

BMW  
GROUP



ROLLS-ROYCE  
MOTOR CARS LTD



ALREADY

AHEAD

**BMW GROUP REPORT 2025**

On the path to electric and digitalised mobility in a sustainable circular economy.  
Report on the economic performance of the BMW Group and its environmental  
and social contribution.

[➤ Link to the online report](#)

# BMW GROUP REPORT 2025

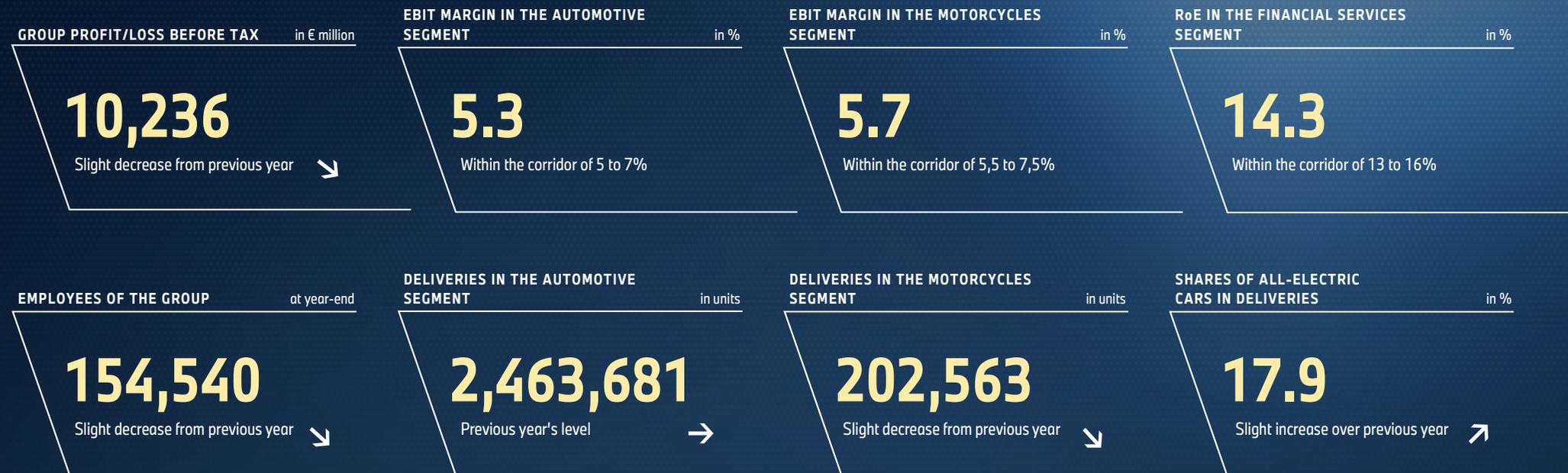
In 2025, the BMW Group once again held the leading position worldwide as a premium manufacturer, and even gained additional market share, particularly in Europe and the United States. Its young and attractive product portfolio with a broad offering of drivetrain technologies meets individual customer needs worldwide. With the all-electric BMW iX3\* as the first representative of the NEUE KLASSE, the all-new BMW model generation, the BMW Group has brought the next innovation leap to the road.

The BMW Group continues to follow its strategic course.

You can find more information on the BMW Group and reporting year 2025 in the following report.

\* [Consumption and Carbon Disclosures](#).

## KEY PERFORMANCE INDICATORS



This is a simplified presentation of the data. Detailed information on the performance figures as well as the identification of the depth of the audit can be found in the respective chapters.

[LINK TO CHAPTER](#) →  
The BMW Group Strategy

# THE BMW GROUP'S STRATEGIC GOALS

## FINANCIAL GOALS



Group EBT margin

**> 10%**



EBIT margin in the  
Automotive segment

**8-10%**



Return on capital employed  
of Automotive segment

**≥ 18%**

## NON-FINANCIAL GOALS – TARGETS FOR THE PERIOD UP TO 2030



Shares of all-electric  
cars in deliveries

**> 50%** ↑



Reduction CO<sub>2</sub>e emissions  
Scope 1 and 2 compared to the  
base year 2019

**> 0,5 million t** ↓



Reduction CO<sub>2</sub>e emissions Scope 3  
(supply chain and use phase)  
compared to the base year 2019

**> 40 million t** ↓

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\* Part of the Combined Management Report.

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# ABOUT THIS REPORT\*

## REPORTING CONCEPT

### Reporting and corporate strategy

This report is intended to provide qualified insight into the BMW Group and explain our activities in a transparent, comprehensible and measurable manner. We are keen to demonstrate to our stakeholders how economic, ecological and social issues affect what we do, and to identify the general external conditions that influence the Company. For these reasons, we explain [↗ The BMW Group Strategy](#) as well as the latest developments and the way in which the business is managed on the basis of key financial and non-financial indicators and targets [↗ Dashboard](#). The Sustainability Statement – a separate section of the Combined Management Report – also provides detailed insight into the key sustainability topics facing the Group.

On 9 March 2026, the Financial Statements of BMW AG were authorised for issue by the Board of Management and the Group Financial Statements approved for publication. The BMW Group Report (hereinafter also "the Report") combines the management reports of Bayerische Motoren Werke Aktiengesellschaft (BMW AG) and the BMW Group in a Combined Management Report.

The report is divided into the following sections:

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1 – To Our Stakeholders

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2 – Combined Management Report

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3 – Group Financial Statements

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4 – Responsibility Statement and Auditor's Report

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5 – Remuneration Report

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6 – Other Information

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## FRAMEWORKS APPLIED

The BMW Group Report is based on the following reporting and accounting standards.

### Combined Management Report

The Combined Management Report is based on the following legal frameworks:

- German Commercial Code (HGB), including
  - Content of the Management Report in accordance with §§ 289 and 315 HGB
  - Combined Non-Financial Statement (NFS) at Group and Company level in accordance with §§ 289 b and 315 b HGB ([↗ Sustainability Statement](#))
  - German Accounting Standards (GAS 20) underpinning HGB requirements
- German Stock Corporation Act (AktG)
- Taxonomy Regulation (Regulation (EU) 2020/852 of the European Parliament and of the Council on the Establishment of a Framework to Facilitate Sustainable Investment, and amending Regulation (EU) 2019/2088) and its delegated acts ([↗ EU Taxonomy](#))

The Non-Financial Statement (NFS), in the form of the Sustainability Statement, is prepared based on the following regulations:

- Delegated Regulation (EU) 2023/2772 on the European Sustainability Reporting Standards (ESRS)
- SASB Standards according to the Sustainable Accounting Standards Board [↗ SASB Index](#).

Further information on the application of the ESRS in the NFS can be found in the [↗ Principles and General Disclosures](#).

The Combined Management Report is also based on:

- Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA)
- German Corporate Governance Code (GCGC)

### BMW AG Group Financial Statements

The Group Financial Statements of Bayerische Motoren Werke Aktiengesellschaft for the year ended 31 December 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) and the supplementary requirements of § 315e HGB.

## ADDITIONAL INFORMATION ON THE REPORT

### Publication and scope

The BMW Group Report is published annually to coincide with the BMW Group Annual Conference and is subsequently available in both German and English on the BMW Group website. The reporting period covers the financial year from 1 January to 31 December 2025. The statements made in the report generally relate to the BMW Group reporting entity. Any deviations are marked accordingly. The BMW Group Report 2026 will be published in March 2027.

### External audit

The report, comprising the Combined Management Report and the Group Financial Statements, has been subject to an annual independent audit by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Munich branch ("PwC" or "Auditor"). Unaudited sections are marked accordingly. The external audit serves to underpin the reliability and trustworthiness of the information contained therein for the public. The external audit supports the Supervisory Board of BMW AG in fulfilling its auditing duties. Any links and disclosures that refer to information outside the BMW Group Report are not part of the audit. The [↗ Remuneration Report](#) 2025 was prepared in accordance with the requirements of § 162 of the German Stock Corporation Act (AktG) and its content audited by PwC.

PwC has audited the Group Financial Statements and the Combined Management Report for reporting year 2025 and issued an unqualified audit opinion thereupon. Further information is provided in the [↗ Independent Auditor's Report](#) and the [↗ Assurance Report of the Independent German Public Auditor](#) on non-financial disclosures.

The general content of the Combined Management Report and certain individual parts of the NFS were subjected to a reasonable assurance engagement. The contents of the Sustainability Statement, in accordance with §§ 289b et seq. and 315b et seq. HGB, were subjected to an audit to obtain limited assurance.

### Sustainable Development Goals

With its business operations, the BMW Group is in a position to contribute directly to the achievement of Sustainable Development Goals (SDGs). Information about the importance of these goals for the BMW Group is provided on our [↗ website](#).

### Forward-looking statements

This report contains various forward-looking statements concerning future developments that are based on the current status of the BMW Group's assumptions and forecasts. These statements are therefore subject to a variety of predictable and unpredictable risks, uncertainties and other factors, which means that the actual outcome, including that of the BMW Group's net assets, financial position and results of operations, its development or performance, could differ considerably from those statements.

### Preparation of non-financial performance figures

Certain non-financial performance figures reported by the BMW Group are based on a significant number of estimates and valuations. Some are complex and subjective in nature, or subject to uncertainty for other reasons. The BMW Group is also continuously updating the policies and procedures used to calculate its non-financial performance figures. Although the methodology used to calculate key figures is in line with standard practice, some key figures are not directly comparable with the values reported by other companies.

The BMW Group is also required to ensure that third parties report relevant data to the BMW Group correctly. These third parties include independent dealerships – the overwhelming majority of which report vehicle delivery\* figures to the BMW Group – and suppliers, which provide the BMW Group with data on the implementation of agreed measures designed to reduce carbon emissions.

### Statement on Corporate Governance

The Board of Management and the Supervisory Board of BMW AG prepare a yearly combined Statement on Corporate Governance in accordance with §§ 289 f and 315d HGB to report on corporate governance within the BMW Group. The Statement on Corporate Governance is published at the same time as the Group Financial Statements and the Combined Management Report on BMW AG's website at [www.bmwgroup.com](http://www.bmwgroup.com). It also includes the Declaration of Compliance pursuant to § 161 AktG.

