical production	Not material	
ESRS 2 SBM-1 (ESRS 2.40 (d) iii) Involvement in activities related to controversial weapons	Not material	
ESRS 2 SBM-1 (ESRS 2.40 (d) iv) Involvement in activities related to cultivation and production of tobacco	Not material	
ESRS E1-1.14 Transition plan to reach climate neutrality by 2050	Material	↗ Transition plan to achieve Net Zero emissions by 2050

Disclosure Requirement and related datapoint	Material / Not material	Location
ESRS E1-1.16 (g) Undertakings excluded from Paris-aligned Benchmarks	Not material	
ESRS E1-4.34 GHG emission reduction targets	Material	↗ Path to achieving the CO_2e reduction targets in 2030
ESRS E1-5.38 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Material	↗ Efficiency measures and energy mix
ESRS E1-5.37 Energy consumption and mix	Material	↗ Efficiency measures and energy mix
ESRS E1-5.40-43 Energy intensity associated with activities in high climate impact sectors	Material	↗ Efficiency measures and energy mix
ESRS E1-6.44 Gross Scope 1, 2, 3 and Total GHG emissions	Material	↗ Greenhouse gas emissions along the entire value chain
ESRS E1-6.53-55 Gross GHG emissions intensity	Material	↗ Greenhouse gas emissions along the entire value chain
ESRS E1-7.56 GHG removals and carbon credits	Material	↗ Preparing for Net Zero
ESRS E1-9.66 Exposure of the benchmark portfolio to climate-related physical risks	no application 2025	
ESRS E1-9.66(a) Disaggregation of monetary amounts by acute and chronic physical risk	no application 2025	
ESRS E1-9.66 (c) Location of significant assets at material physical risk	no application 2025	
ESRS E1-9.67(c) Breakdown of the carrying value of its real estate assets by energy-efficiency classes	no application 2025	
ESRS E1-9.69 Degree of exposure of the portfolio to climate- related opportunities	no application 2025	
ESRS E2-4.28 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Not material	
ESRS E3-1.9 Water and marine resources	Material	↗ Due Diligence in the supplier network ↗ Responsible raw material management
ESRS E3-1.13 Dedicated policy	Material	↗ Water management and water protection
ESRS E3-1.14 Sustainable oceans and seas	Not material	
ESRS E3-4.28(c) Total water recycled and reused	Material	↗ Measures and metrics to reduce water usage
ESRS E3-4.29 Total water consumption in m3 per net revenue on own operations	Material	↗ Measures and metrics to reduce water usage
ESRS 2- IRO 1 - E4.16(a)i	Material	↗ Commitment to protecting Biodiversity
ESRS 2- IRO 1 - E4.16(b)	Material	↗ Commitment to protecting Biodiversity
ESRS 2- IRO 1 - E4.16(c)	Material	↗ Commitment to protecting Biodiversity
ESRS E4-2.24(b) Sustainable land / agriculture practices or policies	Not material	
ESRS E4-2.24(c) Sustainable oceans / seas practices or policies	Not material	
ESRS E4-2.24(d) Policies to address deforestation	Material	↗ Measures to protect biodiversity
ESRS E5-5.37(d) Non-recycled waste	Not material	
ESRS E5-5.39 Hazardous waste and radioactive waste	Not material	
ESRS 2- SBM3 - S1.14(f) Risk of incidents of forced labour	Not material	
ESRS 2- SBM3 - S1.14(g) Risk of incidents of child labour	Not material	
ESRS S1-1.20 Human rights policy commitments	Material	↗ Basis for action
ESRS S1-1.21 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	Material	↗ Basis for action

Disclosure Requirement and related datapoint	Material / Not material	Location
ESRS S1-1.22 Processes and measures for preventing trafficking in human beings	Material	↗ Basis for action
ESRS S1-1.23 Workplace accident prevention policy or management system	Material	↗ Occupational health and safety management
ESRS S1-3.32(c) Grievance/complaints handling mechanisms	Material	↗ Basis for action
ESRS S1-14.88(b)&(c) Number of fatalities and number and rate of work-related accidents	Material	↗ Accident frequency
ESRS S1-14.88(e) Number of days lost to injuries, accidents, fatalities or illness	no application 2025	
ESRS S1-16.97(a) Unadjusted gender pay gap	Material	↗ Actions related to ensuring fair remuneration
ESRS S1-16.97(b) Excessive CEO pay ratio	Material	↗ Actions related to ensuring fair remuneration
ESRS S1-17.103(a) Incidents of discrimination	Not material	
ESRS S1-17.104(a) Non-respect of UNGPs on Business and Human Rights and OECD	Not material	
ESRS 2- SBM3 – S2.11(b) Significant risk of child labour or forced labour in the value chain	Material	↗ Social and Environmental Responsibility in the Supplier Network
ESRS S2-1.17 Human rights policy commitments	Material	↗ Due Diligence in the supplier network
ESRS S2-1.18 Policies related to value chain workers	Material	↗ Due Diligence in the supplier network
ESRS S2-1.19 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	Material	↗ Due Diligence in the supplier network
ESRS S2-1.19 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	Material	↗ Due Diligence in the supplier network
ESRS S2-4.36 Human rights issues and incidents connected to its upstream and downstream value chain	Material	↗ Complaints procedure
ESRS S3-1.16 Human rights policy commitments	Not material	
ESRS S3-1.17 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	Not material	
ESRS S3-4.36 Human rights issues and incidents	Not material	
ESRS S4-1.16 Policies related to consumers and end-users	Material	↗ Characteristics of consumers and end-users
ESRS S4-1.17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Material	↗ Characteristics of consumers and end-users
ESRS S4-4.35 Human rights issues and incidents	Material	↗ Characteristics of consumers and end-users
ESRS G1-1.10 (b) United Nations Convention against Corruption	Material	↗ Actions taken to prevent, detect and combat corruption and bribery
ESRS G1-1.10(d) Protection of whistle blowers	Not material	
ESRS G1-4.24(a) Fines for violation of anticorruption and anti-bribery laws	Not material	
ESRS G1-4.24(b) Standards of anti-corruption and anti-bribery	Not material	

ESRS INDEX

ESRS 2 IRO-2

In the ESRS index, references to the general part of the Management Report or the Group Financial Statements are denoted with the symbol ». All other references refer to the Sustainability Statement.

Mandatory discosures pursuant to ESRS	BMW Group Report 2025
General information	
BP-1 – General basis for preparation of sustainability statements	↗ General Basis for Preparation of the Sustainability Statement
BP-2 – Disclosures in relation to specific circumstances	↗ General Basis for Preparation of the Sustainability Statement ↗ ESG Glossary and Explanation of Key Figures
GOV-1 – The role of the administrative, management and supervisory bodies	↗ Supervisory Board - composition and related objectives ↗ Supervisory Board - duties and committees ↗ Board of Management - duties, composition, expertise
GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	↗ Supervisory Board - duties and committees ↗ Board of Management - duties, composition, expertise
GOV-3 - Integration of sustainability-related performance in incentive schemes	↗ Remuneration of the Board of Management and Supervisory Board
GOV-4 - Statement on due diligence	↗ Statement on Due Diligence
GOV-5 - Risk management and internal controls over sustainability reporting	↗ Internal Control System for Sustainability Reporting » Internal Control System
SBM-1.40a) i. – Significant groups of products and services	↗ Business segments » Segments » Strategic approach – Where is the BMW Group heading? » Course of Business and Segments
SBM-1.40a) ii. – Significant markets and customer groups	↗ Business segments » Segments
SBM-1.40a) iii. – Number of employees by geographic region	↗ Own workforce characteristics
SBM-1.40e)-g) – Disclosure on sustainability-related strategy and goals	↗ Strategic position - sustainability-related goals ↗ Description of material impacts, risks and opportunities and their link to strategy and business model ↗ Climate mitigation and adoption as a key part of the corporate strategy ↗ Circular Economy and Resource Use » The BMW Group Strategy
SBM-1.42a) – Inputs	↗ Business model and value chain » The BMW Group Strategy » Production Network » Purchasing and Supplier Network

Mandatory discosures pursuant to ESRS	BMW Group Report 2025
SBM-1.42b) – Outputs	↗ Business model and value chain » The BMW Group Strategy » Production Network » Purchasing and Supplier Network » Course of Business and Segments » Earnings Performance of the BMW Group
SBM-1.42c) – Main features of the upstream and downstream value chain and the undertakings position in the value chain	↗ Business model and value chain ↗ Measures and metrics for the responsible use of resources » Business Model and Organisation » The BMW Group Strategy » Production Network » Purchasing and Supplier Network
SBM-2 – Interests and views of stakeholders	↗ Stakeholder Engagement
SBM-3.48a – Descriptions of material impacts, risks and opportunities	↗ Description of material impacts, risks and opportunities and their link to strategy and business model ↗ List of material Impacts, Risks and Opportunities
SBM-3.48b - Effects of material impacts, risks and opportunities on business model, value chain, strategy and decision-making	↗ Description of material impacts, risks and opportunities and their link to strategy and business model » Environmental Analysis » Position – What does the BMW Group stand for? » Direction – What drives the BMW Group? » Strategic approach – Where is the BMW Group heading? » Collaboration – How does the BMW Group achieve this?
SBM-3.48c -Impacts - Effects on people, environment, time horizons and their connection to strategy, business model and business relationships	↗ Description of material impacts, risks and opportunities and their link to strategy and business model ↗ List of material Impacts, Risks and Opportunities » Position - What does the BMW Group stand for? » Strategic approach – Where is the BMW Group heading? » Collaboration – How does the BMW Group achieve this?
SBM-3.48d – Current financial effects of material risks and opportunities	↗ Current financial effects of material risks and opportunities » Earnings Performance of the BMW Group
SBM-3.48f – Resilience of strategy and business model	» Environmental Analysis » Expanding resilient supply chains » Risk management in purchasing » Purchasing battery cells » Digitalisation in the supply chain
SBM-3.48g – Changes to material impacts, risks and opportunities compared to the previous reporting period	↗ Comparison with previous period and next review of results
SBM-3.48h – Impacts, risks and opportunities that are covered by entity-specific disclosures	↗ List of material Impacts, Risks and Opportunities
IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities	↗ Procedure and methodological basis for the materiality assessment ↗ Comparison with previous period and next review of results
IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	↗ Procedure and methodological basis for the materiality assessment ↗ List of Datapoints that derive from other EU Legislation ↗ ESRS Index

Mandatory discosures pursuant to ESRS	BMW Group Report 2025
ESRS E1 – Climate change	
Disclosure requirement related to ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	↗ Remuneration of the Board of Management and Supervisory Board
E1-1 – Transition plan for climate change mitigation	↗ Transition plan to achieve Net Zero emissions by 2050
Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	↗ Climate-related impacts ↗ Procedure and methodological basis for climate-related risks and opportunities ↗ Physical climate risks ↗ Transitory climate risks and opportunities ↗ Climate resilience of the business model
Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	↗ Physical climate risks ↗ Procedure and methodological basis for climate-related risks and opportunities ↗ Physical climate risks ↗ Transitory climate risks and opportunities
E1-2 – Policies related to climate change mitigation and adaptation	↗ Climate change mitigation and adaption as a key part of the corporate strategy ↗ Holistic Environmental Management within the BMW Group ↗ Energy management
E1-3 – Actions and resources in relation to climate change policies	↗ Implemented actions and metrics for a holistic approach to CO_2e reduction ↗ Efficiency measures and energy mix
E1-4 – Targets related to climate change mitigation and adaptation	↗ Transition plan to achieve Net Zero Emissions by 2050 ↗ Path to achieving the CO_2e reduction targets ↗ Energy targets
E1-5 – Energy consumption and mix	↗ Efficiency measures and energy mix
E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	↗ Greenhouse gas emissions along the entire value chain
E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	↗ Preparing for Net Zero
E1-8 – Internal carbon pricing	↗ Use of an internal carbon price to assess vehicle projects
E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	n. a./phase-in
ESRS E2 – Pollution	
Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	↗ Impact, risks and opportunities in relation to environmental pollution ↗ Stakeholder Engagement
E2-1 – Policies related to pollution	↗ Reduction of Environmental Pollution ↗ Social and Environmental Responsibility in the Supplier Network
E2-2 – Actions and resources related to pollution	↗ Reduction of Environmental Pollution ↗ Social and Environmental Responsibility in the Supplier Network
E2-3 – Targets related to pollution	↗ Reduction of Environmental Pollution ↗ Social and Environmental Responsibility in the Supplier Network