### ESRS disclosures outside the Sustainability Statement

ESRS disclosure requirements are partially covered by references in the general part of the Management Report or the Group Financial Statements. These references are marked with the » symbol and can be found both in the sections of the Sustainability Statement and in the ESRS index. The relevant sections in the general Management Report and the Group Financial Statements are marked with references to the disclosure requirements under ESRS.

### Editorial comments

Key figures presented in the report have been rounded in accordance with standard commercial practice. In individual cases, this may mean that figures do not add up exactly to the stated total and that percentages cannot be derived from the values shown.

Summarised disclosures of fuel consumption, carbon emissions and electricity consumption are provided in the section [» Consumption and Carbon Disclosures](#).

\* See [» Glossary](#) for a definition of deliveries.

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# TO OUR <sup>01</sup> STAKEHOLDERS



# BMW GROUP IN FIGURES

## KEY PERFORMANCE INDICATORS

	2021	2022	2023	2024	2025	Change in %
<b>GROUP</b>						
Profit/loss before tax in € million	16,060	23,509	17,096	10,971	10,236	- 6.7
Employees at year-end <sup>1</sup>	118,909	149,475	154,950	157,457	154,540	- 1.9
Share of women in management positions in % <sup>2</sup>	18.8	20.2	20.8	21.6	22.0	1.9
Share of women in management positions BMW AG in % <sup>3</sup>	-	-	-	-	20.0	-
CO <sub>2</sub> e emissions Scope 1 and 2 in million tonnes <sup>4</sup>	-	-	-	0.810	0.792	- 2.2
<b>AUTOMOTIVE SEGMENT</b>						
EBIT margin in %	10.3	8.6	9.8	6.3	5.3	- 15.9
RoCE in % <sup>5</sup>	24.0	18.1	20.2	11.4	9.0	- 21.1
Deliveries <sup>6</sup>	2,521,514	2,399,632	2,554,183	2,450,854	2,463,681	0.5
Share of all-electric cars in deliveries in %	4.1	9.0	14.7	17.4	17.9	2.9
CO <sub>2</sub> e emissions from the supply chain and use phase - Scope 3 in million tonnes <sup>7</sup>	-	-	-	125.1	118.7	- 5.1
<b>MOTORCYCLES SEGMENT</b>						
EBIT margin in %	8.3	8.1	8.1	6.1	5.7	- 6.6
RoCE in % <sup>8</sup>	21.9	24.9	22.1	15.5	12.8	- 17.4
Deliveries	194,261	202,895	209,066	210,385	202,563	- 3.7
<b>FINANCIAL SERVICES SEGMENT</b>						
RoE in %	22.6	17.9	17.2	15.1	14.3	- 5.3

<sup>1</sup> Excluding the joint operation Spotlight. According to ESRS reporting, non-consolidated companies are excluded from the 2025 financial year onwards (previously all consolidated and non-consolidated companies in which the BMW Group holds more than 50% of the shares). The 2024 figure was adjusted accordingly for comparison purposes (2024 before adjustment: 159,104).

<sup>2</sup> Excluding the joint operation Spotlight. The change in the number of employees from the 2025 financial year onwards (see footnote 1) also applies to the share of women. The 2024 figure was adjusted accordingly for comparison purposes (2024 before adjustment: 21.7%).

<sup>3</sup> From the 2026 financial year onwards, the key performance indicator refers to the BMW AG in Germany.

<sup>4</sup> Excluding sites without operational control, including biogenic emissions. From the 2025 financial year onwards, the target set also include sites without operational control but will no longer include the share of biogenic emissions. Therefore, this figure differs from the CO<sub>2</sub>e footprint table. See [ESG Glossary and Explanations of Key Figures](#) for the definition.

<sup>5</sup> The term "RoCE" has been redefined with effect from the reporting year 2022 (for definition, see [Glossary](#)). The 2021 figure was adjusted accordingly for comparison purposes (2021 before adjustment: 59.9%).

<sup>6</sup> Deliveries including BMW Brilliance Automotive Ltd., also for the period prior to full consolidation in the Group Financial Statements (2021: 651,236 units, 1 January to 10 February 2022: 96,133 units).

<sup>7</sup> Comprises the scope 3 categories purchased goods and services (excluding customer support), transport logistics and utilisation phase. See [ESG Glossary and Explanations of Key Figures](#) for the definition.

<sup>8</sup> The term "RoCE" has been redefined with effect from the reporting year 2022 (for definition, see [Glossary](#)). The 2021 figure was adjusted accordingly for comparison purposes (2021 before adjustment: 35.9%).

## OTHER FINANCIAL PERFORMANCE FIGURES<sup>1</sup>

	2021	2022	2023	2024	2025	Change in %
<b>GROUP</b>						
Pre-tax return on sales in %	14.4	16.5	11.0	7.7	7.7	-
Post-tax return on sales in %	11.2	13.0	7.8	5.4	5.6	3.7
Earnings in € per ordinary share	18.77	27.31	17.67	11.62	11.89	2.3
Earnings in € per preferred share	18.79	27.33	17.69	11.64	11.91	2.3
Total capital expenditure in € million <sup>2</sup>	7,518	10,610	11,440	12,581	10,663	- 15.2
Depreciation and amortisation in € million	6,495	8,566	8,974	8,650	8,692	0.5
Capital expenditure ratio (excluding capitalised development costs) in %	4.5	5.7	5.7	6.4	5.4	- 15.6
Capital expenditure ratio (excluding right-of-use assets and excluding capitalised development costs) in %	3.9	4.3	4.9	5.7	4.9	- 14.0
Capitalisation rate in %	36.5	39.3	33.6	38.8	41.2	6.2
Research and development expenditure ratio in %	6.2	5.0	5.0	6.4	6.2	- 3.1
<b>SEGMENT AUTOMOTIVE</b>						
Free cash flow	6,354	11,071	6,942	4,852	3,240	- 33.2

<sup>1</sup> For definition, see [Glossary](#).

<sup>2</sup> Expenditure for capitalised development costs, other intangible assets and property, plant and equipment.

## OTHER FINANCIAL PERFORMANCE FIGURES

in € million	2021	2022	2023	2024	2025	Change in %
<b>Group revenues</b>	<b>111,239</b>	<b>142,610</b>	<b>155,498</b>	<b>142,380</b>	<b>133,453</b>	<b>- 6.3</b>
Automotive	95,476	123,602	132,277	124,917	117,557	- 5.9
Motorcycles	2,748	3,176	3,214	3,220	3,143	- 2.4
Financial Services	32,867	35,122	36,227	38,562	39,806	3.2
Other Entities	5	8	11	14	12	- 14.3
Eliminations	- 19,857	- 19,298	- 16,231	- 24,333	- 27,065	11.2
<b>Group profit/loss before financial result (EBIT)</b>	<b>13,400</b>	<b>13,999</b>	<b>18,482</b>	<b>11,509</b>	<b>10,186</b>	<b>- 11.5</b>
Automotive	9,870	10,635	12,981	7,893	6,259	- 20.7
Motorcycles	227	257	259	198	178	- 10.1
Financial Services	3,701	3,163	3,055	2,511	2,411	- 4.0
Other Entities	- 8	- 203	- 13	- 25	-	- 100.0
Eliminations	- 390	147	2,200	932	1,338	43.6
<b>Group profit/loss before tax (EBT)</b>	<b>16,060</b>	<b>23,509</b>	<b>17,096</b>	<b>10,971</b>	<b>10,236</b>	<b>- 6.7</b>
Automotive	11,805	18,918	12,642	7,544	5,945	- 21.2
Motorcycles	228	269	258	198	174	- 12.1
Financial Services	3,753	3,205	2,962	2,538	2,401	- 5.4
Other Entities	531	995	- 100	837	1,087	-
Eliminations	- 257	122	1,334	- 146	629	-
<b>Group income taxes</b>	<b>- 3,597</b>	<b>- 4,927</b>	<b>- 4,931</b>	<b>- 3,293</b>	<b>- 2,785</b>	<b>- 15.4</b>
<b>Profit/loss from continuing operations</b>	<b>12,463</b>	<b>18,582</b>	<b>12,165</b>	<b>7,678</b>	<b>7,451</b>	<b>- 3.0</b>
<b>Group net profit/loss</b>	<b>12,463</b>	<b>18,582</b>	<b>12,165</b>	<b>7,678</b>	<b>7,451</b>	<b>- 3.0</b>
<b>Attributable to shareholders of the BMW AG</b>	<b>12,382</b>	<b>17,941</b>	<b>11,290</b>	<b>7,290</b>	<b>7,294</b>	<b>0.1</b>

## OTHER NON-FINANCIAL PERFORMANCE FIGURES

	2021	2022	2023	2024	2025	Change in %
<b>GROUP</b>						
Spending on employee training and development (in € million) <sup>1</sup>	389	416	469	415	377	- 9.2
<b>AUTOMOTIVE SEGMENT</b>						
Deliveries by brand						
BMW <sup>2</sup>	2,213,790	2,100,689	2,252,793	2,200,217	2,169,739	- 1.4
MINI	302,138	292,922	295,358	244,925	288,278	17.7
Rolls-Royce	5,586	6,021	6,032	5,712	5,664	- 0.8
<b>Total<sup>2</sup></b>	<b>2,521,514</b>	<b>2,399,632</b>	<b>2,554,183</b>	<b>2,450,854</b>	<b>2,463,681</b>	<b>0.5</b>
thereof all-electric vehicles	103,854	215,752	375,716	426,536	442,059	3.6
Share of electrified cars in total deliveries	13.0	18.1	22.2	24.2	26.1	7.9
Production by brand						
BMW <sup>3</sup>	2,166,644	2,089,801	2,340,547	2,229,009	2,171,700	- 2.6
MINI	288,713	286,265	315,196	278,897	279,476	0.2
Rolls-Royce	5,912	6,239	6,179	5,924	5,385	- 9.1
<b>Total<sup>3</sup></b>	<b>2,461,269</b>	<b>2,382,305</b>	<b>2,661,922</b>	<b>2,513,830</b>	<b>2,456,561</b>	<b>- 2.3</b>
CO <sub>2</sub> emissions of the EU new vehicle fleet in g/km <sup>4</sup>	115.9	105.0	102.1	99.5	90.0	- 9.5
Energy consumption per vehicle produced (in MWh) <sup>5</sup>	2.10	2.13	1.97	1.94	2.00	3.1
<b>MOTORCYCLES SEGMENT</b>						
Production						
BMW	187,500	215,932	221,988	215,727	199,736	- 7.4
<b>FINANCIAL SERVICES SEGMENT</b>						
New contracts financed and leased vehicles	1,956,514	1,545,490	1,542,514	1,693,876	1,726,267	1.9

<sup>1</sup> See [ESG Glossary and Explanations of Key Figures](#) for the definition.