Mandatory discosures pursuant to ESRS	**BMW Group Report 2025**
E2-4 – Pollution of air, water and soil	↗ Reduction of Environmental Pollution
E2-6 – Anticipated financial effects from pollution-related impacts, risks and opportunities	n. a./phase-in
ESRS E3 – Water and marine resources	
Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	↗ Water-related impacts, risks and opportunities ↗ Stakeholder Engagement
E3-1 – Policies related to water and marine resources	↗ Holistic Environmental Management within the BMW Group ↗ Responsible Use of Water Resources ↗ Water management and water protection ↗ Social and Environmental Responsibility in the Supplier Network
E3-2 – Actions and resources related to water and marine resources policies	↗ Water management and water protection ↗ Measures and metrics to reduce water usage ↗ Social and Environmental Responsibility in the Supplier Network
E3-3 – Targets related to water and marine resources	↗ Water demand in production reduced again ↗ Social and Environmental Responsibility in the Supplier Network
E3-4 – Water consumption	↗ Water management and water protection ↗ Measures and metrics to reduce water usage
E3-5 – Anticipated financial effects from water and marine resources-related risks and opportunities	n. a./phase-in
ESRS E4 – Biodiversity and ecosystems	
Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	↗ Comittment to protecting Biodiversity ↗ Resilience analysis
Disclosure Requirement related to ESRS 2 IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	↗ Procedure and methodological basis for the materiality assessment ↗ Stakeholder Engagement ↗ Commitment to protecting Biodiversity
E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model	↗ Holistic Environmental Management within the BMW Group ↗ Resilience analysis
E4-2 – Policies related to biodiversity and ecosystems	↗ Great importance of intact ecosystems ↗ Holistic approach to sustainability targets ↗ Social and Environmental Responsibility in the Supplier Network
E4-3 – Actions and resources related to biodiversity and ecosystems	↗ Measures to protect biodiversity ↗ Social and Environmental Responsibility in the Supplier Network
E4-4 – Targets related to biodiversity and ecosystems	↗ Holistic approach to sustainability targets ↗ Great importance of intact ecosystems
E4-6 – Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	n. a./phase-in

Mandatory discosures pursuant to ESRS	BMW Group Report 2025
ESRS E5 – Resource use and circular economy	
Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	↗ Procedure and methodological basis for the materiality assessment ↗ Stakeholder Engagement
E5-1 – Policies related to resource use and circular economy	↗ Holistic approach for the transition to a circular economy ↗ Social and Environmental Responsibility in the Supplier Network » Raw materials security and strategy
E5-2 – Actions and resources related to resource use and circular economy	↗ Measures and metrics for the responsible use of resources ↗ Social and Environmental Responsibility in the Supplier Network
E5-3 – Targets related to resource use and circular economy	↗ Milestones along the road to the circular economy ↗ Social and Environmental Responsibility in the Supplier Network
E5-4 – Resource inflows	↗ Measures and metrics for the responsible use of resources
E5-5 – Resource outflows	↗ Measures and metrics for the responsible use of resources
E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	n. a./phase-in
ESRS S1 – Own workforce	
Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders	↗ Stakeholder Engagement
Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	↗ Description of material impacts, risks and opportunities and their link to strategy and business model ↗ Basis for action
S1-1 – Policies related to own workforce	↗ Basis for action ↗ Holistic health management policy ↗ Occupational health and safety standards ↗ People Engagement: strategic management of different perspectives and talents ↗ General principles of the BMW Group remuneration system
S1-2 – Processes for engaging with own workers and workers' representatives about impacts	↗ Social Responsibility ↗ Basis for action ↗ Just Transition – Developing competencies for the future ↗ Involvement of BMW Group employees in change processes ↗ The BMW Group respects the right to freedom of association and collective bargaining ↗ BMW Group workforce involved both directly as well as indirectly through employee representatives ↗ Actions related to promoting social dialogue
S1-3.32, 34 – Procedures for improving negative impacts and channels through which the company's workforce can raise concerns	↗ Basis for action ↗ Points of contact for employees
S1-3.33 – Procedures for improving negative impacts and channels through which the company's workforce can raise concerns	» Compliance and notification systems

Mandatory discosures pursuant to ESRS	**BMW Group Report 2025**
S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	↗ The BMW Group is committed to an inclusive Just Transition approach ↗ Actions related to providing secure employment ↗ BMW Group workforce involved both directly as well as indirectly through employee representatives ↗ Actions related to promoting social dialogue ↗ Actions to ensure long-term high performance and employability ↗ Actions related to the training and development of leaders based on the Leadership Competency Model ↗ BMW Group development programmes to retain top talent at an early stage ↗ Integrating occupational safety along the value chain ↗ Holistic health standards with access to in-house occupational health services ↗ Health service quality audits and training programmes ↗ Health Initiative ↗ Prevention and health care ↗ Accident frequency ↗ People Engagement: strategic management of different perspectives and talents ↗ Actions related to the early identification and development of talent ↗ People engagement activities ↗ Actions related to ensuring fair remuneration
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	↗Employer attractiveness as strategic HR target ↗ Ongoing investment in vocational training and further education as strategic HR target ↗ Increasing the share of women in management positions as a strategic target
S1-6 – Characteristics of the undertaking's employees	↗ Employer attractiveness as strategic HR target ↗ Own workforce characteristics
S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	↗ Own workforce characteristics
S1-8 – Collective bargaining coverage and social dialogue	↗ Actions related to promoting social dialogue
S1-9 – Diversity metrics	↗ Equal opportunities within the workforce
S1-11 – Social protection	n. a./phase-in
S1-13 – Training and skills development metrics	↗ Performance and career development processes
S1-14 – Health and safety metrics	↗ Accident frequency
S1-16 – Compensation metrics (pay gap and total compensation)	↗ Actions related to ensuring fair remuneration
ESRS S2 – Workers in the value chain	
Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders	↗ Stakeholder Engagement
Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction of with strategy and business model	↗ Due Diligence in the supplier network
S2-1.16-17 – Human rights policy commitments relevant to value chain workers	↗ Due Diligence in the supplier network ↗ BMW Group Supplier Code of Conduct ↗ Preventive and remedial measures ↗ Complaints procedure » Raw materials security and strategy
S2-1.18 - Human rights policy commitments relevant to value chain workers	↗ BMW Group Supplier Code of Conduct

Mandatory discosures pursuant to ESRS	**BMW Group Report 2025**
S2-1.19 - Human rights policy commitments relevant to value chain workers	↗ BMW Group Supplier Code of Conduct ↗ Complaints procedure
S2-2 – Processes for engaging with value chain workers about impacts	↗ Commitment to initiatives ↗ Responsible raw material management
S2-3.27-28 – Processes for improving negative impacts and channels through which workers in the value chain can raise concerns	↗ Targets related to preventing negative human rights and environmental impacts ↗ Preventive and remedial measures ↗ Complaints procedure » Compliance and whistleblower systems
S2-4 – Taking Action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions and approaches	↗ Multi-stage due diligence process ↗ BMW Group Supplier Code of Conduct ↗ Targets related to preventing negative human rights and environmental impacts ↗ Overview of actions related to the BMW Group due diligence process ↗ Responsible raw material management
S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	↗ Targets related to preventing negative human rights and environmental impacts ↗ Preventive and remedial measures
ESRS S4 – Consumers and end-users	
Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders	↗ Stakeholder Engagement
Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	↗ Characterisitics of consumers and end-users
S4-1.15-17 –Policies on consumer and end-user engangement	↗ Basis for action ↗ Characterisitics of consumers and end-users ↗ Customer data protection
S4-1.16b) – Policies on consumer and end-user engangement	↗ Characterisitics of consumers and end-users » Compliance and whistleblower systems
S4-2 – Processes for engaging with consumers and end-users about impacts	↗ Analysing market trends and brand perception ↗ Ensuring customer satisfaction ↗ High-quality contact with customers ↗ Data security and data protection ↗ Providing information that meets the needs of our customers
S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	↗ Basis for action ↗ Solutions-focused customer service ↗ Customer data protection ↗ Safeguarding quality standards
S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions	↗ Access to quality information ↗ Making sustainability transparent ↗ Data security and data protection ↗ Health and safety

Mandatory discosures pursuant to ESRS	BMW Group Report 2025
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	↗ Ensuring customer satisfaction ↗ Definition and implementation of sales targets at the BMW Group ↗ BMW Group target: ensuring that data is processed accurately and securely ↗ Safeguarding quality standards
ESRS G1 – Business conduct	
Disclosure Requirement related to ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies	↗ Supervisory Board - composition and related objectives ↗ Supervisory Board - duties and committees ↗ Board of Management - duties, composition, expertise
Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	↗ Procedure and methodological basis for the materiality assessment
G1-1.9 – Policies for establishing, developing and promoting Corporate Governance and Corporate Culture	↗ Actions taken to prevent, detect and combat corruption and bribery
G1-1.10 – Policies for establishing, developing and promoting Corporate Governance and Corporate Culture	↗ Policy for preventing, detecting and combatting corruption and bribery ↗ Actions taken to prevent, detect and combat corruption and bribery ↗ Training of high-risk functions regarding anti-corruption – BMW Group target and target achievement
G1-3.18a) – Procedures to prevent and detect corruption and bribery	↗ Policy for preventing, detecting and combatting corruption and bribery ↗ Actions taken to prevent, detect and combat corruption and bribery » Compliance as a corporate function » Compliance Management System (CMS) » Compliance and whistleblower systems » CMS Monitoring and Controls
G1-3.18b) – Procedures to prevent and detect corruption and bribery	↗ Actions taken to prevent, detect and combat corruption and bribery
G1-3.18c) – Procedures to prevent and detect corruption and bribery	↗ Actions taken to prevent, detect and combat corruption and bribery
G1-3.20 – Procedures to prevent and detect corruption and bribery	↗ Actions taken to prevent, detect and combat corruption and bribery
G1-3.21a) – Procedures to prevent and detect corruption and bribery	↗ Actions taken to prevent, detect and combat corruption and bribery
G1-3.21b) – Procedures to prevent and detect corruption and bribery	↗ Training of high-risk functions regarding anti-corruption – BMW Group target and target achievement
G1-3.21c) – Procedures to prevent and detect corruption and bribery	↗ Actions taken to prevent, detect and combat corruption and bribery
G1-5 – Political influence and lobbying activities	↗ The BMW Group's policy for representing its interests ↗ BMW Group positions and lobbying activities ↗ Transparency register entries ↗ Political contributions

INTERNAL CONTROL SYSTEM, RISKS AND OPPORTUNITIES, COMPLIANCE

APPROPRIATENESS AND EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT SYSTEM*

The BMW Group complies with recommendation A.5 of the German Corporate Governance Code and accordingly provided its statement in line with § 161 of the Stock Corporation Act ↗ www.bmwgroup.com/ in December 2025 on the following basis:

The BMW Group has set up an internal control system and a risk management system in accordance with the German Corporate Governance Code.

The internal control system includes all the principles, instructions and measures introduced by the Board of Management to ensure

- the effectiveness and efficiency of business operations
- the propriety of accounting and financial reporting
- compliance with the statutory regulations relevant to the BMW Group

The BMW Group's internal control system comprises the following: the internal control system relevant for group reporting ↗ Internal Control System (ICS in the narrower sense), the ↗ Compliance Management System (CMS) and the Internal Audit Function (IAF).

The Risk Management System (RMS) comprises the entire set of organisational rules and measures in place to identify, assess, manage and communicate risks, including system monitoring. ↗ Risk and Opportunity Management

The ICS (in the narrower sense), the RMS and the CMS are audited independently on a risk-orientated basis by Internal Audit as part of the "Three Lines" model, with all systems interconnected by overarching structural elements. Internal Audit's findings are reported to the Board of Management and the Supervisory Board on a regular basis.