<sup>2</sup> Deliveries including BMW Brilliance Automotive Ltd. also for the period prior to full consolidation in the Group Financial Statements (2021: 651,236 units, 1 January to 10 February 2022: 96,133 units).

<sup>3</sup> Production including BMW Brilliance Automotive Ltd. also for the period prior to full consolidation in the Group Financial Statements (2021: 700,777 units, 1 January to 10 February 2022: 58,507 units).

<sup>4</sup> EU-27 countries including Norway and Iceland; values in line with WLTP (Worldwide Harmonised Light Vehicles Test Procedure). This is a preliminary internal calculation with a potential variation of +/- 0.5 g CO<sub>2</sub>/km, as official registration figures from the authorities are not available for all EU states. Figures officially published by the EU Commission are not expected to be available until November of the following year. Including an allowance for eco-innovations (amounts of clearly minor significance).

<sup>5</sup> See [ESG Glossary and Explanations of Key Figures](#) for the definition.

# REPORT OF THE SUPERVISORY BOARD

## DEAR SHAREHOLDERS,

The BMW Group once again proved its strength in the financial year 2025. Despite a volatile environment, the BMW Group achieved the targets as revised in October. The Company continues to ramp up electromobility with consistency and ambition. In the financial year 2025, the BMW Group delivered more than 640,000 electrified vehicles worldwide (+8.2%). The Company also recorded slight growth in all-electric vehicles (+3.6%). Europe stood out particularly in terms of BEV sales, with growth of over 28% compared to the financial year 2024. This means around one in four vehicles sold in Europe is a BEV. Together, BEVs and PHEVs now account for 40% of all new vehicle sales in Europe. As a result, the Company beat the EU target for fleet carbon emissions in Europe once again with a figure of 89.971 grams CO<sub>2</sub> per kilometre.

The BMW Group entered a new era with the world premiere of the BMW iX3\* at the IAA Mobility in Munich. The NEUE KLASSE represents a quantum leap in terms of technology and driving experience. Following the successful launch of the BMW iX3\*, the production of the BMW i3 is already set to begin at the Company's revamped main plant in Munich.

The BMW Group remains in a strong position thanks to its cutting-edge NEUE KLASSE technology, global presence, and technology openness when it comes to drivetrains. The BMW Group is well-equipped to master future challenges under its own power.



**Nicolas Peter**  
Chairman of the Supervisory Board

\* ↗ Consumption and Carbon Disclosures.

### Focus of Supervisory Board activities during the past financial year

The Supervisory Board of the Company performed the duties incumbent upon it with the utmost diligence throughout the financial year 2025.

We continuously and thoroughly monitored the governance of the BMW Group based on in-depth reports received from the Board of Management. We also advised the Board of Management on key business conduct issues and on the Group's strategic development. In the financial year 2025, the Supervisory Board focused on corporate planning and management in light of geopolitical shifts and on the developments in the Chinese market. The Supervisory Board shaped the framework for corporate governance at BMW by making key decisions about the composition of the Board of Management.

At each of the five plenary sessions of the Supervisory Board (including one two-day meeting), we held detailed discussions with the Board of Management regarding the Group's situation. The Board of Management also kept the Supervisory Board well informed regarding matters of significance outside the framework of formal meetings. The Chairman of the Board of Management also communicated directly with the Chairman of the Supervisory Board on a regular basis. In addition, the Chairman of the Audit Committee, Dr Kurt Bock, maintained a direct line of contact with the Board of Management member responsible for Finance as well as with the external auditor's representatives outside of meetings. We regularly dealt with internal Supervisory Board issues and personnel-related matters without the presence of the Board of Management. Our cooperation, both within the Supervisory Board and its committees and with the Board of Management, was conducted in a spirit of trust, respect and constructiveness. Detailed documents were generally distributed to the members in advance to allow them to prepare for meetings. In addition, separate preliminary meetings of the shareholder and employee representatives were held on a regular basis.

In its **reports on the BMW Group's business situation**, the Board of Management kept us well informed at each meeting regarding current developments and the Group's overall performance. These reports included breakdowns of the sales performance by brand, drivetrain and region, in addition to overall market trends and comparisons with the competition. We were also provided with information about key financial indicators and the Group's treasury system at every meeting. The topics covered by these reports included funding, financial liabilities and the liquidity situation. The Board of Management also kept us informed about the Group's share buyback programmes, the currency management strategy and related effects.

The Board of Management's reports also covered relevant developments, such as key partnerships, significant organisational changes and the Company's success at trade fairs like the IAA Mobility in Munich and Auto Shanghai. They also addressed the Company's performance in quality and customer satisfaction studies.

The Board also updated us on **topical issues** and **strategic projects**, including the action taken by the Company to secure semiconductor supplies and the roll-out of the MINI direct sales model in Europe. We closely monitored the Chinese market at every meeting.

The Board of Management also provided us with regular updates related to **international trade policy and regulations**. It used scenarios to illustrate how changing tariffs might affect the BMW Group. We discussed economic trends and forecasts across various regions and heard from the Board of Management about the Company's strategies and actions for sourcing critical raw materials and components. We also held regular discussions on the EU regulations on fleet carbon emissions. The Chairman of the Board of Management set out the Company's position on the European Commission's requirements and plans for combustion-engine vehicles.

**Corporate strategy**, including sustainability, remained high on the Supervisory Board's agenda in the financial year 2025. We analysed geopolitical trends and their impact on the BMW Group, with a particular focus on trade policy in key regions and the Chinese market. The Board of Management provided us with an insight into the Group's strategic focus areas of drivetrain systems, cell development and sourcing, digitalisation, automated driving, integrating AI into vehicles and corporate processes, and sustainability. The NEUE KLASSE and its technological features were a major topic of discussion. The technological leap forward that the NEUE KLASSE represents is driven by four "superbrains": Driving Dynamics, Basic Functions, Infotainment and Automated Driving. This leap means increased efficiency, reduced complexity and optimised energy consumption.

The Board of Management explained the 360-degree approach to sustainability which is part of the BMW Group's strategy. This approach covers the Group's production processes and the entire product life cycle. The Board of Management also reaffirmed the Company's commitment to the Paris Climate Agreement. We dealt extensively with the corporate strategy for the Chinese market and the MINI brand, in addition to the implementation of the new direct sales model with an increased focus on artificial intelligence (AI). The Board of Management gave us a cross-brand outlook for the future product portfolio.

The BMW iX3\* was a frequent topic of discussion as the first NEUE KLASSE model and a key milestone in the BMW Group's new era. Highlights included its successful, highly publicised world premiere at the IAA Mobility in Munich in September. Supervisory Board members also experienced driving it themselves during the September meeting. The trade magazine "Auto Bild" awarded the BMW iX3\* the Golden Steering Wheel for "Best Innovation". We were kept up to date about preparations for the start of production and received updates about how the Debrecen plant in Hungary was ramping up to the first vehicle in the NEUE KLASSE.

**Sustainability and ESG topics** were also on our agenda. We received reports about the Group's decarbonisation targets for its supply chains and the progress that has been made. In a report on recent developments within the Group, the Board of Management also informed us about the opening of the Debrecen plant, which sets new standards in sustainability and efficiency. We examined the prospects for hydrogen fuel cell technology as part of the corporate strategy. We were pleased to note that the BMW Group is receiving funding for researching and developing hydrogen fuel cell technology as part of the European IPCEI (Important Projects of Common European Interest) initiative. We also consider it a great success that the BMW Group maintained its first-place position from the previous year in the Trendence Ranking Germany 2025 for employer attractiveness. In September, the Board of Management updated us on the interim progress which had been made towards achieving the ESG targets set for the financial year 2025.

Based on a self-assessment in the course of our work on **corporate governance**, we concluded that the composition of the Supervisory Board at 31 December 2025 fully meets the targets stipulated in the diversity concept and the competency profile.

In the Declaration of Compliance with the German Corporate Governance Code issued in December 2025, the Board of Management and the Supervisory Board confirmed that they have complied with the recommendations of the Code as amended on 28 April 2022 without exception and will continue to fully comply with them in future. Following a preparatory review conducted by the Presiding Committee as well as a further review at Supervisory Board level, the Corporate Governance Statement drawn up by the Board of Management was approved by the Supervisory Board in March 2026.

The Supervisory Board passed a resolution which granted it authority to approve or deny the share buy-back authorisation which had been approved at the 2025 Annual General Meeting. In July 2025, the Board of Management explained its decision to hold the 2026 Annual General Meeting as a virtual event. The Company opted for the virtual format following last year's in-person Annual General Meeting at the Olympiahalle in Munich.

We also took a detailed look at the topic of **compliance** within the Company. In his annual report to the Supervisory Board, the Chief Compliance Officer explained what was being done to enhance and strengthen the Company's Compliance function. These measures included an increasingly international approach, the integration of Product Compliance into the organisational structure and the establishment of the ESG regulatory framework in 2025. He also covered the preventive measures that had been implemented and highlighted the positivity surrounding the BMW Group's compliance culture in the 2025 employee survey. The Company continued to take action to make Compliance IT fit for the future and integrate AI. The report also covered how the Company was implementing export control requirements and the measures it had in place to prevent grey market transactions and money laundering. The members of the Supervisory Board also received additional information on the topics of anti-corruption and lobbying in accordance with EU legal requirements.

**Board of Management remuneration** was another important issue on the Supervisory Board's agenda. The refined remuneration system for Board of Management members came into effect at the start of the financial year 2025. The Annual General Meeting approved this system, which had been proposed by the Supervisory Board, on 14 May 2025 with a majority of 96.74% of the valid votes cast. We reviewed the target structure, maximum remuneration and expected remuneration for the Board of Management for the financial year 2025, considering in particular the Group's performance and the development of remuneration for senior executives and employees in Germany over the past few years. Based on a comparative study with the other members of the DAX conducted by an external independent remuneration consultant and subsequent oral advice, we concluded that the remuneration paid to Board of Management members for the financial year 2024 and the target remuneration for 2025 were appropriate. Detailed information on the Board of Management's remuneration for the financial year 2025 is provided in the Remuneration Report.