The design and implementation of the internal control system and the risk management system take into account the size, structure and complexity of the BMW Group in particular. These systems are intended to detect, manage and mitigate material risks. However, despite the comprehensive analysis of risks in general, any control and risk management system has inherent limitations. For this reason, the occurrence of risks cannot be ruled out in all circumstances.

Taking this into account, the Board of Management is not aware of any circumstances that give rise to doubts regarding the appropriateness and effectiveness of the internal control system and the risk management system. In particular, no material cases of non-compliance or systemic weakness that preclude such appropriateness and effectiveness were identified.

* The information provided in this section is extraneous to management reports and is not subject to by PwC's audit.

INTERNAL CONTROL SYSTEM

Contains disclosures pursuant to ESRS 2 GOV-5

The Internal Control System[1] (ICS in the narrower sense) is part of the BMW Group's overall system of internal governance and based on a set of monitoring measures and control activities that are integrated in processes and organisational structures. Its purpose is to ensure the accuracy of external financial and non-financial Group reporting while complying with the relevant statutory regulations. The ICS defines the requirements for the design and structure of the internal control system for accounting procedures and processes for non-financial information and qualitative reporting obligations on a Group-wide basis. Non-financial information comprises information from sustainability reporting as well as other non-financial information. Sustainability risks are reflected and managed in the BMW Group's risk management.

The financial ICS encompasses safeguarding against procedural risks as a means of ensuring accurate accounting. The non-financial ICS covers the data collection and reporting process for all non-financial quantitative and qualitative reporting obligations relevant to the BMW Group Report.

The ICS is based on the "three lines" model, describing how the various functions are required to interact with one another in order to manage risks. As a component of the second line, the ICS serves as the link between the operating units (first line) and Corporate Audit (third line).

The purpose of an adequate and effective ICS is to safeguard external financial and non-financial Group reporting.

The design of the BMW Group's Internal Control System is based on internationally recognised standards such as the COSO model[2].

The principal features of the BMW Group's ICS are a role-based approach embedded throughout the organisation, a clearly defined control environment that is underpinned by a combination of risk assessment procedures, control activities, information and communication, and monitoring activities.

Standardised methods are used to safeguard the Group reporting processes for both the financial and non-financial ICS. All potential risks that essentially relate to the completeness and integrity of data, data availability or partially automated processes are identified on the basis of an end-to-end process analysis. Based on the classification of the risks identified, suitable control measures to mitigate risks are prioritised and developed. The controls, such as plausibility checks, validation and segregation of duties, are intended to have a preventive or detective effect as appropriate. They are specifically designed and purposefully anchored within the Group reporting process. The effectiveness and execution of the controls is ensured by systematic control tests, among other things. In addition, the ICS monitoring processes are supplemented by an independent assessment of the ICS maturity level.

Both the ICS itself and the methods applied are subject to ongoing development, with system functionality being assessed on a regular basis. Notwithstanding the measures taken, every control system is subject to inherent limitations, given that it is not possible to prevent all incorrect disclosures or detect them in a timely manner.

BMW Group working instructions and guidelines for recognising, measuring and allocating items to accounts as well as definitions of non-financial performance indicators are available to all employees via the BMW Group's intranet. Amendments to existing reporting standards and new regulatory requirements are assessed for their potential impact on the BMW Group.

ICS requirements such as the segregation of duties are already embedded in the IT systems that are relevant to accounting and financial reporting and are also taken into account in their further development. Furthermore, the BMW Group deploys IT-assisted or AI-supported data analysis tools to identify and subsequently eliminate any weaknesses detected in its processes and/or control systems.

Responsibilities for ensuring the appropriateness and effectiveness of the ICS are defined in a role-based model and allocated to the relevant line and process managers. Once a year, these managers report on their assessment of the ICS. The evaluation takes into account the findings by Corporate Audit and the external auditor as well as the results of continuous monitoring. The results are gathered and documented in a centralised IT system. Both the Board of Management and the Audit Committee are informed about the status of the ICS on an annual basis. The Board of Management and, where appropriate, the Supervisory Board are promptly informed in the event of significant changes to the ICS.

[1] Disclosures pursuant to § 289 and § 315 HGB as well as ESRS 2, paragraphs 34–36 and AR 11.
[2] Committee of Sponsoring Organizations of the Treadway Commission.

RISKS AND OPPORTUNITIES

RISK AND OPPORTUNITY MANAGEMENT

The foundation of the BMW Group's business success lies in effectively managing risks and making use of any opportunities. This is based on an effective and efficient risk and opportunity management strategy. A key prerequisite is the ability to react quickly and flexibly to changes in geopolitical, economic, environmental, social, technological or legal conditions. The general risk and opportunity situation is regularly evaluated as part of this.

The aim of our risk management system (RMS) is to identify, measure and manage risks, both individual and cumulative, that could pose a threat to the success of the business.

Risks and opportunities (including risks concerning geopolitics, sustainability and reputation) are reported for the current and subsequent financial year. ↗ Material Risks and Opportunities

Risks and opportunities relating to sustainability (including climate risks) are also considered for the medium and long term in the non-financial statement in accordance with the ESRS. ↗ Sustainability Statement

Organisation of risk management
Risk management is organised globally as a decentralised network and steered by a centralised risk management function. The various BMW Group divisions are represented by Network Representatives. The responsibilities and tasks of the centralised risk management function and the Network Representatives are documented and clearly assigned. All material risks are firstly presented for review to the Risk Management Steering Committee, which is chaired by Group Controlling. Any material risks are then reported to both the Board of Management and the Supervisory Board's Audit Committee.

Other functions such as Group Compliance and the Internal Control System (ICS) form key interfaces to the risk management system. In its capacity as an independent control body, Group Corporate Audit reviews the RMS established by the Board of Management.

According to Group-wide guidelines, all employees and managers have a duty to report risks through the designated reporting channels. The key elements of the risk management processes and an appropriate risk culture are embedded in the BMW Group's core values, the Group's extensive rules and regulations on risk management and its overall risk strategy. Furthermore, the BMW Group's risk management strategy is continuously refined and digitalised in order to reflect new findings and requirements. Training programmes and informational events are regularly conducted throughout the BMW Group, particularly within the risk management network.

The risk management process comprises the early identification, analysis and measurement of risks, the use of appropriate risk management tools and the monitoring and assessment of the measures taken. If no specific reference is made, risks and opportunities relate to the Automotive segment.

Risk measurement
Risks relating to the current and subsequent financial year are shown in the section ↗ Material Risks and Opportunities. The risks are measured using value-at-risk models and assessed on the basis of uniform loss distribution metrics, thereby enabling better comparability of risks for both internal and external reporting purposes. Risks are evaluated net of any effective risk mitigation measures (net basis).

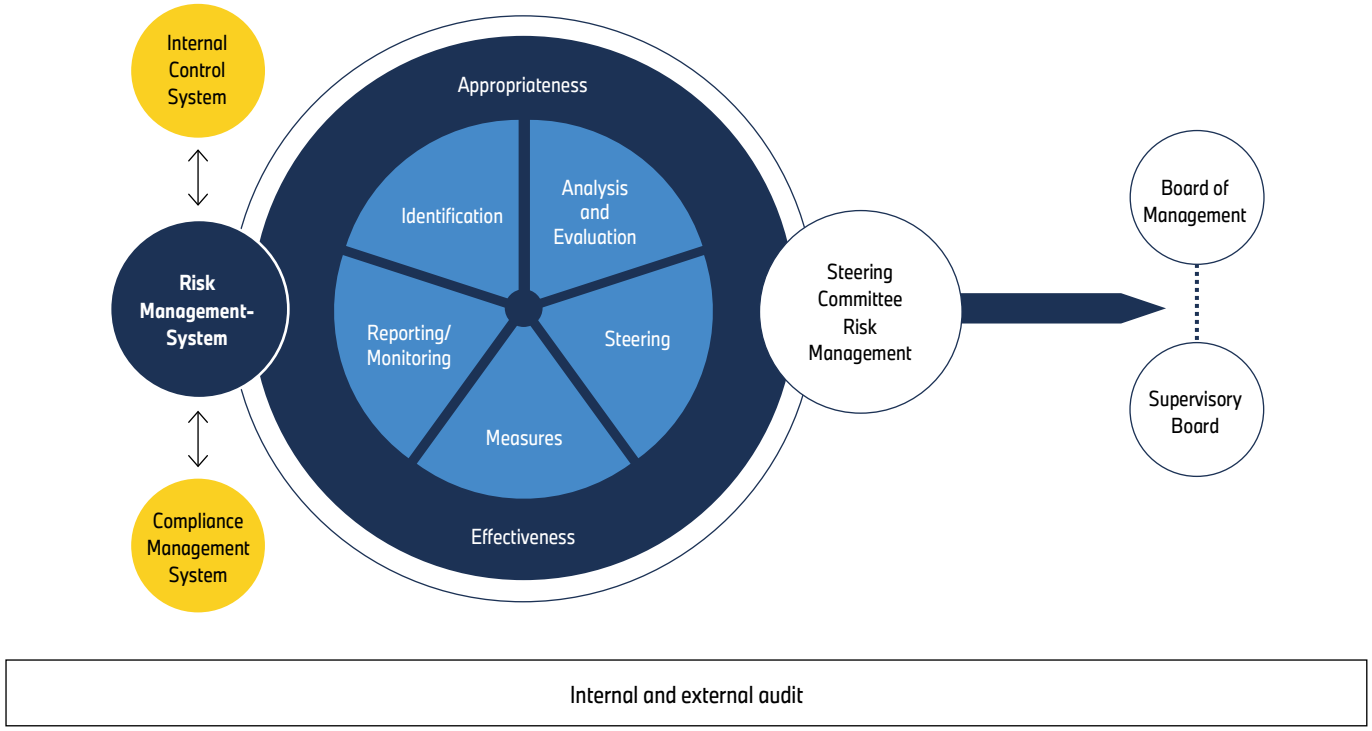
Risks are classified according to the risk amount (average earnings impact, taking into account the probability of occurrence). However, the earnings impact may also be significantly higher if the risk actually materialises (worst-case scenario, confidence level: 99%).

The impacts of risks and opportunities are presented separately without offsetting against each other.

Group-wide effects and trends are identified by aggregating all material risks at Group level. For this purpose, the potential earnings impact of the risks is aggregated, taking correlation effects into account. In order to assess the risk-bearing capacity of the BMW Group, the aggregated amount of risks is compared with the risk cover amount (i.e., the equity capital of the BMW Group recognised for accounting purposes). A limit system for various risks helps monitor the risk-bearing capacity.

Reputational risks
Quite apart from the financial consequences, risks can also have an impact on the BMW Group's reputation. For this purpose, the BMW Group assesses all material risks with regard to their impact on its reputation using a scoring model. Moreover, other overarching topics are monitored by means of regular media analysis. Any material reputational repercussions are described in the section ↗ Material Risks and Opportunities.

Risk Management in the BMW Group



Non-financial risks as reported in the non-financial statement (NFS)

Alongside the maintenance of a comprehensive system of risk management, sustainability constitutes a core strategic principle of the BMW Group. Risks resulting from sustainability matters are identified via both the Group-wide risk management network and the materiality assessment process in accordance with ESRS.

In accordance with § 289c of the German Commercial Code (HGB), risks that could have an impact on the non-financial aspects referred to in the relevant legislation are reviewed as part of the reporting process. Material risks in this context are defined as those stemming from business activities, business relationships and products and services provided by the BMW Group that are highly likely to have a seriously adverse impact. The material sustainability risks identified in accordance with the ESRS during the reporting year are presented in the ↗ Sustainability Statement. Otherwise, no material non-financial risks were identified.

Opportunity management

Identifying opportunities is an integral part of the BMW Group's strategy and planning processes. The Group's range of products and services is continually reviewed on the basis of these analyses. ↗ The BMW Group Strategy

The regular monitoring of key business processes and strict cost controls are also key factors for ensuring high levels of profitability and returns on capital employed.