Throughout the year, the Board of Management kept us updated on the Company's progress towards achieving its financial and non-financial targets. These included targets related to ESG, such as the sales share of electrified vehicles, the reduction of EU fleet carbon emissions and employer attractiveness.

In December 2025, we adopted the performance criteria and targets for the Board of Management's variable remuneration for the financial year 2026. These are based on the corporate planning for 2026, the longer-term corporate planning and the ESG targets included in the corporate strategy.

\* ↗ [Consumption and Carbon Disclosures](#).

Key topics from the **Board of Management's individual areas of responsibility** were also on our agenda. The Supervisory Board will continue to monitor the practical applications and impacts of AI across all of the Board of Management's areas of responsibility. In December, we received a detailed report on the strategic importance, the various stages and the current areas of application of AI in the BMW Group production processes. BMW Group plants are already using AI to improve quality inspections and their maintenance, planning and testing processes. We also learned about the prospects for using humanoid robots in production.

We took a detailed look at product quality and the quality strategy. Quality in the supply chain was also on our agenda. The Board of Management explained the actions that were being taken to improve quality in the supplier network. It also updated us on the progress that was being made with technical measures related to a supplier's integrated brake system. Moreover we were informed about the legal dispute with the supplier.

The Board of Management also reported on the strategy, its implementation, business performance and the risk situation of the Financial Services segment.

In the highly detailed **risk report**, we were brought up to date with the structure and working methods of the risk management system. We paid particular attention to geopolitical risk scenarios, with a focus on the effects of tariff increases and potential supply bottlenecks.

The Supervisory Board looked at the competitiveness of the BMW Group's HR structures and discussed strategic topics related to personnel development on the basis of the Group's report on Human Resources and Real Estate.

The BMW Group's **long-term business plan** was the subject of comprehensive examination by the Supervisory Board. Growing geopolitical tensions, high levels of volatility in the market environment and increasing competition, particularly in China, make long-range planning challenging. The BMW Group's plans remain focused on securing the BMW Group's growth and returns. The Board of Management explained the Group's ambitious planning targets, and paid particular attention to sales planning and the underlying assumptions, including the drivetrain mix. We also took a detailed look at the Group's financial planning. The CFO presented key financial indicators for each segment, in addition to opportunities and risks for the planning period. After thorough examination, the Supervisory Board approved the long-term business plan drawn up by the Board of Management. The Supervisory Board will keep a close eye on further developments and how the Company's measures are progressing.

The reasons for adjusting the annual forecast for the financial year 2025 in early October were subject of a discussion we had with the Board of Management in the subsequent meeting.

In December 2025, the Board of Management presented the **budget for the 2026 financial year**. The Board of Management explained the underlying assumptions in connection with tariffs and the Chinese market in detail. We approved the budget following an in-depth discussion which took a close look at opportunities and risks.

In line with the German Corporate Governance Code, Dr-Ing Dr-Ing E.h. Norbert Reithofer held regular meetings with **investor representatives** about Supervisory-Board-specific topics and reported back to the Board. I later continued these discussions in my capacity as Chairman of the Supervisory Board. We touched on corporate governance issues such as the composition of the Supervisory Board, the expertise and experience of its members, succession planning for the Board of Management and the remuneration system for the Board of Management.

The Company continued to provide internal **training** for Supervisory Board members in 2025. In March, we visited a BMW branch in Munich. We also gained insight into how the direct sales model was being put into practice at the MINI branch. In July, we visited the BMW component plant in Landshut and learned about its role as a competence centre for technology diversity, lightweight construction and electromobility. The tour focused on the development and production of the new Gen6 high-voltage batteries. These batteries provide a significant improvement in energy density, allowing NEUE KLASSE models to charge quicker and go further. In September, we took an in-depth look at the NEUE KLASSE at the BMW M Driving Academy in Maisach near Munich. The Board of Management member responsible for Development gave us an overview of the far-reaching innovations made by the NEUE KLASSE in terms of design, drivetrains, digitalisation and sustainability. After an introduction to the BMW Panoramic iDrive, we were able to drive the first NEUE KLASSE model, the BMW iX3\*, on the road ourselves to get a first-hand impression of a next-level driving experience. The Supervisory Board was also interested to hear about the BMW Group's future models cars from the BMW, BMW Alpina, BMW M and Rolls-Royce brands, including concept cars.

We deliberately draw on external input. In 2025, we invited the CEO of another industrial company listed on the DAX as a guest speaker. This allowed us to exchange views on transformation and innovation in disruptive times.

\* ↗ [Consumption and Carbon Disclosures](#).

The Company provides an **onboarding programme** for new Supervisory Board members, in which representatives from various divisions present the key business areas and planning processes of the BMW Group. They also provide an introduction to the ongoing work of the Supervisory Board.

In late 2025, we reviewed the **effectiveness of the work of the Supervisory Board** and its committees with the aid of a digital questionnaire, and discussed the findings in our subsequent meeting. Cooperation both within the Supervisory Board and with the Board of Management was unanimously perceived as constructive and trustworthy, and the topics selected for meetings and further training events were considered to be good, sensible choices. In the current financial year, we intend to act on proposals to explore certain topics in greater depth, such as maintaining a focus on geopolitical developments and the Chinese market, as well as updating the BMW Group's supply chain strategy.

The Supervisory Board takes precautions early on to avoid any conflicts of interest in the course of its deliberations and decision-making processes. No conflicts of interest occurred in the past financial year.

#### Description of Presiding Board activities and committee work

Following the changes that were made to the distribution of duties on 1 January 2025, the Supervisory Board committees in the financial year 2025 were the Presiding Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Mediation Committee. The Chairs of the committees reported in detail on the work of the committees at the subsequent Supervisory Board meeting. Further information on the duties, composition and working methods of the Supervisory Board committees is provided in the Corporate Governance Statement on the BMW Group website.

Unless a particular committee was responsible, the **Presiding Committee** prepared the topics for the plenary meetings at its six meetings. It also put forward proposals for reporting within the Supervisory Board. The Presiding Committee dealt intensively with the corporate strategy, including sustainability-related topics. It also focused on long-range corporate planning and the business development planning for the financial year 2026. The Group's business situation was discussed in detail at every meeting of the Presiding Committee. The Presiding Committee also prepared the Board of Management succession plan. Moreover, it approved specific cases in which a member of the Board of Management took on Supervisory Board duties. The anticipatory resolution on the approval of loans and transactions by BMW Bank GmbH was renewed.

The **Audit Committee** convened eight times in total in the financial year 2025.

In March 2025, the focus was on preparing for the Supervisory Board meeting at which the financial statements and the non-financial statement for the financial year 2024 were discussed and examined. After verifying the matter of independence, the Audit Committee recommended to the Supervisory Board that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft ("PwC") be elected auditor at the 2025 Annual General Meeting. There were no indications of conflicts of interest, grounds for exclusion or lack of independence on the part of the auditor.

The Audit Committee concluded that PwC's fee proposal for the audit of the Company and Group Financial Statements and the BMW Group Report 2025, as well as for the review of the Half-Year Report 2025, was appropriate in light of the scope of its tasks. The Committee therefore issued the corresponding contracts to PwC following its election at the Annual General Meeting in May 2025. The Audit Committee also specified supplementary audit focus areas. Moreover, it approved the scope of the non-audit services to be performed by PwC, and received regular reports regarding these services. We also reviewed the quality of our auditing processes on a regular basis. A report was provided by the relevant division on the Group's experience with the audit of the financial statements for the financial year 2024 and on the results of the survey conducted within the Group for this purpose. External sources were also assessed. Based on this report, the auditor's description of the quality assurance processes and measures undertaken, and the Audit Committee's own experience with the auditor, the Audit Committee concluded that the audit by PwC continues to be of good quality.

The Audit Committee also examined the Combined Non-financial Statement of BMW AG and the BMW Group for the financial year 2024, which was part of the BMW Group Report 2024. The Audit Committee had representatives from PwC explain the results of the audit. We have again engaged PwC to conduct a limited assurance audit of the Non-financial (Group) Statement for the financial year 2025, with the exception of individual indicators within the sustainability reporting that are subject to a reasonable assurance audit.

The BMW Group reported on sustainability for the first time in line with the EU Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards for the financial year 2024. The Head of Group Reporting and Taxes presented a benchmarking comparison with other DAX 40 companies and reported on the progress that was being made towards implementing the standards within the Company. PwC kept us informed about the content and schedule of the audit and updated us on the status of the German legislative process involved in implementing the directive.

The Board of Management presented the Half-Year Report and the Quarterly Statements to us prior to publication and discussed the relevant financial information as well as the development of key indicators in competitor metrics with us. Representatives of the external auditor were also present when the Half-Year Report was discussed and provided information about their review. We deliberated on these matters partially without the Board of Management present.

In November, we looked at the schedule for changing the external auditor, which the Company is legally required to do at least every ten years. In line with the relevant department's proposal, we decided to prepare to make the regular change in the financial year 2029. We will do this via a tendering process in 2026.

At its meeting in November, the Audit Committee considered the effectiveness and appropriateness of the BMW Group's internal control system (including the Corporate Audit function), the compliance management system and the risk management system. The responsible department head briefed us on the Internal Control System for accounting and the Tax and Customs Control System. He also explained the requirements for the income tax information report (Country-by-Country Reporting), which we are required to publish from the financial year 2025 onwards. We receive a detailed risk report twice a year. In addition to the main risks for the BMW Group and an assessment of these risks, particular emphasis was placed on geopolitical risk scenarios, especially for supply chains and sales markets. We took a detailed look at the Chinese market and key risks relating to ESRS standards. We investigated geopolitical developments and the Company's measures in another report. The Head of Corporate Strategy provided an analysis of various global geopolitical scenarios with a focus on tariffs, technological restrictions and carbon regulations.

The Head of Group Corporate Audit presented us with the audit matters and findings in the 2025/2026 audit year, as well as the plans for further internal audits.

We also addressed **compliance** issues. In his half-year report, the Chief Compliance Officer informed us about the expansion of the international compliance organisation and the operational focus areas of the Group's compliance activities. We received detailed updates about a dedicated management system for the ESG framework, enhancements to Product Compliance and measures related to export control. The Audit Committee also reviewed the annual compliance report. The Chief Compliance Officer kept us informed about significant official proceedings related to compliance. He also reported on the results of internal whistleblower investigations and the resulting measures.

In its report on the audit of over-the-counter derivatives entered into by BMW AG during the financial year 2024, the external auditor confirmed to the Audit Committee the effectiveness of the system in place at BMW AG in complying with the regulatory requirements of the European Market Infrastructure Regulation.

The Audit Committee received regular reports on the state and development of **significant legal proceedings and internal investigations** (see [7 note \[39\]](#) to the Group Financial Statements). It dealt specifically with official proceedings regarding the functionalities of the emission control system of BMW X3 automobiles produced between September 2010 and March 2014 with a 2.0-litre diesel engine (EU5). The Audit Committee also monitored the methodology and progress of the internal investigation into emission issues in older BMW Group diesel vehicles. It received regular updates on internal Company measures and the status of official proceedings. The Audit Committee and the Supervisory Board ensured they properly fulfilled their duties to monitor the internal investigation, measures and official proceedings with the support of a law firm assigned by the Supervisory Board. Following a thorough discussion, the Supervisory Board decided not to assert claims for damages against former or current Board of Management members for the time being in line with the Audit Committee's recommendation. The legal consultants determined that this was a lawful decision.

The Audit Committee also dealt extensively with antitrust investigations by the European Commission and the UK Competition and Markets Authority (CMA). These investigations focused on automotive manufacturers and industry associations in connection with end-of-life vehicle recycling. An external law firm appointed by the Supervisory Board advised the Committee in this regard. With support from their external legal advisors the Audit Committee and the Supervisory Board ensured they properly fulfilled their monitoring duties and examined potential claims for damages against former or current Board of Management members. After both proceedings ended, the Supervisory Board decided not to assert claims for damages against former or current Board of Management members. This decision was in line with the Audit Committee's recommendation and supported by legal counsel.

Out of an abundance of caution, I chose not to participate in the deliberations in either case, despite our legal advisors concluding that my involvement would not constitute a conflict of interest.

In July, the Audit Committee resolved to amend the Articles of Incorporation. This reflected the changed composition of the share capital following the Board of Management's decision to cancel repurchased shares.

The **Remuneration Committee** met three times in the financial year 2025 to prepare the Supervisory Board in connection with the remuneration for the Board of Management. The Committee reviewed the appropriateness of the Board of Management's remuneration for the financial year 2024 and the target remuneration for 2025 in February with the help of an independent external remuneration consultant. In preparation, the Committee discussed the factors involved in the variable remuneration components for the members of the Board of Management for 2024. It also reviewed the draft Remuneration Report for the financial

year 2024 along with PwC's audit report. The Committee also decided to engage PwC to audit the contents of the Remuneration Report for 2025. The outlook for Board of Management remuneration in 2025 was on the agenda in September and November. The proposals related to metrics and setting financial and non-financial targets, including ESG targets, for the Board of Management remuneration for the financial year 2026 were also discussed in great depth in November.

In February 2026, the Committee discussed the factors involved in the variable remuneration components of Board of Management members for 2025. It also dealt with the draft Remuneration Report 2025 and PwC's audit of the report. The Committee also issued the contract for PwC to audit the contents of the Remuneration Report in the financial year 2026 at this meeting.

The Remuneration Committee also prepared the proposals for the Annual General Meeting 2025 to approve the remuneration system for the Board of Management and the Supervisory Board. It adopted a corresponding recommendation for the Supervisory Board.

The **Nomination Committee** held one meeting in the financial year 2025. We discussed the Supervisory Board's competency matrix, the requirements for future appointments and medium-term succession planning for shareholder representatives. In another meeting in February 2026, we adopted the recommendation to propose Dr-Ing Christian Bruch to the Annual General Meeting for a term of office of approximately four years.

The **Mediation Committee**, which is prescribed by law, did not need to convene during the financial year under report.

### Composition of the Board of Management

The Supervisory Board made key personnel decisions in the financial year 2025 to secure the Company's future leadership in innovation and technology. They also help the BMW Group to continue its successful course during the current transformation.

Frank Weber, the Board of Management member responsible for Development, left the Board of Management on 31 May 2025 by mutual agreement as part of a succession arrangement. Following a change in the distribution of duties, Dr Joachim Post took over the Development remit on 1 June 2025. He was previously the Board of Management member responsible for the Purchasing and Supplier Network. On 1 June 2025, Dr Nicolai Martin was appointed as a member of the Board of Management. He has been with the BMW Group since 2004. Most recently, he headed the BMW luxury and Rolls-Royce product lines. Nicolai Martin took over as the member of the Board of Management responsible for Purchasing and the Supplier Network. We would like to thank Frank Weber for his forward-thinking leadership at the helm of Development. His leadership was instrumental in the BMW Group getting the NEUE KLASSE ready for mass production.

In December, the Supervisory Board decided on the next Chairman of the Board of Management as planned. Oliver Zipse's term will come to an end by mutual agreement on the day of the 2026 Annual General Meeting. Dr Milan Nedeljković will succeed him as Chairman of the Board of Management. Milan Nedeljković has worked for the BMW Group since 1993. He has been the Board of Management member responsible for Production since October 2019. We are convinced that he will lead the Company into a successful future. He brings strategic foresight, an entrepreneurial mindset and an ability to implement projects to the role.

Oliver Zipse has been with the BMW Group since 1991. He has been a member of the Board of Management since May 2015, initially as the member responsible for Production. He became the Chairman of the Board of Management in August 2019. He has achieved great things for the BMW Group. Thanks to his strong leadership, the BMW Group was stronger at the end of the coronavirus pandemic than it was at the beginning. His consistently forward-thinking approach was instrumental in establishing the Company's technology-neutral approach. He deserves our deepest gratitude for his outstanding performance.

The Supervisory Board also extended the terms of Walter Mertl, Board of Management member responsible for Finance, and Jochen Goller, Board of Management member responsible for Customer, Brands and Sales.

### Composition of the Supervisory Board, the Presiding Board and the Supervisory Board's committees

2025 marked Dr-Ing Dr-Ing E.h. Norbert Reithofer's last Annual General Meeting. He retired after a total of 38 outstanding years with the BMW Group. Norbert Reithofer was a member of the Board of Management for 15 years and served as Chairman for nine of those years. This extensive experience proved invaluable when he became the Chairman of the Supervisory Board – a position he held for ten years. The BMW Group owes Norbert Reithofer a huge debt of gratitude. His departure marked the end of an era.

The Annual General Meeting elected me to the Supervisory Board in May 2025 for a term of approximately four years. I completed a cooling-off period after leaving the Board of Management, where I served as the Board member responsible for Finance until May 2023. Rachel Empey, Anke Schäferkordt, Dr Marc Bitzer and Professor Dr Dr h.c. Christoph Schmidt were each elected as shareholder representatives for a further term of approximately four years. The Supervisory Board members elected me as Chairman of the Supervisory Board at the Supervisory Board meeting following the Annual General Meeting. According to the rules of procedure, the Chair of the Supervisory Board is a member and the Chair of the Presiding Committee, the Remuneration Committee and the Nomination Committee. Rachel Empey and I were appointed to the Audit Committee by the members of the Supervisory Board. Anke Schäferkordt was appointed to the Remuneration Committee.

There were no changes to the composition of the Supervisory Board on the employee representative side during the past financial year.

### Disclosure of attendance at meetings by individual members

Members of the Supervisory Board	Meetings		Attendance		Attendance in %	
	Plenum	Committees	Plenum	Committees	Plenum	Committees
Nicolas Peter <sup>2</sup>	4	12	4	12	100	100
Norbert Reithofer <sup>1</sup>	1	6	1	6	100	100
Martin Kimmich	5	17	5	17	100	100
Stefan Quandt	5	18	5	18	100	100
Stefan Schmid	5	17	5	17	100	100
Kurt Bock	5	18	5	18	100	100
Ulrich Bauer	5	-	5	-	100	-
Marc Bitzer	5	-	5	-	100	-
Rachel Empey	5	8	5	8	100	100
Heinrich Hiesinger	5	-	5	-	100	-
Susanne Klatten	5	1	5	1	100	100
Jens Köhler	5	-	5	-	100	-
André Mandl	5	-	5	-	100	-
Dominique Mohabeer	5	11	5	11	100	100
Michael Nikolaides	5	-	5	-	100	-
Horst Ott	5	-	4	-	80	-
Anke Schäferkordt	5	3	5	3	100	100
Christoph M. Schmidt	5	-	5	-	100	-
Vishal Sikka	5	-	5	-	100	-
Sibylle Wankel	5	-	5	-	100	-
Johanna Wenckebach	5	-	5	-	100	-

<sup>1</sup> Member of the Supervisory Board until 14 May 2025.

<sup>2</sup> Member of the Supervisory Board since 14 May 2025.

The meetings of the Supervisory Board and Committees were held in person, with individual members participating by video conference in justified exceptional cases. Three Audit Committee meetings dealing with the quarterly figures and the Half-Year Report were held as hybrid meetings as planned. This means some participants attended in person, while other members joined via video call. The attendance rate at Supervisory Board meetings was 99%, and 100% for the meetings held by the various committees.

### Review of financial statements and the profit distribution proposal

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) was appointed external auditor for the financial year 2025. PwC initially conducted a review of the condensed Interim Group Financial Statements and the Interim Group Management Report for the first half of 2025 and presented its results to the Audit Committee. No issues were identified that might indicate that the condensed Interim Group Financial Statements and Interim Group Management Report had not been prepared in accordance with the applicable provisions in all material respects.

The Company Financial Statements and the Group Financial Statements of BMW AG for the financial year ended 31 December 2025, including the Combined Management Report were authorised by the Board of Management on 9 March 2026. PwC has issued unqualified audit opinions on them. These audit opinions were signed for the second time in a row by Ralf Räßle and, for the fourth time, by Michael Popp as the auditors (Wirtschaftsprüfer) responsible for the performance of the engagement.