The importance of opportunities for the BMW Group is classified on a qualitative basis in the categories "material" and "immaterial". Probable measures aimed at safeguarding profitability are already considered in the outlook.

MATERIAL RISKS AND OPPORTUNITIES

The most recent geopolitical developments, such as increases in existing customs duties or the introduction of new tariffs, are impacting the risk situation at the BMW Group. This also applies in the context of the current customs environment between the United States and Europe, as well as the increasing barriers to trade in imports and exports. The intensely competitive situation in the market in China could intensify yet further and exacerbate sales risks. Continued war between Russia and Ukraine as well as escalation in the Middle East could also significantly strain the global economy.

Persistent challenges in the sales markets have already been taken into account in the outlook. Risks beyond this for the BMW Group remain stable at a high level.

On balance, neither the Board of Management nor the Supervisory Board see any threat to the BMW Group's status as a going concern at the balance sheet date or at the date on which the Group Financial Statements were drawn up.

As in the previous year, the current set of risks to the BMW Group are considered to be manageable. All risks and opportunities that are expected to materialise have already been addressed in the Outlook Report in terms of their impact as well as in the long-term corporate planning and are accordingly not included in the risk and opportunity assessment below. During the outlook period, liquidity requirements are covered by existing liquidity as well as the various financing instruments available. The following sections illustrate potential future developments or events that could result in a negative (risk) or a positive (opportunity) deviation from the outlook for 2026 and 2027 and indicate their significance to the BMW Group.

In addition, unforeseen events could affect business operations and hence the BMW Group's results of operations, financial position and net assets as well as its reputation.

The following overview provides a summary of the material risks and opportunities:

	Risks		Opportunities	
	Classification of the risk level	Change compared to prior year*	Classification	Change compared to prior year
Macroeconomic risks and opportunities	Very high	–	Immaterial	–
Strategic and sector-specific risks and opportunities				
Changes in legislation and regulatory requirements	High	–	Immaterial	–
Market developments	Very high	–	Immaterial	–
Risks and opportunities relating to operations				
Production and technology	High	–	Immaterial	–
Purchasing	Very high	Increased	Immaterial	–
Sales network	Medium	Increased	Immaterial	–
Information security, data protection and IT	High	–	Immaterial	–
Financial risks and opportunities				
Foreign currencies	Medium	–	Material	–
Raw materials	Medium	–	Material	–
Liquidity	Low	–	–	–
Other financial risks	Medium	–	Immaterial	–
Pension obligations	Medium	–	Material	–
Legal risks	Medium	–	–	–

* The change shown here relates to the classification of prior-year risks using the updated classification.

As in the previous year, the following ranges apply for the purpose of classifying the risk amount for material risks:

Class	Risk amount
Low	< € 200 million
Medium	> € 200–1,000 million
High	> € 1,000-2,000 million
Very high	> € 2,000 million

Due to the particular features of the business model, material risks and opportunities relating to the Financial Services segment are presented separately in the section entitled ↗ Risk management system in the Financial Services segment.

Macroeconomic risks and opportunities
Economic conditions have an impact on business operations and hence on the level of earnings generated by the BMW Group. Unforeseen disruptions in global economic relations can have highly unpredictable effects. The level of risk is classified as very high.

With regard to the war in Ukraine, there is a risk of a further escalation and therefore of further sanctions on Russia as well as possible counter-sanctions and/or retaliatory measures by Russia, including the possible nationalization of foreign-owned enterprises. There is also a risk of Russia no longer limiting its military operations to Ukraine but instead setting its sights on other countries, including NATO members. At the same time, relations within the Western alliance are progressively deteriorating, especially those between the USA and European member states, weakening the organisation's unity and effectiveness. A reduction in or even withdrawal of US support for Ukraine would have significant ramifications for the course of the war.

Escalation in the Middle East could negatively impact global energy markets. An increase in the price of oil could prompt a rise in inflation, which would in turn lead to higher costs and lower profitability. Possible trade disruptions, such as blockades of vital sea lanes, could have an appreciable effect on the global movement of goods.

In the relationship between the USA and China, the focus is increasingly shifting from simple tariff increases to expanded import and export restrictions on specific technologies and raw materials. These measures could also lead to less favourable general import and export conditions for the BMW Group while hampering production. The likelihood of further escalation remains high, and there is currently no sustained improvement in sight for the situation.

Although there has been a turnaround in interest rates in the USA and Europe in light of decreasing inflation, persistently high interest rates are continuing to inhibit growth and consumption. The persistent weakness of the German economy could also further limit growth in the eurozone as a whole.

The current state of the Chinese economy poses a considerable risk to sales. The ongoing crisis in the property sector, subdued domestic demand and trade tensions are also harming growth. Economic risks are regularly assessed as part of the Group's internal strategy process and their impact identified. To enable better management of potential negative effects, sales markets are being monitored on an ongoing basis, and individual measures are being defined by standardised processes and internal committees. These include changes to the allocation of planned sales volumes. The aim is to achieve an overall optimum between production, sales and inventories across all plants, markets and model series.

At the moment, macroeconomic opportunities that could positively influence the BMW Group's earnings performance are rather immaterial. However, if significantly more positive economic development were to occur in a market due to stronger fiscal or monetary policy measures, this could also have a positive impact.

Strategic and sector-specific risks and opportunities
Changes in legislation and regulatory requirements
Tighter laws and regulations, particularly regarding emissions, safety and consumer protection as well as regional vehicle-related purchase and usage taxes, pose a significant risk for the automotive industry.

Country- and sector-specific trade barriers can be subject to change at short notice. To mitigate the risks of climate change, new regulatory requirements could be adopted. Any tightening up of regulations could necessitate significantly increased investments and costs, influence customer behaviour, and lead to interruptions in supply. The risk in this regard is categorised as high.

The BMW Group anticipates increasingly stringent vehicle emissions requirements for conventional and electrified drivetrain systems. In the EU, the new EU7 regulation came into force in May 2024. Risks may arise from the details of the regulation still to be finalised by the European Commission. In addition to pollutant emissions, brake particle emissions, tyre abrasion and high-voltage battery durability are being regulated for the first time. The European Commission has the right of initiative to propose laws. Additional tightening measures are anticipated around 2030.

Legislators in China, are planning to tighten regulations on exhaust and brake particle emissions as well as the durability of high-voltage batteries by introducing the new C7 emissions standard. Risks may arise from additional requirements.

In December 2025, the European Commission published a proposal for a revised fleet carbon emissions target for 2035. This would reduce the limit to 11 g/km. The reversal of the phase-out of combustion engine vehicles is an important first step, but the greater flexibility proposed is still inadequate. The legislation is expected to be passed by early 2027. If the adjustments to fleet carbon emissions regulations are not sufficiently far-reaching, risks in relation to achievement of the targets may arise from inadequate private and public charging infrastructure as well as limited access to resources for the production of electric

drivetrains. A discussion of consumption values and carbon emissions may have an impact on the Company's reputation.

Furthermore, the BMW Group maintains a dialogue with decision-makers and representatives of politics, trade unions, associations and non-governmental organisations (NGOs), with a view to playing a constructive and transparent role in helping shape the general political framework to the extent that it concerns the Group's business activities. ↗ Stakeholder Engagement

Changes in trade policies could also have a positive impact on the BMW Group's earnings in the short to medium term. Any reduction in tariff barriers, import restrictions or direct excise duties could result in lower manufacturing costs or enable products and services to be offered to customers at more attractive conditions. Opportunities potentially arising from changes in legislation and regulations are classified as immaterial.

Market developments

The ever-changing nature of customer preferences, an altered brand perception or a tense market and competitive situation harbour risks as well as opportunities. For instance, the BMW Group could continue to be confronted with short-term fluctuations in supply and demand in the transition from conventionally powered vehicles to alternative drivetrains. This effect could be exacerbated by subdued demand due to a reluctance to buy on the part of customers in individual markets.

In China, the outlook for consumer spending in particular remains subdued despite support measures undertaken by the central government. The challenging market environment and competition from Chinese manufacturers may have a further impact on the BMW Group; for example, on sales of electrified models, which are in competition with local Chinese suppliers in a heavily price-driven market. Measures taken include adjustments to the BMW and MINI product ranges, targeted action to strengthen the brands, a focus on the dealership network and the expansion of offers tailored specifically to the Chinese market. As in the previous year, the likelihood of market risks occurring is classified as very high.

The BMW Group's sales markets are continuously monitored in order to meet changing customer needs and, at the same time, capitalise on opportunities in terms of sales growth and pricing. The BMW Group considers the resulting additional opportunities to be insignificant.

Risks and opportunities relating to operations

Production and technology

Production interruptions are the main risk in the plants. These can have various causes, such as system failures and tool breakages, supplier-related restrictions in logistics or in the supply of parts, and in certain countries, also failures in the energy supply. Furthermore, IT disruptions caused by cyberattacks, for example, play a significant role in disruptions to production. Damage to the factory infrastructure, caused by fire or natural events such as hail, storms or heavy rainfall, can lead to production downtime. The effects of climate change that are already apparent, and short-term future effects such as an increase in natural disasters, are taken into account. The risk level for the occurrence of risks from production and technology is considered to be high.

All BMW Group plants have implemented measures for risk avoidance and reduction. These include, for example, carrying out preventive maintenance as well as maintaining backup systems and spare parts for machinery. The risk of production downtime due to parts supply is reduced via measures related to logistics, purchasing and the highly flexible production network.

A variety of measures are also being taken to prevent and counteract downtimes of manufacturing equipment due to targeted cyberattacks. These include the establishment of strict firewall regulations, application whitelisting and the use of endpoint security software.

Potential natural hazards are already taken into account during site selection and construction measures. The risk posed by the potential effects of natural events or fire is mitigated thanks to the use of on-site fire services and preventive employee training.

The risk resulting from property-related damage and damage due to downtime in the production process, as well as transport damage to vehicles already manufactured, is transferred to highly solvent insurance companies. Due to the volatility of the international insurance markets, the BMW Group itself bears significant risks today. This solution may become increasingly relevant if premiums and deductibles continue to rise.

Potential short-term changes to the relevant legislation and regulations or changes in their national interpretation by the authorities may jeopardise our ability to receive type approvals in good time. In extreme cases, this could lead to the non-admission of a vehicle derivative, sub-market or even a complete market. A delayed start of production for new models could also lead to sales losses. Numerous control points have been implemented as part of the homologation process in order to identify and mitigate risks.

Product recalls can lead to additional costs. The BMW Group establishes appropriate provisions for statutory and non-statutory warranty obligations. It cannot be ruled out, however, that additional costs could be incurred that are either not covered or not fully covered by these provisions. Despite the deployment of thorough quality assurance processes, such risks can always arise if the materials and/or processing procedures used prove insufficient – in some cases years after a product has been launched. A high number of recalls could also have a negative impact on the BMW Group's reputation. Further information on risks in conjunction with provisions for statutory and non-statutory warranty obligations is provided in ↗ note [34] to the Group Financial Statements in connection with other provisions, and in ↗ note [39] in connection with contingent liabilities.

If cost items such as expenses for warranty claims develop more favourably than expected, this could lead to insignificant opportunities for financial performance.

Purchasing
The main risk regarding purchasing relates to supply shortages due to disruptions at the supplier level. Production problems at the supplier level could lead to short or long-term increases in costs and even production interruptions, prompting a reduction in sales for the BMW Group. Furthermore, the Group could suffer damage to its reputation if customer demand cannot be adequately met.

Potential reasons for the failure of suppliers to deliver include shortages of raw materials, energy and primary products, natural disasters and fires, security risks in certain countries, IT problems, and non-compliance with sustainability or quality standards. Furthermore, supply shortages due to trade restrictions and tighter regulations on selected parts or raw materials (inter alia rare earths from China) cannot be ruled out. The BMW Group therefore now classifies this risk as very high – an increase on last year.

When selecting suppliers, a number of preventive risk criteria such as financial stability, cyber security, fire safety, location and sustainability requirements are assessed as standard practice. The effects of climate change that are already apparent, and short-term future effects such as an increase in natural hazards, are taken into account.

An increasingly complex supplier network, particularly with indirect sub-suppliers, may jeopardise the delivery of supplies to plants. A prevention programme was put in place by the BMW Group in order to identify such developments early on and to take suitable measures. Shifts in sales planning and thus also in the product mix could lead to over- or under-utilisation of capacity by suppliers, whose own supply is stabilised with the aid of established crisis management processes. Additional risks arise from the high level of inflation in recent years, prompting higher price demands from suppliers. Furthermore, the number of suppliers at risk of insolvency which the BMW Group supports to maintain supplier operations is increasing.

Cyberattacks along the entire value chain also represent risks to the security of supply and the protection of expertise. The BMW Group actively supports the supplier network by requiring certificates (such as Tisax) when awarding projects and by implementing other preventative measures, in some cases directly at suppliers' locations. ↗ Purchasing and Supplier Network

Short-term fluctuations in demand between vehicles with conventional combustion engines and alternative drivetrains may likewise lead to over- or under-utilisation of capacity by suppliers and thus to a financial impact on the BMW Group.

The BMW Group sees opportunities in the development of local supplier structures and in innovative manufacturing technologies that could lead to lower material expenses. These opportunities are classed as immaterial.

Sales network
In order to sell its products and services, the BMW Group uses various sales models and operates a global sales network comprising subsidiaries, importers, branches and independent sales partners. The insolvency of major sales partners may have a negative impact on global vehicle sales and the range of services available to our customers. Developments affecting sales partners are monitored on an ongoing basis so that measures can be implemented promptly if and when necessary.

Risks arising from the sales network have increased year on year and are now classified as medium. The biggest driving force behind this is the current situation faced by our sales partners in China, as the situation in terms of sales and competition there is affecting their margins. Measures to improve sales partner profitability have been initiated. These include, for example, reducing the size of the sales partner network and taking targeted action to provide sales support for selected models. The BMW Group is aligning its sales organisation with the needs of the future and prioritising the expectations and requirements of its customers even more consistently, including by introducing an agency model in Europe. Additional opportunities arising as a result are classified as insignificant.

Information security, data protection and IT
Digitalisation and automation across all areas of the business and its products offer numerous opportunities for the BMW Group. Potential uses as well as risks are evaluated on a continuous basis, especially in the field of Artificial Intelligence. Any opportunities beyond this are classified as insignificant. At the same time, information technology (IT) requirements regarding the confidentiality, integrity and availability of information are becoming increasingly strict. The threat level has continued to rise over recent years Increasing geopolitical conflicts are also contributing to the rise in cyberattacks. Moreover, legal and regulatory requirements are becoming ever stricter worldwide, which could also necessitate higher investments in hardware and software.

Due to the continuing increase in the number of attacks observed, the level of risk – despite extensive security measures – is classified as high.

In order to protect IT systems, we have introduced processes such as standardised security assessments and regular penetration tests. However, in this environment, risks cannot be fully ruled out due to the high complexity and increasing connectivity.

Information and data can also be compromised by a lack of risk awareness and inappropriate behaviour. The main direct consequences would be negative effects on business performance, disruption in production or reputational damage. For this reason, the BMW Group has launched a programme to increase employee awareness of information and IT security through appropriate measures and to establish a lasting security culture. The BMW Group has implemented the known requirements of the EU AI Act and set up corresponding processes.

Protecting information, for example from unauthorised access or misuse, has the highest priority. In conjunction with risk management requirements, risks relating to information security, data protection and IT are systematically documented, provided with measures by internal specialised departments, and continuously monitored with regard to threat level and risk mitigation. Regular analyses and controls as well as tight security management policies ensure an appropriate level of security.

However, despite continuous testing and preventive security measures, it is impossible to completely eliminate risks in this area. All authorised persons are required to treat information such as confidential business, customer and employee data with great care, use information systems securely and handle risks in a transparent manner. Uniform requirements that apply throughout the Group are documented in a comprehensive set of rules and guidelines. A consistently applied policy of updating such rules and regulations to the current situation, coupled with regular communication, awareness-raising and training measures, form the basis for a high level of security and risk awareness in general.

Financial risks and opportunities

Currencies

As a globally active enterprise, the BMW Group conducts business in a variety of currencies, which gives rise to currency risks and opportunities. A high proportion of revenues, production, other purchases and funding occur outside the eurozone.

The BMW Group manages currency risks at both the strategic (medium to long term) and operational level (short to medium term). Over the medium and long term, it will be possible to ramp up production or the purchase volume in foreign currency regions (natural hedging). Currency risks are managed in the short to medium term and for operational purposes by means of hedging on financial markets, the primary objective of which is to improve planning reliability for the BMW Group as a whole. Continually updated cash-flow-at-risk models are used to limit currency risks. As in the previous year, the risk level is categorised as medium.

Depending on exchange rate fluctuations, opportunities may also arise, which are considered material.

Raw materials

As a manufacturing company, the BMW Group is subject to price risks, particularly in relation to the raw materials used in vehicle production.

The analysis of raw materials price risks is based on planned purchases of raw materials and components containing those products. A cash-flow-at-risk model is deployed to measure risks relating to raw materials prices. Price fluctuations for raw materials such as precious metals, non-ferrous metals, raw materials for batteries and steel, and also energy, are hedged using financial derivatives and supply contracts with fixed pricing arrangements.

The prices of many raw materials continue to be subject to uncertainty on commodity markets. This entails a medium level of risk as well as material opportunities.

Liquidity

The Financial Services segment's credit financing and leasing business is largely refinanced via the capital markets. The risk of restricted access to funds is deemed low.

The liquidity strategy, based on experience gained during various crises, is rigorously adhered to and regularly refined. The liquidity position is monitored continuously and managed via the Group-wide planning of financial requirements and funding. This also involves modelling stress scenarios and checking the validity of predefined actions that could possibly be taken in these scenarios.

In the Financial Services segment, the use of the "matched funding principle" ensures that liquidity risks are generally avoided.

The solvency of the BMW Group is assured during the outlook period by adhering to liquidity ratios and using a broadly diversified range of refinancing sources.

Further information on risks in conjunction with financial instruments is provided in ↗ note [36] to the Group Financial Statements.

Other financial risks

Other financial risks worth mentioning include counterparty risks as well as those arising in connection with investments in other entities.

The BMW Group works together with banks to ensure that the available liquidity is optimally invested in order to hedge against financial market risks (particularly currency, commodity and interest rate risks) using derivative financial instruments and to protect payments made in advance. Counterparty risk denotes the risk that the BMW Group will not receive, or not receive in full, the payments due to it in connection with the investment and hedging transactions referred to above. A value-at-risk model is employed to measure counterparty risk, taking into account the creditworthiness of the banks and the business volumes involved. Risk is managed using a limit system, which includes daily monitoring of the extent to which limits are being utilised at the level of the individual counterparties.

The BMW Group holds equity investments of varying amounts in numerous entities. The recoverability of these investments is monitored on an ongoing basis as part of a standardised process. However, risks from impairment losses could still arise.

The risk associated with other financial risks is classified as medium. Potential opportunities resulting from the revaluation of investments are considered immaterial.

Pension obligations
Future pension obligations are financed largely via external pension funds or trust constructs that are legally separate from the BMW Group. Externally managed funds are invested on capital markets in a broadly diversified portfolio with a view to enabling future pension payments to be disbursed out of pension assets. These arrangements greatly reduce the need to fund pension payments out of ongoing operations. Fluctuations in pension provisions and the related pension assets give rise to risks that may have varying effects due to the differences in accounting standards between IFRS and HGB.

The risk associated with pension provisions based on IFRS valuations is categorised as medium. Material opportunities may arise for pension plans with lifetime annuities if the value of pension assets on the capital markets develops favourably or if pension provisions decrease at a more pronounced rate than the related assets.

Pension obligations are chiefly measured by projecting future payouts, valued using a current discount rate derived from yields on top-rated corporate bonds. This discount rate is subject to market fluctuations and therefore influences the level of pension obligations in terms of present value. Changes in other parameters, such as inflation rates and life expectancy, also impact the amount as well as the duration of future pension payments. Regulatory requirements may also affect the amounts of pension obligations. In the case of defined-contribution plans with guaranteed minimum benefits, the benefit is based on a comparison between the beneficiary's account balance and the guarantee provided by the BMW Group. The associated obligation depends on both the discount rate and the performance of the individual investments.

The fluctuation of pension assets reflects the volatility of various asset classes on capital markets. Investments are broadly diversified (interest-bearing securities, equities, real estate and other asset classes).

Revaluations on the liabilities and assets sides are recognised net of deferred taxes through other comprehensive income and hence directly in equity of the BMW Group (within revenue reserves). Further information on risks in conjunction with pension provisions is provided in ↗ note [33] to the Group Financial Statements.

Legal risks
Like all entities with international operations, the BMW Group is confronted with legal disputes, alleged claims relating in particular to warranty and product liability or intellectual property rights infringements and proceedings initiated by government agencies. Any of these could, amongst other consequences, have an adverse impact on the Group's reputation. Such proceedings are typical for the sector, may result as a consequence of realigning product or purchasing strategies to changed market conditions, or are antitrust-related. Particularly in the US and UK, class action lawsuits, group litigation and product liability risks can have substantial financial consequences and cause damage to the BMW Group's reputation. These risks may increase due to a potential stricter application, interpretation, or modification of existing regulations. Additionally, this could lead to a rise in recalls.

The level of risk from legal risks is classified as medium.

International movements of goods require compliance with extensive export control regulations. In addition to goods-related restrictions, international trading may also involve personal, country-specific and end-use-related restrictions. In particular, non-compliance with applicable EU, US and Chinese export control regulations could result in significant legal consequences for the BMW Group. These risks are mitigated by the comprehensive BMW Group Compliance System. In light of the BMW Group's strong presence in the USA and China, any intensification of the trade dispute between the countries could be a potential source of additional risk exposure.

BMW Group companies are subject to governmental tax and customs audits in each country where they operate, potentially resulting in back taxes, retrospective customs duties, interest, penalties and similar payments. Payments of this nature may, for instance, result from the non-recognition of inter-company transfer prices in the countries concerned. Further substantive legal risks may emerge from contested interpretations of tax or customs legislation. In addition, the findings of the tax audit in the countries are effective for the audit period and, if applicable, in subsequent years. Risk management relating to tax and customs legislation is enshrined in the BMW Group's RMS. In order to minimise material procedural tax and customs risks, the BMW Group has put a comprehensive Tax Compliance Management System (Tax CMS) in place that is already being applied in its principal entities in Germany, China, Austria and the USA and will be gradually rolled out in other major countries.

The BMW Group recognises appropriate levels of provision for lawsuits and risks. Contingent liabilities are presented in ↗ note [39] to the Group Financial Statements. In addition, a part of these risks is insured to an economically reasonable extent. Nevertheless, it cannot be ruled out that damages may occur in excess of the insured amounts. In accordance with IFRS, the required information is not provided if the BMW Group concludes that disclosure of the information could seriously prejudice the outcome of the relevant legal proceedings.

Further information on contingent liabilities is provided in ↗ note [39] to the Group Financial Statements. The potential financial impact of the matters covered under contingent liabilities, including those related to tax and customs risks as well as legal and warranty risks, cannot be conclusively assessed at this stage.

A Compliance Management System is in place across the BMW Group to ensure, among other things, that its representative bodies, executives and employees worldwide consistently act in a lawful manner. Further information on this can be found in the ↗ Compliance chapter.

Risk management system in the Financial Services segment
Risk management in the Financial Services segment is divided into various areas: the prevailing risk culture, the risk strategy, and the defined risk appetite for the various types of risk. In addition to this, there are risk guidelines in place worldwide that are implemented by the individual companies in the Group.

The central goal of risk management in the Financial Services segment is the continuous assurance of risk-bearing capacity. Limits are assigned depending on the type of risk, and various value-at-risk models, which are regularly validated, are used for quantification purposes. The confidence interval on which this model is based is conservative. Care is always taken to ensure that the coverage amounts based on the equity of the Financial Services segment are sufficient.