At its meeting held on 26 February 2026, the Audit Committee initially gave in-depth consideration to the preliminary version of the Company and Group Financial Statements and the Combined Management Report (including the Combined Non-financial (Group) Statement and the information on the EU Taxonomy) as well as the draft version of the auditor's long-form reports.

Immediately after authorising their issue on 9 March 2026, the Board of Management submitted the Company and Group Financial Statements for the financial year 2025 and the Combined Management Report (including the Combined Non-financial (Group) Statement) to the Supervisory Board. The auditor's long-form audit reports were also submitted to the Supervisory Board in a prompt manner. The Supervisory Board had received drafts of these documents in advance to allow it to prepare in detail. At its meeting held on 10 March 2026, the Audit Committee diligently examined and deliberated on these documents before they were considered in detail at the plenary session of the Supervisory Board on 11 March 2026.

At the two respective meetings, the Board of Management provided a detailed explanation of the reporting documents submitted to the Audit Committee and the Supervisory Board. The representatives of the external auditor reported on the main results of their audit and answered questions put to them by members of the Audit Committee and the Supervisory Board, partially without the members of the Board of Management being present. Both the Audit Committee and the Supervisory Board gave meticulous consideration to the key audit matters and the related audit procedures.

The representatives of the external auditor confirmed that the risk management system established by the Board of Management is capable of identifying at an early stage any developments that might threaten the Company's going-concern status. They also confirmed that no material weaknesses in the internal control system and risk management system were identified with regard to the financial reporting process. In the course of their audit work, they did not identify any facts inconsistent with the contents of the Declaration of Compliance pursuant to § 161 of the German Stock Corporation Act (AktG) jointly issued by the Board of Management and the Supervisory Board.

Based on a thorough examination conducted by the Audit Committee and the Supervisory Board, we concurred with the results of the external audit. In accordance with the final result of this examination, no objections were raised. At our meeting held on 11 March 2026, we accordingly approved the Group and Company Financial Statements of BMW AG for the financial year 2025. The Company Financial Statements for the year ended 31 December 2025 have therefore been adopted.

Furthermore, in both the Audit Committee and the Supervisory Board, we examined the Board of Management's proposal to use the unappropriated profit to pay a dividend of € 4.40 for each ordinary share entitled to receive a dividend and € 4.42 for each preferred share entitled to receive a dividend and to transfer the remaining amount to other revenue reserves. We consider the proposal appropriate and have therefore approved it.

The Audit Committee and the Supervisory Board also carefully examined the Combined Non-financial (Group) Statement for the year ended 31 December 2025. Following an in-depth explanation of the statement by the Board of Management, representatives of PwC presented the key results of their audit and answered questions posed by the members of the Supervisory Board. PwC conducted a "limited assurance" audit on the Combined Non-financial (Group) Statement, printed in the Management Report in the "Sustainability Statement" chapter. Individual indicators within the Sustainability Statement were audited as part of a "reasonable assurance" audit. An unqualified audit opinion was issued on the Non-financial Statement, signed for the second time in a row by the auditor Ralf Räßle (Wirtschaftsprüfer) and for the fourth time in a row by the auditor Michael Popp (Wirtschaftsprüfer). The Supervisory Board acknowledged and approved the Combined Non-financial (Group) Statement drawn up by the Board of Management.

Based on the preparatory work of the Remuneration Committee, the Supervisory Board and the Board of Management jointly prepared the Remuneration Report for the financial year 2025 in accordance with § 162 AktG. Going beyond the formal review required by law, the Audit Committee also engaged PwC to audit the contents of the Remuneration Report. Representatives of the auditor reported first to the Remuneration Committee and then to the Supervisory Board on the results of the review, and confirmed that the Remuneration Report complies with the financial reporting provisions contained in § 162 AktG in all material respects.

### Expression of appreciation by the Supervisory Board

The members of the Board of Management and the employees of the BMW Group around the world drove the BMW Group's good performance last year in a challenging environment thanks to their strong commitment, courage and creativity. We therefore wish to express our deep thanks and appreciation to all of them.

We are confident that the Board of Management and the entirety of the Company's workforce will continue the Company's success story in 2026 with a combination of dedication, team spirit and enthusiasm.

Munich, March 2026

On behalf of the Supervisory Board

*Youn  
N. Peter*

**Nicolas Peter**

Chairman of the Supervisory Board

# STATEMENT OF THE CHAIRMAN OF THE BOARD OF MANAGEMENT

## DEAR SHAREHOLDERS, LADIES AND GENTLEMEN:

As you know, the long-term strategic course of your Company is based on inherent strengths that we have developed over time.

This includes first and foremost our global footprint with our extensive production, research and development, sales and supplier networks. This is also true for our technology-neutral approach, our unique premium multi-brand strategy and broad portfolio across all relevant customer segments, and our ability to identify the potential of new technologies and bring them to the roads in each major region.

These strengths give us flexibility and make us resilient – and have made your Company into one of only a few truly global automotive manufacturers.

**Oliver Zipse**  
Chairman of the Board of Management



As a global company with global brands, we are used to dealing with varied, changing conditions and unpredictability on the ground in each market. By leveraging our strengths, we successfully navigated through the changing dynamics and geopolitical frictions of our business environment throughout the 2025 financial year.

At the same time – and this underscores your Company's high level of innovation – we have launched a major leap into the future. With the NEUE KLASSE, we are leading our core brand BMW, as well as the entire company, into a new era – fully aligned with our long-term strategic direction.

#### **Consistently following our BMW way.**

Today, global success is predicated on the ability to anticipate trends and developments, to respond rationally and efficiently and to deal with unpredictability, which has long been a feature of the automotive industry.

That is fundamental to the BMW Group and has long set your Company apart. We are always ready to gain market share wherever the individual market conditions allow. In 2025, we did this in Europe and the United States, among other global markets.

As dynamics in the industry shift, we know exactly where we are placed with our premium brands and where we can pursue opportunities – maintaining a healthy balance of value and volume in the major regions.

With our technology-neutral strategy, the BMW Group follows market demand and customer needs while continually optimising all drivetrain variants. You, our shareholders, have supported this approach from the very beginning. As a result, we are not only growing overall global sales, but we have one of the highest all-electric vehicle (BEV) shares in the industry. In Europe, 40% of our sales were electrified in 2025 – that means both all-electric vehicles and plug-in hybrid vehicles.

True to our 110 years of BMW history, we maintain our pioneering spirit to constantly explore new paths. Time and again we tap into new potential and bring breakthrough technologies to the roads across the globe.

And, most importantly, we continue to deliver what we promise.

#### **The launch of the BMW NEUE KLASSE.**

Back in 2021, I promised we would lead BMW into a new era, with the NEUE KLASSE. With this all-new model generation, we have elevated every aspect of the car to the next level – from the drivetrain to battery technology and driving dynamics, from the operating system to the digital user experience. And with the new BMW design language, we have even skipped a whole generation.

The NEUE KLASSE is not just one vehicle; it is a massive leap that redefines the entire brand. The technologies and design language will be rolled out across the BMW portfolio – regardless of the drivetrain.

We invested early and extensively in our structures and technologies to bring this new vehicle generation to life. For our customers, this means a new dimension of sheer driving pleasure, and for your Company, this offers a clear competitive advantage.

#### **Unveiling of the BMW iX3\* at the IAA Mobility 2025.**

At the IAA Mobility in our backyard in Munich in September 2025, we unveiled the BMW iX3\*, the first vehicle of our NEUE KLASSE. The response was tremendous – from visitors and fans from across the globe, as well as from media, analysts and political stakeholders.

However, what is decisive: customer orders for the BMW iX3\* have already exceeded our expectations, with our order book extending several months into 2026. This shows just how positively the vehicle has been received by customers. And starting with the BMW iX3\*, it will set new benchmarks from its performance data to its digital user experience and sustainability approach.

**“True to our 110 years of BMW history, we maintain our pioneering spirit to constantly explore new paths. Time and again we tap into new potential and bring breakthrough technologies to the roads across the globe.”**

\* ↗ Consumption and Carbon Disclosures.

### BMW iX3\* wins multiple awards even before its official market launch.

Even before the first customers had sat behind the wheel of the BMW iX3\*, it won several renowned international awards.

At the "Golden Steering Wheel" awarded by "Auto Bild" German car magazine and the German weekly newspaper "Bild am Sonntag", the BMW iX3\* was crowned "Best Innovation". The new BMW iX3\* also won Top Gear Magazine's 2026 Car of the Year. In addition, BMW set a new record at the "Auto Trophy" awards hosted by "Auto Zeitung": the car magazine's readers voted eight BMW models into first place and awarded BMW the title of "World's Best Brand".

### Plant Debrecen opens with launch of the BMW iX3\*.

The groundbreaking ceremony for the new plant in Debrecen, Hungary, took place in June 2022 and just three years later we celebrated its official opening together with key local and national political decision makers in October 2025.

In line with our iFACTORY approach, the plant has already been up and running virtually since March 2023. Virtual planning using a digital twin allowed us to simulate production processes in real time before the plant went on stream.

The plant is also notable in terms of its focus on sustainability. At full capacity, manufacturing a vehicle at Plant Debrecen – including its high-voltage battery – will produce only 34 kilograms of CO<sub>2</sub> emissions in the plant. In the energy-intensive paint shop alone, we will save up to 12,000 tonnes of CO<sub>2</sub>e per year. This is made possible by relying exclusively on electricity from renewable sources, rather than fossil fuels, during normal operation.

Debrecen continues to evolve into a major high-tech hub in the automotive industry's European value chain, which your Company is contributing to and looks to leverage further as we ramp up production of the BMW iX3\* to meet strong global demand.

**"We will put 40 new models and model updates with NEUE KLASSE technology on the roads worldwide by 2027."**

### Plant Munich ready for start of the new BMW i3.

The second NEUE KLASSE model is preparing for launch at our main plant in Munich: the new BMW i3.

In just 18 months, about a third of the site underwent extensive remodelling, while a new assembly, logistics centre and body shop were built – all while still manufacturing up to 1,000 BMW 3 Series and 4 Series vehicles per day.

Like Plant Debrecen, Plant Munich is consistently aligned with the principles of the BMW iFACTORY. Both the new body shop and new assembly line were planned with a digital twin. Existing installations in the press shop and paint shop are also integrated into the BMW Group's Virtual Factory. This made it possible to conduct functional testing of all technologies for the new vehicle generation virtually and well in advance.