Regular stress tests are carried out to support this model. These are another indicator of potential risk management measures and create a high degree of transparency with regard to extreme, realistic events, particularly in volatile times.

In principle, risk management in the Financial Services segment is based on the requirements of the supervisory authorities and is implemented consistently worldwide.

The following table provides an overview of the material short-term risks and opportunities in the Financial Services segment:

Credit risks and opportunities
In the Financial Services segment, the risk of default is factored into the interest rate when concluding an agreement. Furthermore, the credit portfolio is evaluated on an ongoing basis with the aim of determining if any impairment allowances need to be made for financial receivables. This evaluation is based on statistical methods and takes into account the following aspects, among others: the creditworthiness of the customer, the customer's payment history and the economic context in the customer's region. The amount allocated to credit risks remains categorised as medium.

There may be positive effects in the ongoing assessment of the portfolio's creditworthiness that lead to a reduction of the overall risk and therefore constitute an opportunity. The BMW Group continues to classify potential opportunities in this area as immaterial. In order to take account of the volatile economic environment, parameters within the credit awarding process were reviewed and adjusted to factor in or not accept declining credit ratings.

Residual value risks and opportunities
Residual value risks are classified as high in terms of their risk level, while residual value opportunities are deemed material.

They arise primarily when leased vehicles are sold after they are returned at the end of the leasing period. A negative deviation from the residual value forecast results in a residual value risk, while a positive deviation represents a residual value opportunity.

Each lease contract is assigned a forecasted sales value for the vehicle at the end of the lease term. Contemporary market trends are taken into consideration in the routine portfolio evaluation. Changes relating to the portfolio composition (e.g. by drivetrain type) and their impacts are also incorporated into the portfolio evaluation. To this end, these developments are constantly analysed. The residual value calculation models, as well as the portfolio evaluation models, are continuously being refined.

Interest rate risks and opportunities
To a limited degree, interest rate risks are deliberately accepted in order to make use of the associated return potential. Risks thereby result when there is a partial mismatch between fixed interest rate periods. They are rated as low. Interest rate risks are kept within a certain limit and are managed through the use of derivatives. The associated opportunities are classed as significant.

Operational risks
Operational risks result from any form of defective internal processes and systems, external events or erroneous behaviour. Because the risks arise in a wide range of areas of the Company, such as IT security or supplier management, the close dovetailing of these areas is very important and ensures that there is adequate transparency regarding the current risk situation of the entire division. All individual operational risks are recorded in a system and measures are defined to limit the risks. The risk level is categorised as medium.

	Risks		Opportunities	
	Classification of the risk level	Change compared to prior year	Classification	Change compared to prior year
Credit risk	Medium	–	Immaterial	–
Residual value	High	–	Material	–
Interest rate changes	Low	–	Material	–
Operational risks	Medium	–	–	–

SUMMARY AND OUTLOOK

The risks described highlight potential challenges for the BMW Group. The BMW Group actively considers the risks and corresponding opportunities and takes them into account in decision-making and planning processes. The risk management system is subject to ongoing refinement on the basis of internal and external input.

COMPLIANCE

The BMW Group believes that compliance is one of the foundations for its long-term success. Compliance creates trust in the BMW Group's products and brands and shapes its public image. Compliance means much more to the BMW Group than simply adhering to applicable laws and Group directives around the world. It forms part of our identity, our understanding of leadership, and how we implement a culture of integrity. Compliance creates a binding framework for all our business activities.

Compliance as a corporate function

Contains disclosures pursuant to ESRS G1-3

Compliance is the managerial responsibility of the Board of Management of BMW AG, executed by creating an appropriate regulatory and supervisory framework, as well as through regular and ad hoc reporting, accompanied by clear communications. This approach is based on the core belief that compliance with applicable laws and related internal regulations is the responsibility of all employees. As role models, managers are tasked with making compliance culture an integral part of their areas of responsibility and ensuring compliance requirements and processes are implemented.

In addition to being responsible for the Group-wide Compliance Management System, the BMW Group's Chief Compliance Officer also manages the Group Compliance division and briefs the Board of Management and Supervisory Board of BMW AG at regular intervals.

Compliance Management System (CMS)

Contains disclosures pursuant to ESRS G1-3

The BMW Group's Company-wide Compliance Management System (CMS) reinforces the culture of compliance and integrity and helps reduce sanction and liability risks, as well as risks arising from other (non)financial disadvantages, such as reputational risks. The CMS focuses on appropriateness and effectiveness and is based on the Prevent, Detect, Respond model, which defines specific preventive, monitoring, control and response measures. Clear assignment of roles and responsibilities is also essential.

The CMS is tailored to the Group's risk situation and addresses relevant compliance topics. Group-wide, these include Anti-Corruption and Fraud Prevention, Anti-Money-Laundering, Antitrust and Human Rights Compliance, Export Control Compliance, Data Privacy Protection, Product Compliance, External Workforce Compliance and Compliance for Financial Services units. Responsibility for Data Privacy Protection, External Workforce Compliance and Compliance for Regulated Financial Services units lies outside Group Compliance with independent departments.

Further development of CMS

The CMS is reviewed on a regular basis and refined as needed. This primarily involves evaluating strategic focus topics, legal and regulatory requirements and trends, best practices as well as industry standards, all of which are taken into account from a risk perspective. The objective is to consistently improve the CMS. The BMW Group is an active member of various associations and interest groups, including the German Institute for Compliance e.V. (DICO) at the Board of Management level.

The priority areas during the reporting period remained export control due to the war in Ukraine, and anti-money-laundering, as a result of the increase in legislative initiatives.

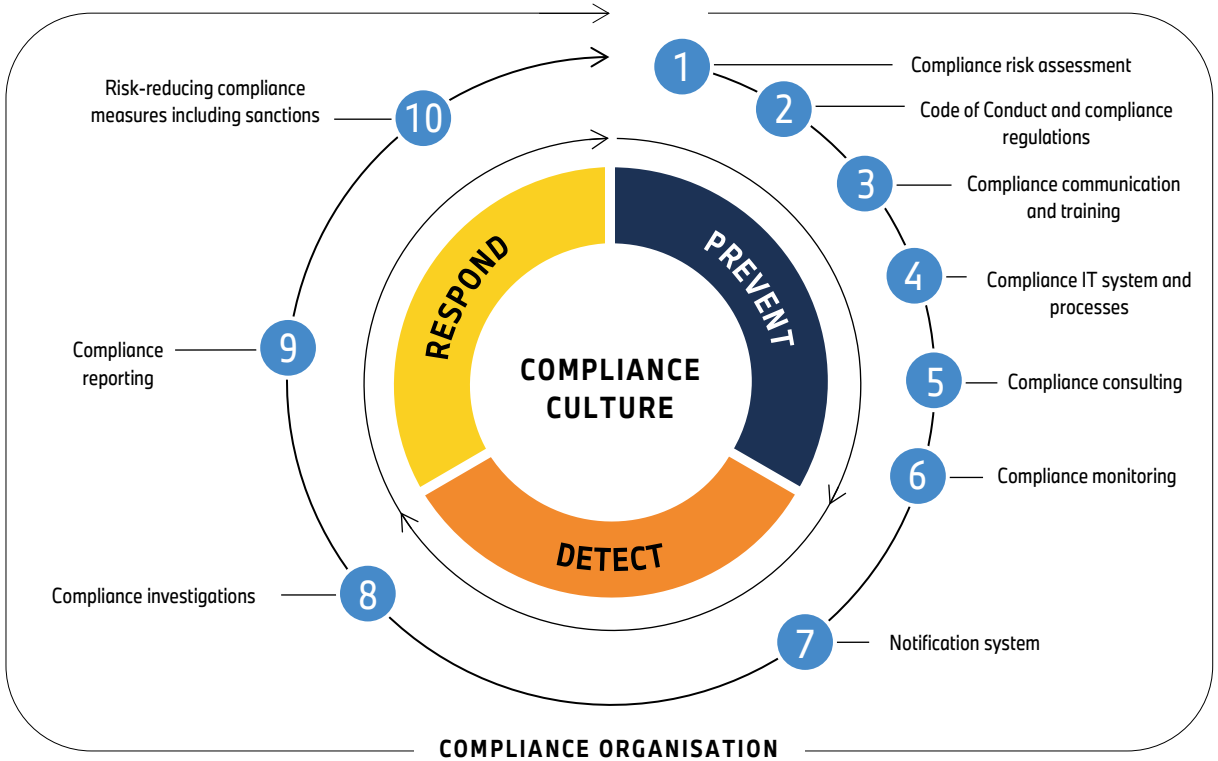
One component of the CMS is the Data Privacy Protection compliance programme, which is the responsibility of Group Data Privacy Protection. This is based on the Privacy Corporate Rules and the Binding Corporate Rules, which contractually protect the transfer of employee data within the Group. Implementation of the programme is validated through regular reporting by Group companies and independent audits carried out by Group Data Privacy Protection.

In the reporting year 2025, Product Compliance was integrated into the area of responsibility of the central Group Compliance. The focus of this work is on preventing infringements of product-related laws and official regulations as well as ensuring compliance with directly associated requirements for products within the BMW Group's Automotive and Motorcycles segments. One of the main topics in the reporting year was "The human factor in Product Compliance", with training sessions and communication initiatives addressing the issue and exploring the scientific background behind it. In addition, consulting and monitoring efforts relating to risk processing were stepped up, with a focus on prevention, and further compliance deep dives were also carried out in partnership with various departments.

As part of the CMS, the Group's HR department oversees the External Workforce Compliance programme. This is designed to safeguard the Group from the repercussions of collaborations with employees of external entities that are not compliant with labour and social security law. External Workforce Compliance was scaled up to the entire BMW Group during the reporting period with the aim of ensuring adequate risk management for the relevant issues worldwide. This process focused on the consolidation of the operational processes rolled out at BMW AG in 2024.

The compliance programme for the specific requirements applicable to regulated Financial Services units takes into account the particularities of the financial services business and the risks and regulations involved. The specific focus of the programme – in addition to the proper implementation of other compliance topics – is on legislative and regulatory monitoring, consumer protection and the implementation of financial services supervisory requirements.

Three-stage approach of the Compliance Management System



The Financial Services segment has established its own dedicated risk management unit, which works closely with the central Group Compliance function as part of the CMS. On the basis of an annual analysis, it identifies the possible need for adjustments and defines appropriate measures. Group-wide implementation by the BMW Group's financial services companies is continuously reviewed and reported on to the management of the Financial Services segment on a quarterly basis. A management system also supports the early identification of risks arising from non-compliance with internal and external regulations.

In 2024, an external audit of the CMS was conducted with a focus on the Anti-Corruption and Antitrust Compliance programmes in accordance with the auditing standard of the Institute of Public Auditors in Germany (IDW PS 980). This was concluded with an unqualified audit opinion.

Group-wide compliance network

Relevant compliance risks are identified in the various departments on the basis of internal guidelines; an initial assessment is then made and measures taken to mitigate the risks. Group-wide, around 180 managers perform these tasks for their areas of responsibility as operational Compliance Responsibles.

Specialist departments worldwide are supported in their work by the central Group Compliance function, as well as the network of business unit and division Compliance Officers (heads of relevant compliance functions), supplemented by around 80 Local Compliance Officers (heads of local compliance functions) at BMW AG's international subsidiaries. Each Compliance Officer is tasked with implementing the CMS and compliance programmes for defined topics in their area of activity, as well as identifying and implementing division-specific compliance measures.

Compliance training

Compliance training courses are developed on an ongoing basis for specific target groups. Online training courses including case studies and test questions, repeated every two years, strengthen the compliance culture and reinforce compliant behaviour. This is supplemented by target-group-specific classroom training on antitrust compliance in addition to online training courses on data privacy and product compliance.

Digitalisation supports compliance

Compliance IT systems support the transparent and efficient documentation, assessment and approval of compliance-relevant matters Group-wide. This includes topics such as anti-money-laundering and sanctions lists, exchange activities with competitors, business partner due diligence and verifying the legal admissibility of benefits in kind. The data collected in this way forms the basis for the compliance risk assessment.

Compliance and notification systems

Contains disclosures pursuant to ESRS S1-3, ESRS S2-3, ESRS S4-1, ESRS G1-1, G1-3

Employees with questions or concerns relating to compliance can discuss these matters with their managers or relevant departments and, specifically, with the Compliance functions. The Compliance contact serves as a further point of contact for both employees and external parties.

Reports of potential compliance violations can also be submitted anonymously and confidentially in several languages via the BMW Group SpeakUP Line notification system or via the ombudsperson. Incoming information is addressed in accordance with the BMW Group instruction "Reporting of compliance violations".

The BMW Group protects information providers in two ways: first, individuals may provide information without disclosing their identities; second, no one providing information faces retaliatory action. All queries and concerns relating to compliance are documented and processed using a Group-wide electronic case management system. If necessary, Corporate Audit, Corporate Security, the legal departments or the Works Council are brought in.

CMS monitoring and controls

Contains disclosures pursuant to ESRS G1-3

The CMS provides differentiated monitoring levels for reviewing adherence to and implementation of compliance rules and processes at regular intervals. In addition to the direct checks performed by Compliance Responsibles as business managers, risks are further reduced by additional measures integrated into business processes, which generally form part of the ↗ Internal Control System.

Compliance investigations are conducted on an ad hoc or non-ad hoc basis as part of the Detect function of the central Group Compliance. These include internal investigations in connection with official investigations, which serve to establish the facts internally. Risk-based compliance audits aimed at identifying specific compliance risks are focused on antitrust law as well as on the issues of export control compliance and anti-money-laundering. Corporate Audit also monitors adherence to compliance requirements by business managers, as well as selected elements of the CMS.

All control measures are geared towards reducing the number of compliance risks. Any infringements are remedied immediately, with an emphasis on reducing the risk of repeat offences as far as possible. Where infringements can be traced to an individual, that person will be appropriately sanctioned, in accordance with the processes defined for this purpose.

As part of the annual internal review of the BMW Group CMS, its appropriateness and effectiveness are assessed on the basis of defined criteria. In addition to the assessment of the Compliance Responsibles, the measurement also takes into account the assessment of Compliance and other governance functions. The BMW Group's overall statement on the appropriateness and effectiveness of the Internal Control and Risk Management System, including the CMS, can be found in the section ↗ Appropriateness and effectiveness of the Internal Control System and Risk Management System.

Regular compliance reporting to the Board of Management and Supervisory Board

The Board of Management and Supervisory Board of BMW AG, the Audit Committee (a committee of the Supervisory Board) and the Company's other executive committees are briefed regularly (at least twice a year), as well as on a case-by-case basis, by the CCO.

OUTLOOK

The outlook and ↗ Risks and Opportunities of the BMW Group presented in this report reflect the expected development in 2026 from the perspective of Group management. In line with the Group's performance management, the outlook covers a period of one year. The basis for the preparation of and the principal assumptions used in the forecasts are outlined below. They are based on the BMW Group's expectations and assessments and consider the consensus opinions of leading organisations, such as economic research institutes and banks. They may be influenced by unforeseeable events. As a result, actual outcomes may vary, either positively or negatively, from the expectations described below due to changes in the political and economic environment and other factors.

The continuous forecasting process applied within the BMW Group ensures that it is constantly ready to take advantage of opportunities as they arise, but also to react appropriately to any unexpected risks. The principal risks and opportunities are described in detail in the section of the same name and concern all performance indicators. Actual outcomes may, however, deviate from the outlook due to unexpected events.

Economic outlook
As of early 2026, the International Monetary Fund expects the global economy to grow by 3.3% in 2026. The performance of the global economy will be largely dependent on geopolitical developments, which remain the greatest single risk factor. Further information on political and global economic risks is available in the ↗ Risks and Opportunities section.

Forecasts for the eurozone predict economic growth will reach 1.2%. With inflation in the target range at just below 2%, interest rates should remain stable and private consumption is unlikely to be hindered by significant downturns in real wages. Germany's economy is expected to outpace the previous year (2025: +0.3%) and grow by 1.0%. Both France (+1.0%, 2025: +0.9%) and Italy (+0.8%, 2025: +0.7%) are expected to see slightly stronger growth than last year, while Spain's economy (+2.3%, 2025: +2.8%) is expected to record slightly lower growth.

The UK economy is predicted to grow by 1.1% in 2026, slightly below the previous year's growth (2025: +1.3%). This is mainly because inflation is expected to remain high due to rising energy prices.

The general consensus is that the US economy will continue to expand, with a growth rate of 2.3% (2025: +2.2%) projected for 2026.

China's economy is expected to grow by 4.5% (2025: +5.0%). The Chinese government is expected to continue to take measures to counter weak domestic demand, falling property prices and sluggish domestic investment.

The Japanese economy is predicted to grow by 0.8%, slightly less than in the previous year (2025: +1.1%).

Currency markets and international interest rate environment
Currencies of particular importance for the BMW Group's international operations are the Chinese renminbi, the British pound, the US dollar, the Japanese yen and the South Korean won.

Eurozone inflation is back in line with the central bank's target corridor. As a result, we expect the interest rate environment in Europe to be stable.

The picture in the USA is mixed. US trade policy did not lead to a significant increase in inflation over the course of the financial year 2025, and the labour market remained robust. Because of this, we expect interest rate cuts in the USA to be infrequent and moderate, and as a result the US dollar to continue to depreciate against the euro.

The UK inflation rate is expected to decline slightly from its elevated level, which could allow for further moderate cuts to key interest rates in 2026. The BMW Group expects the pound to depreciate slightly against the euro.

Continued low inflation in China could lead to a more expansionary monetary policy on the part of the central bank of China, resulting in a slight depreciation of the renminbi against the euro.

The BMW Group also expects the South Korean won and Japanese yen to depreciate further against the euro in 2026.

General developments on international automobile markets
Global automobile markets are expected to remain stable in 2026 against the backdrop of the latest economic forecasts. Europe is expected to provide the majority of this positive momentum thanks to carbon regulations and new government subsidy programmes that should continue to drive sales of electrified vehicles. In the USA, the market is expected to continue its slightly weaker growth trend overall. We expect sales of all-electric vehicles to go down in the USA due to changing regulatory conditions. Following the weak start in 2026 the Chinese automobile market is expected to perform below the previous year's level. The reduction in subsidies for all-electric vehicles will likely have a negative impact, particularly in the price range up to CNY 150,000. Furthermore, there is uncertainty regarding the impact of the price regulations issued by The State Administration for Market Regulation (SAMR) in February 2026, which aim to curb price wars.

General developments on international motorcycle markets
In 2026, the BMW Group expects the world's motorcycle markets in the 500 cc plus class to remain in line with the previous year overall. The Company also expects the motorcycle market in Europe to remain in line with last year's level, while a slight decline is predicted in the USA. Economic expectations, increased competition and price wars are likely to have a negative impact on the motorcycle market in the 500 cc plus class in China. In 2026, the motorcycle market in South America is expected to develop positively compared to the previous year, in particular in Brazil.

Expected consequences for the BMW Group
Developments on international automobile markets have a direct impact on the BMW Group. A challenging competitive environment and macroeconomic, trade and geopolitical developments could all have a significant impact on business performance. The close cooperation between our sales network and our production network and a flexible vehicle architecture allow the BMW Group to respond even to unforeseeable developments. ↗ Risks and Opportunities

Assumptions used in the outlook
The following outlook covers a forecast period of one year and is based on the composition of the BMW Group during that time. The outlook takes account of all information available at the time of preparation of the combined management report which could have an impact on the BMW Group's performance. The expectations contained in the outlook are based on the BMW Group's forecast for 2026.

The BMW Group expects tariffs to remain volatile in the financial year 2026. Given the ongoing developments, the expected effects of tariffs can still only be estimated based on certain assumptions. The BMW Group assumes that the agreed tariff reduction for the import of automobiles and parts into the EU from 10% to 0% and other expected tariff reductions for imports into the USA from Mexico and Canada will be implemented from the second half of the year onwards. The BMW Group expects an impact to the EBIT margin due to the higher tariffs of around1.25 percentage points in the Automotive segment in the financial year 2026. The outlook includes measures mitigating the impact of higher tariffs.

The BMW Group continues to closely monitor developments related to the war in Ukraine. The 20th EU sanctions package announced on 6 February 2026 includes some far-reaching measures related to Russian energy exports and financial service providers, in addition to export restrictions and a ban on importing key technologies. The current outlook takes the existing restrictions into account.

In view of the growing unpredictability of macroeconomic and geopolitical developments, actual economic growth in some regions may deviate from expected trends and outcomes. Particular sources of uncertainty include trade and tariff policy, security policy and a possible further escalation of international trade conflicts.

Outlook for the BMW Group – key performance indicators
The BMW Group sees growth potential in Europe and the USA. In China the BMW Group has responded to the market environment by taking a number of steps to stabilise transaction prices. Based on the average sales volume achieved over the past few months, sales in China can reach the prior year's level. Global deliveries of BMW, MINI and Rolls-Royce brand vehicles by the Automotive segment are expected to be on a par with the previous year. The share of all-electric cars relative to total deliveries is also expected to be in line with last year's level, due largely to model cycle effects and varying market dynamics.

Capital expenditure, manufacturing costs, research and development expenditure and selling and administrative expenses will be reduced further in the financial year 2026. We also expect the negative impact of higher tariffs to be lower than in the previous year. Depreciation will increase due to investments and capitalised development costs in previous years. Headwinds related to currency effects and raw materials, price and product measures aimed at stabilising transaction prices in China, a significantly lower capitalisation rate due to the development portfolio, and overall lower revenues from the pre-owned vehicle market are expected to have a negative impact on earnings. The impact of both currencies, raw materials and the price and product measures in the Chinese market will be particularly pronounced in the first half of the year compared to the previous year.

The reductions on the cost side will not fully offset these headwinds. Against this backdrop, the EBIT margin for the Automotive segment is expected to be in the range of 4% to 6%.

Based on a stable capital employed, the BMW Group is forecasting a return on capital employed (RoCE) for the Automotive segment of between 6% and 10%.

A slight reduction in absolute Scope 1 and 2 CO_2e emissions is expected as further substitution measures in energy supply are taking effect.

The absolute Scope 3 CO_2e emissions from the supply chain and utilisation phase in the Automotive segment will go up slightly due to tighter regulatory requirements regarding the assumptions relating to the electric driving share of plug-in hybrid vehicles and also the planned production programme.

Deliveries in the Motorcycles segment are expected to be in line with last year's level. The EBIT margin is expected to be between 4% and 6% and the segment RoCE between 10% and 14% due to currency effects.

The return on equity (RoE) in the Financial Services segment is predicted to finish within a range between 13% and 16%. The downward price trend in pre-owned vehicle markets is expected to continue, leading to a further decline in revenues from remarketing lease returns compared to 2025.

Group profit before tax will go down moderately due to the developments mentioned above.

The aforementioned targets will be achieved by a slightly lower number of employees. From the financial year 2026 onwards, the focus of the share of women in management positions will be BMW AG. Accordingly, the performance indicator will only cover BMW AG in Germany from 2026 onwards. The level is expected to be in line with last year's level.

The BMW Group's actual business performance may also deviate from current expectations due to the risks and opportunities discussed below in the ↗ Risks and Opportunities section.

BMW Group key performance indicators[1]

		2025 Reported	2026 Outlook
GROUP			
Profit before tax	€ million	10,236	Moderate decrease
Employees at year-end[2]		154,540	Slight decrease
Share of women in management positions BMW AG[3]	%	20.0	At previous year's level
CO_2e emissions scope 1 and 2	million tonnes	0.811	Slight reduction
AUTOMOTIVE SEGMENT			
EBIT margin	%	5.3	Between 4 and 6
Return on capital employed (RoCE)	%	9.0	Between 6 and 10
Deliveries	units	2,463,681	At previous year's level
Share of all-electric cars in deliveries	%	17.9	At previous year's level
CO_2e emissions scope 3 supply chain and use phase[4]	million tonnes	118.7	Slight increase
MOTORCYCLES SEGMENT			
EBIT margin	%	5.7	Between 4 and 6
Return on capital employed (RoCE)	%	12.8	Between 10 and 14
Deliveries	units	202,563	At previous year's level
FINANCIAL SERVICES SEGMENT			
Return on equity (RoE)	%	14.3	Between 13 and 16

[1] For information on terminology and ranges, see ↗ Glossary.
[2] Excluding the joint operation Spotlight.
[3] From the 2026 financial year onwards, the key performance indicator refers to the BMW AG in Germany.
[4] CO_2e emissions from the categories of purchased goods and services (excluding customer support), transport logistics, and use phase for the Automotive segment.