After its unveiling in late March, series production of the new BMW i3 is scheduled to begin in Munich in the second half of 2026.

### The technologies of the NEUE KLASSE will be rolled out across the entire BMW portfolio.

With the eighth generation of the BMW 3 Series, we will bring the NEUE KLASSE and its technology clusters further into the core of the BMW brand. Following the start of production at Plant Munich, other locations in our international production network begin with production of BMW 3 Series variants.

Throughout 2026, we will show how the NEUE KLASSE technologies will be integrated into further BMW models, such as the 7 Series and the X5.

As already announced, we will put 40 new models and model updates with NEUE KLASSE technology and design language on the roads worldwide by 2027. This all-new BMW generation will provide an enormous boost to our already broad and popular portfolio – with innovative technology solutions tailored to customers in their markets.

\* ↗ [Consumption and Carbon Disclosures](#).

### Robust performance in 2025 despite challenging business environment.

Our performance in 2025 and the popularity of our portfolio underscore the strong position in which we start the year 2026. Despite the impact from import tariffs and the challenging dynamic in the Chinese market, Group earnings remained above € 10 billion.

For the full year, the BMW Group achieved year-on-year volume growth with a total of 2.46 million vehicles delivered to customers worldwide. Weaker sales in China due to a highly competitive landscape were offset by strong growth in other major sales regions, particularly in Europe and the United States, where we even gained market share.

The BMW brand maintained its position as the global segment leader, driven by strong demand in particular from the BMW X1\*, BMW X3\*, and BMW X5\*, as well as our 3 Series and 5 Series.

### Global approach to sales drives success.

What sets us apart from the competition is our broad and attractive portfolio of products across our brands, which offer customers across the globe the individual mobility solution that meets their needs, regardless of the drivetrain.

As we have been used to for many years, market conditions in 2025 varied considerably across the major world regions. As always, your Company made the most of the opportunities that presented themselves.

In Europe, the BMW Group saw growth of over 7% with sales reaching over one million vehicles for the first time since 2019. In the United States, we delivered over 419,000 vehicles, a 5% increase on the previous year.

The strong results in these regions helped to compensate for the challenging market environment in China, where we nonetheless sold around 626,000 vehicles – the most in any single market.

### BMW M increases sales again and plans for electric offering.

BMW M increased its sales for the 14th consecutive year – with over 213,000 vehicles sold. Almost one in ten BMWs sold in 2025 was an M model.

From 2027, BMW M will usher in a new era in the high-performance vehicle segment as it, for the first time, brings an all-electric drivetrain to the racetrack-ready, distinctive BMW M driving experience.

### New MINI family puts brand on growth trajectory.

With full availability of the new MINI Family, the brand achieved growth of almost 18% in 2025 – and, importantly, across all major regions. More than one in three MINIs sold worldwide is already electric – in many markets, the share is even above 50%. As a result, the brand makes a strong contribution to our Group BEV sales and CO<sub>2</sub> footprint.

The new MINI Countryman\* enjoyed particular popularity last year with a share of over 30% of the brand's total volume.

In Europe, MINI has successfully switched to a new sales model, which is now online in a total of 23 markets. This new system offers customers a more holistic experience and allows MINI to more efficiently and transparently reach customers.

Another highlight in 2025 was the MINI Paul Smith editions, which were unveiled at the Japan Mobility Show and will hit the market this year. This new edition marks the next step in this successful collaboration, combining the unique design and character of two British icons.

### Rolls-Royce celebrates the centenary of Phantom\*.

Our luxury brand Rolls-Royce maintained its sales performance from the previous year, with the Cullinan\* and Spectre\* driving sales in particular. Phantom\*, the marque's pinnacle product, celebrated its centenary in 2025. At the Home of Rolls-Royce at Goodwood, the marque continues with its 300 million pound investment programme which will enable new state-of-the-art facilities and more space for Bespoke and Coachbuild.

\* ↗ Consumption and Carbon Disclosures.

### **BMW Motorrad confirms its leading position in the premium segment.**

Despite the global decline in the motorcycle market segment above 500 cc, BMW Motorrad sold over 200,000 vehicles last year for the fourth consecutive year. More than half of our sales are in Europe, with Germany the strongest single market with over 25,000 motorcycles sold.

The appealing model range and the launch of important new models drove success – the BMW R 1300 RT, BMW R 1300 R and BMW R 1300 RS were met with immediate customer enthusiasm, while the BMW R 1300 GS Adventure, introduced a year earlier, also made a considerable contribution to sales.

At the IAA Mobility, the brand presented the BMW Motorrad Vision CE. It offers a look into our vision of the future of urban riding fun on two wheels without having to wear a helmet or motorcycle clothing, thanks to the unique structural bracket design.

### **BMW ALPINA enriches the BMW Group as a new brand.**

On 1 January 2026, BMW ALPINA launched as an exclusive stand-alone brand under the BMW Group umbrella.

This will help us fill a gap in a highly attractive and lucrative segment with lots of growth potential – between top-end BMW models and Rolls-Royce. BMW ALPINA stands for maximum performance and superior ride comfort, complemented by an exclusive portfolio of bespoke options and custom materials. We are committed to making the new BMW ALPINA chapter one that meets the highest expectations of this storied brand.

### **Your Company is growing with electrified models.**

Our electrified models continue to be a fundamental pillar of our strategy and a major growth driver. In the second quarter of 2025, we achieved an important milestone, with the delivery of our 1.5-millionth all-electric vehicle ever sold.

In 2025, the BMW Group delivered 642,071 electrified vehicles to customers worldwide, growth of 8.2% over the previous year. All-electric models saw a slight increase in sales, with 442,059 units delivered worldwide. Electrified vehicles accounted for 26% of total BMW Group sales worldwide in 2025, with all-electric vehicles representing around 18%.

In Europe, in particular, the BMW Group reported significant growth of around 28% in all-electric vehicles, which accounted for about a quarter of total sales. BEVs and plug-in hybrid electric vehicles combined reached a share of over 40% across the region.

MINI has made a major contribution to the Group's strong performance, with an electric share worldwide of over 36% of sales. For the first time, the brand delivered more than 100,000 all-electric models to customers in a single financial year.

### **CO<sub>2</sub> target in the European Union overachieved again.**

Thanks to our balanced mix of different highly efficient drive technologies and an increased share of electrified vehicles, your Company once again reduced the CO<sub>2</sub> emissions of its vehicle fleet sold in the European Union (EU27+2: EU, Norway, Iceland) in 2025 – just as we have consistently done for the past several years.

Based on preliminary internal calculations, the figure came in at 90.0 grams per kilometre according to WLTP – an outperformance of the applicable fleet target limit. This represents a reduction of approximately 9.5 compared to 2024. For us, it has long been clear that we would meet the targets for 2025 – and, importantly, without penalties, pooling or averaging.

**“Thanks to our balanced mix of efficient drive technologies and an increased share of electrified vehicles, your Company once again reduced the CO<sub>2</sub> emissions of its vehicle fleet sold in the European Union in 2025.”**

### Comprehensive approach to decarbonisation.

The reduction of fleet-wide emissions is just one aspect of your Company's strategy of holistic decarbonisation. We are reducing CO<sub>2</sub>e across the entire life cycle of our vehicles – from the supply chain to production, use and recycling.

Since 2020, we have been fully committed to the Paris Climate Agreement, with a target of achieving net zero by 2050.

In December, we announced another interim target on this path for 2035. Overall, we plan to reduce CO<sub>2</sub>e emissions by 60 million tonnes compared to 2019. This means a further reduction of at least 20 million tonnes of CO<sub>2</sub>e on top of the existing target of 40 million tonnes by 2030.

Of course, our strategy would not be credible if it did not translate directly into our products. Take the new BMW iX3\*, which perfectly illustrates our approach of reducing CO<sub>2</sub> wherever we have leverage. The BMW iX3 50 xDrive\* has a calculated secondary raw material content of approximately 33%, based on the overall vehicle. The energy consumption of the new BMW iX3\* is 20% lower than in the predecessor model. Plant Debrecen in Hungary, where the BMW iX3\* is being built, is the first BMW Group car factory that operates and produces vehicles without using fossil fuels, such as oil and gas, under normal operating conditions. In the supply chain, a combination of measures has led to a decrease in CO<sub>2</sub>e emissions of 35% during product development.

Moreover, in February 2025, the BMW Group and PreZero, the international circular economy company that forms parts of the Schwarz Group, signed a strategic cooperation agreement to substantially advance the circular economy across the European automotive industry. Our aim is to develop a business model for the recycling of end-of-life vehicles, creating a closed loop for both materials and recycling.

All these efforts contribute to our goal of finding the most cost-effective CO<sub>2</sub>e reductions throughout the value chain to deliver immediate results and support our commitment to resource conservation.

### Continuous dialogue to achieve a realistic adjustment of long-term targets in the European Union.

Thanks to our successful technology-neutral strategy, we have reached our climate targets by following market demand and customer needs and by continually optimising all drivetrain variants. This is particularly important since electromobility adoption is progressing at different rates in individual markets.

Our results show that we can serve multiple preferences simultaneously: BEVs, PHEVs and our BMW M models all achieved growth in 2025.

To achieve climate goals and create effective CO<sub>2</sub> regulations, however, we must take a comprehensive view – one that accounts for the full carbon footprint of the vehicle and its value chain, and that also values climate-neutral fuels such as HVO100.

Such a holistic framework would reflect various market needs and uneven infrastructure development, while safeguarding Europe's value chains, jobs and industrial competitiveness. And – above all – it delivers genuine climate protection and real reductions in CO<sub>2</sub>.

Companies should be free to deliver the solutions, taking customer demands and needs into account, while adequately investing in new paths and technologies to achieve the EU's climate goals.

We continue to strongly advocate for a review of the 2030 and 2035 targets in the EU. We have shown that technology neutrality and CO<sub>2</sub> reduction quotas are not contradictory. Rather, this approach keeps Europe competitive, while also reducing dependency on a single supply chain and specific raw materials and mitigating geopolitical risks.

With the NEUE KLASSE, your Company is demonstrating that technology neutrality and our commitment to a new CO<sub>2</sub> regulation in Europe do not contradict but rather complement each other. We remain in dialogue with key decision makers in the European Union to ensure that the European automotive industry remains on a sustainable, economically viable and globally competitive path.