DISCLOSURES RELEVANT FOR TAKEOVERS* AND EXPLANATORY COMMENTS

Composition of subscribed capital
As at 31. Dezember 2025, the subscribed capital (share capital) of BMW AG amounted to € 615,810,431 (2024: € 638,716,075) and, in accordance with § 5 (1) of the Articles of Incorporation, is divided into 561,134,926 ordinary shares (91.12%) (2024: 588,940,916/90.78%), each with a par value of € 1, and 54,675,505 (8.88%) (2024: 58,920,408/9.22%) non-voting preferred shares , each with a par value of € 1. The Company's shares are bearer shares.

The rights and duties of shareholders derive from the German Stock Corporation Act (AktG) in conjunction with the Company's Articles of Incorporation, the full text of which is available at ↗ www.bmwgroup.com. The right of shareholders to have their shares certificated is excluded in accordance with the Articles of Incorporation. The voting power attached to each share corresponds to its par value. Each € 1 of par value of share capital represented in a vote entitles the holder to one vote (§ 19 (1) of the Articles of Incorporation).

The Company's preferred shares are shares as defined in §§ 139 et seq. AktG, which carry a preferential dividend (including a subsequent payment of any arrears on dividends) when profits are distributed and for which voting rights are excluded. These shares confer voting rights only in exceptional cases stipulated by law, in particular if the preference amount has either not been paid or not been paid in full within one year and the arrears are not paid in the subsequent year alongside the full preference amount due for that year. With the exception of voting rights, holders of preferred shares are entitled to the same rights as holders of ordinary shares . In addition, § 25 (3) of the Articles of Incorporation confers preferential treatment to the non-voting preferred shares with regard to the appropriation of the Company's unappropriated profit. Accordingly, the unappropriated profit is required to be appropriated in the following order:

(a) subsequent payment of any arrears on dividends on non-voting preferred shares in the subsequence of their accruement,

(b) payment of an advance dividend of € 0.02 per € 1 par value on non-voting preferred shares, and

(c) uniform payment of any other dividends on ordinary shares and preferred shares, unless the General Meeting of Shareholders resolves on a different appropriation.

Restrictions affecting voting rights or the transfer of shares
In addition to ordinary shares, the Company has also issued non-voting preferred shares. Further information can be found in the section entitled ↗ Composition of subscribed capital.

As at 31. Dezember 2025, the Company owned a total of 8,682,146 ordinary and preferred shares (2024: 16,456,756), from which the Company has no rights pursuant to § 71 b AktG. The Company regularly provides information on the current status of the share buyback on its website.

If the Company has issued ordinary shares or non-voting preferred shares to employees as part of its employee share programme, these shares are generally subject to a four-year lock-up period, calculated from the beginning of the calendar year in which they were issued.

Contractual holding period arrangements also apply to ordinary shares acquired by members of Board of Management and senior department heads in the context of share-based remuneration programmes. ↗ Remuneration Report (on shareholding periods for members of the Board of Management).

* Information pursuant to § 289a and § 315a HGB.

Direct or indirect investments in capital exceeding 10% of voting rights

Based on the information available to the Company, the following direct or indirect holdings exceeding 10% of the voting rights at the end of the reporting period were held at the stated reporting date:[1]

Shareholder	Direct share of voting rights (in %)	Indirect share of voting rights (in %)
Stefan Quandt, Germany	0.2	27.5[2]
AQTON SE, Bad Homburg v. d. Höhe, Germany	9.7	17.8[3]
AQTON Verwaltung GmbH, Bad Homburg v. d. Höhe, Germany	–	17.8[4]
AQTON GmbH & Co. KG für Automobilwerte, Bad Homburg v. d. Höhe, Germany	17.8	–
Susanne Klatten, Germany	0.2	22.3[5]
Susanne Klatten Beteiligungs GmbH, Bad Homburg v. d. Höhe, Germany	22.3	–

[1] Based on voluntary notifications provided by the listed shareholders as at 31 December 2025.
[2] Controlled entities, of which 3% or more are attributed: AQTON SE, AQTON Verwaltung GmbH, AQTON GmbH & Co. KG für Automobilwerte.
[3] Controlled entities, of which 3% or more are attributed: AQTON Verwaltung GmbH, AQTON GmbH & Co. KG für Automobilwerte.
[4] Controlled entities, of which 3% or more are attributed: AQTON GmbH & Co. KG für Automobilwerte.
[5] Controlled entities, of which 3% or more are attributed: Susanne Klatten Beteiligungs GmbH.

The percentages of the share capital with voting rights disclosed above may have changed subsequent to the stated date if these changes were not required to be reported to the Company. As the Company's shares are issued to bearer, the Company is generally aware of changes in shareholdings only if such changes are subject to mandatory notification requirements.

Shares with special rights that confer control rights

There are no shares with special rights that confer control rights.

Control of voting rights when employees participate in capital and do not directly exercise their control rights

Like all other shareholders, employees exercise their control rights pertaining to any shares they have acquired in conjunction with the Employee Share Programme and/or the share-based remuneration programme directly on the basis of relevant legal provisions and the Company's Articles of Incorporation.

Statutory regulations and provisions contained in the Articles of Incorporation governing the appointment and removal of members of the Board of Management and changes to the Articles of Incorporation

The appointment or removal of members of the Board of Management is based on the rules contained in §§ 84 et seq. AktG in conjunction with § 31 of the German Co-Determination Act (MitbestG).

Amendments to the Articles of Incorporation must comply with §§ 179 et seq. AktG. Amendments must be decided upon by the shareholders at the Annual General Meeting (§ 119 (1) no. 6, § 179 (1) sentence 1 AktG). The Supervisory Board is authorised to adopt amendments to the Articles of Incorporation that only concern the wording (§ 179 (1) sentence 2 in conjunction with § 15 (3) of the Articles of Incorporation). Resolutions are passed at the Annual General Meeting by a simple majority of votes cast unless otherwise explicitly required by binding provisions of law or, if a majority of share capital is required, by a simple majority of shares represented in the vote (§ 21 (1) of the Articles of Incorporation).

Authorisations of the Board of Management, in particular with respect to the issuing or buying back of shares
The Board of Management is authorised to buy back shares and sell repurchased shares in situations specified in § 71 AktG; for example, to avert serious and imminent damage to the Company and/or to offer shares to persons either currently or previously employed by BMW AG or one of its affiliated companies.

In accordance with the resolution adopted by the Annual General Meeting on 14 May 2025, the Board of Management is authorised until 13 May 2030 to acquire treasury shares (ordinary shares and/or preferred shares) representing a total of up to 10% of the share capital in place at the date on which the resolution was adopted or – if lower – at the date on which the authorisation is exercised.

Significant agreements of the Company taking effect in the event of a change in control following a takeover bid
BMW AG is party to the following major agreements, which contain provisions that would apply in the event of a change in control or the acquisition of control as a result of a takeover bid:

— An agreement concluded with an international consortium of banks relating to a syndicated credit line, which was not being utilised at the balance sheet date, entitles the lending banks to give extraordinary notice to terminate the credit line, such that all outstanding amounts, including interest, would fall due with immediate effect if one or more parties jointly acquire direct or indirect control of BMW AG. The term "control" is defined as the acquisition of more than 50% of the share capital of BMW AG, the right to receive more than 50% of the dividend, or the right to direct the affairs of the Company or appoint the majority of members of the Supervisory Board.

— BMW AG is the guarantor for all obligations under the agreement regarding the joint venture BMW Brilliance Automotive Ltd. in China. This agreement generally grants an extraordinary right of termination to either joint venture partner in the event of a change in control at either one of the parties, or if more than 25% of the shares of the other party are acquired by a third party – either directly or indirectly – or if the other party is merged with another legal entity. Termination of the joint venture agreement may lead to the dissolution of the joint venture, with an optional purchase right for BMW AG (or the partner) to acquire the shares of the other partner or to the liquidation of the joint venture company.

— BMW AG has entered into framework agreements with financial institutions for trading in derivative financial instruments (ISDA Master Agreements). In the event of a significant deterioration in creditworthiness, the contracting parties are entitled to terminate the agreement with immediate effect if the deterioration in creditworthiness results from a direct or indirect acquisition of the majority of the capital in a contracting party, which confers the right to elect the majority of the Supervisory Board members (or a comparable body) on a contracting party, from any other transaction that enables control over a contracting party or from a merger or transfer of assets. In the event of termination with immediate effect, all current transactions will be settled.

— BMW AG and Mercedes-Benz Group AG are parties to a joint venture agreement concerning YOUR NOW Holding GmbH and the majority holding in Digital Charging Solutions GmbH. This entitles both Mercedes-Benz Group AG and BMW AG ("Principals") to initiate a bidding procedure in the event that (i) the other Principal receives notice in accordance with § 33 of the German Securities Trading Act (WpHG) that – including shares attributed pursuant to § 34 WpHG – a shareholding of more than 50% has been attained or, in accordance with § 20 of the German Stock Corporation Act (AktG), a shareholding of more than 50% has been attained, or (ii) a shareholder or a third party – including shares attributed pursuant to § 30 WpHG – holds more than 50% of the voting rights or shares in the other Principal, or (iii) the other Principal has entered into a control agreement as a dependent company. The outcome of such a bidding procedure is that the joint venture will go to the principal making the highest bid.

— Several supply and development contracts between BMW AG and various industrial customers relating to the sale of components for drivetrain systems, grant an extraordinary right of termination to the relevant industrial customer in specified cases of a change in control at BMW AG (for example if BMW AG merges with a third party or is taken over by a third party; an automobile manufacturer acquires more than 50% of the voting rights or share capital of BMW AG).

— Together with AUDI AG, Mercedes-Benz Group AG and other companies, BMW AG is party to the shareholder agreement relating to There Holding B.V., which is the majority shareholder of the HERE Group, a provider of digital maps. In accordance with the shareholder agreement, each contracting party is required to offer its directly or indirectly held shares in There Holding B.V. for sale to the other shareholders in the event of a change in control. A change in control of BMW AG will arise if a person takes over or loses control of BMW AG, with control defined as (i) holding or having control over more than 50% of the voting rights, (ii) the possibility of controlling more than 50% of voting rights exercisable at Annual General Meetings on all or nearly all matters, or (iii) the right to appoint the majority of members of the Board of Management or the Supervisory Board. Furthermore, a change in control occurs if competitors of the HERE Group, or certain potential competitors of the HERE Group from the technology sector, acquire at least 25% of the share capital or voting rights of BMW AG. If none of the other shareholders acquire these shares, the other shareholders are entitled to resolve that There Holding B.V. be dissolved.

— Together with Great Wall Motor Company Limited, BMW AG has established Spotlight Automotive Ltd. in China as a joint operation. The underlying agreement generally grants an extraordinary right of termination to either joint operation partner in the event that – either directly or indirectly – more than 25% of the shares of the other party are acquired by a third party or the other party is merged with another legal entity. The termination of the agreement may result in the sale of the shares to the other joint operation partner, or in the liquidation of the entity.

— The software license agreements concluded between BMW AG and Google LLC for the use of "Projected Mode" in BMW vehicles' head units grant both parties the right to extraordinary termination in the event of a change of control (not further defined in the agreement).

— The agreement concluded between BMW AG and Toyota Motor Corporation to supply fuel cells can be extraordinarily terminated by either party if the other party merges or is consolidated with another company.

Compensation agreements with members of the Board of Management or with employees in the event of a takeover bid

The BMW Group has not entered into any compensation agreements with members of the Board of Management or with employees for situations involving a takeover offer.