\* ↗ Consumption and Carbon Disclosures.

**BMW X5 as first vehicle with five drivetrains.**

Hydrogen, for example, offers Europe an opportunity to use its expertise and take the lead on an emerging technology that will contribute to our climate goals.

The BMW X5 will be the first vehicle which we will offer with five different drivetrain technologies: battery electric, plug-in hybrid, petrol, diesel and hydrogen fuel cell technology.

In 2028, we will launch our first series-production hydrogen vehicle – the BMW iX5 Hydrogen.

The drive technology is based on the third-generation fuel cell system that the BMW Group is developing in collaboration with the Toyota Motor Corporation. Its fuel-cell systems will be built in Europe – strengthening resilience, reducing dependencies and expanding Europe's strategic autonomy.

The BMW Group is also actively involved in efforts to expand the hydrogen refuelling network. This includes the Hydrogen Mobility at Scale initiative, which started a pilot phase in 2025 with the support of existing ecosystems in Germany and France to gather experience for deployment to further metropolitan areas and a potential later expansion to other countries.

**Your Company is committed to the German and European industrial base.**

The BMW Group automobile plants in Germany – in Dingolfing, Leipzig, Munich and Regensburg – form the core of the Company's international production network.

Last year, the BMW Group once again produced more than one million vehicles at its German plants. We continually invest in these plants to update facilities and prepare for future product launches, including for the rollout of the NEUE KLASSE.

Construction also continues at the new facility in Irlbach-Straßkirchen in Bavaria, an assembly plant for high-voltage batteries for the plant network in Germany. Series production at the new location is planned to start at the end of 2026.

**BMW Group as global player with flexible structures.**

Over many decades, your Company has built up a comprehensive and balanced network of sales, production and supply chain operations spanning in particular the major regions of Europe, the United States and China. This makes us one of the few truly global players in the industry.

Our deep roots and long-term presence in global markets offer us many advantages.

First, they allow us to tap into leading-edge trends and developments in the individual markets and understand specific customer needs. Our ties to research universities, our R&D network and IT hubs and our network of local tech partners enable us to leverage key competencies from individual markets for our products and strategy.

Second, through our extensive footprint in key markets, we remain highly flexible and are resilient in the face of geopolitical instability and ever-increasing regulation. In line with our approach of production following the market, our sales in the major regions stem mostly from local production.

Finally, our strong market ties also allow us to engage in direct discussions with key political decision makers, who value our perspective. Here, it is not just about our individual interests, but rather finding solutions for customers worldwide and driving shared economic prosperity.

**Sharpening our strategy in China.**

Take China, for example. The NEUE KLASSE products we will launch in China are developed together with our local engineering teams and partners – in line with our principle of "in China, for China and with China".

In April, we will celebrate the world premiere of the first of these vehicles: the BMW iX3 Long Wheelbase, which will be unveiled at the Auto China 2026 in Beijing and is scheduled to enter the market in the second half of the year. The feedback at the recent preview event for media representatives from China and Asia for the BMW iX3 China version has been very positive, with our digital features proving particularly popular.

The Chinese derivative of BMW Operating System X incorporates approximately 70% locally developed software, underscoring BMW's strong in-market development capabilities. Navigation developed in collaboration with Amap provides precise visualisation of complex intersections and highway ramps.

The BMW Intelligent Personal Assistant, enhanced by large language models from Alibaba and DeepSeek, will enable faster and more natural voice interaction for vehicles in China. Integration with Huawei technologies – including Digital Key, HiCar and the My BMW App based on HarmonyOS NEXT – supports seamless connectivity between the vehicle, personal devices and home ecosystems for Chinese customers.

In parallel, we are also developing a China-specific Advanced Driver Assistance Systems software stack in collaboration with Momenta. The partnership will focus on software development and integration for Chinese road networks, traffic conditions and user expectations, utilising advanced AI algorithms and data-driven development methods.

Throughout 2025, the automotive market environment in China has become extremely competitive, which has had an impact on sales and earnings for domestic and foreign manufacturers alike.

Your Company has responded to the changing dynamics quickly: over the last several months, we have implemented measures to boost our performance in the market, speed up decision-making processes and strengthen local product substance. This includes, for example, a rightsizing of the retail structure in China, which is progressing faster than planned.

#### Artificial intelligence as an enabler in processes and products.

Of course, one of the dominant topics across markets and industries is how companies are able to leverage the capabilities of AI to boost their performance. At the BMW Group, we are continually assessing the potential of AI systems and implementing them internally to make our processes more efficient as well as in our production facilities to improve quality. Along our customer journey, we have also implemented AI systems to expand and improve customer care. In our products, we are enhancing our BMW Intelligent Personal Assistant with large language models such as Alexa+ and DeepSeek and Alibaba in China.

#### Launching a new era at the right time.

Dear Shareholders,

At the BMW Group, we are tackling the challenges in global markets head on, leveraging our strengths and implementing our long-term strategy. We have made significant investments and have created the right operating framework to deliver continued success.

Our flexible, global production network, our technology-neutral strategy, our focus on innovation and our ability to master technological complexity set us apart from the competition.

We will continue to lead with product substance across all our brands, based on our knowledge of what our customers want and our ability to identify trends in individual markets early and offer the right innovation solutions.

In 2025, we set the foundation to launch a new era with the BMW iX3\*. With the roll-out of NEUE KLASSE technologies and products over the coming years, we will bring the Company to a whole new level.

**"Our flexible production network, technology-neutral strategy and focus on innovation set us apart from the competition."**

This is what you, as our shareholders, and all stakeholders expect from us. The BMW brand is a promise. And we deliver on our promises.

This is how your Company is [↗ ALREADY AHEAD](#).

*Yours  
O. Zipse*

**Oliver Zipse**

Chairman of the Board of Management

\* ↗ [Consumption and Carbon Disclosures](#).

# THE BOARD OF MANAGEMENT

BMW  
GROUP

THE NEW BMW iX3.  
THE FIRST OF A NEW ERA.



**Milan Nedeljković**  
Member of the Board of Management,  
Production

**Walter Mertl**  
Member of the Board of Management,  
Finance

**Jochen Goller**  
Member of the Board of Management,  
Customer, Brands, Sales

**Oliver Zipse**  
Chairman of the Board  
of Management

**Joachim Post**  
Member of the Board of Management,  
Development

**Ilka Horstmeier**  
Member of the Board of Management,  
People and Real Estate

**Nicolai Martin**  
Member of the Board of Management,  
Purchasing and Supplier Network

# COMPOSITION OF THE BOARD OF MANAGEMENT AND SUPERVISORY BOARD

## MEMBERS OF THE BOARD OF MANAGEMENT

### **OLIVER ZIPSE** (b. 1964)

Member since 2015  
Chairman (since 2019)

#### **Mandates**

— Fraunhofer-Gesellschaft zur Förderung der angewandten Forschung e. V.\*, Deputy Chairman

### **JOCHEN GOLLER** (b. 1966)

Member since 2023  
Customer, Brands, Sales

#### **Mandates**

— Rolls-Royce Motor Cars Ltd.\*\*\*, Chairman

### **ILKA HORSTMEIER** (b. 1969)

Member since 2019  
People and Real Estate,  
Labour Relations Director

### **DR NICOLAI MARTIN** (b. 1978)

Member since 1 June 2025  
Purchasing and Supplier Network

### **WALTER MERTL** (b. 1974)

Member since 2023  
Finance

#### **Mandates**

— BMW Brilliance Automotive Ltd.\*\*\*, Chairman

### **DR-ING MILAN NEDELJKOVIĆ** (b. 1969)

Member since 2019  
Production

#### **Mandates**

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

### **DR-ING JOACHIM POST** (b. 1971)

Member since 2022  
Development (since 1 June 2025)  
Purchasing and Supplier Network (until 31 May 2025)

### **FRANK WEBER** (b. 1966)

Member from 2020 until 31 May 2025  
Development

General Counsel:

**DR ANDREAS LIEPE**

\* Not listed on the stock exchange.

\*\* BMW Group mandate.

\*\*\* Group mandate (other).

— Memberships on other mandatory supervisory boards.

— Memberships on comparable boards in Germany and abroad.

## MEMBERS OF THE SUPERVISORY BOARD

### DR NICOLAS PETER (b. 1962)

Member and Chairman since 14 May 2025, elected until the AGM 2029

Chairman of the Supervisory Board

Former Member of the Board of Management of BMW AG

#### Mandates

- KION Group AG (until 27 May 2025)
- BNP Paribas S.A. (since 13 May 2025)
- FORVIA SE (until 30 April 2025)

### DR-ING DR-ING Eh NORBERT REITHOFER (b. 1956)

Member and Chairman from 2015 until 14 May 2025

Former Chairman of the Board of Management of BMW AG

### DR MARTIN KIMMICH<sup>1</sup> (b. 1972)

Member since 2023, elected until the AGM 2029

Deputy Chairman of the Supervisory Board

Chairman of the General Works Council of BMW AG and the BMW AG Works Council Munich

### STEFAN QUANDT (b. 1966)

Member since 1997, elected until the AGM 2028

Deputy Chairman of the Supervisory Board

Entrepreneur

#### Mandates

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

Note: Mr Quandt is the sole shareholder of DELTON Health AG, DELTON Technology SE, and AQTON SE. He indirectly holds all shares in SOLARWATT GmbH and an indirect majority interest in Entrust Corp.

### STEFAN SCHMID<sup>1</sup> (b. 1965)

Member since 2007, elected until the AGM 2029

Deputy Chairman of the Supervisory Board

Chairman of the BMW AG Works Council Dingolfing

### DR KURT BOCK (b. 1958)

Member since 2018, elected until the AGM 2027

Deputy Chairman of the Supervisory Board and

Chairman of the Audit Committee

Chairman of the Supervisory Board of BASF SE

#### Mandates

- BASF SE, Chairman

### ULRICH BAUER<sup>1</sup> (b. 1964)

Member since 2024, elected until the AGM 2029

Member of the BMW AG Works Council Munich

### DR MARC BITZER (b. 1965)

Member since 2021, elected until the AGM 2029

Chairman and CEO of Whirlpool Corp.

#### Mandates

- Simex Trading AG<sup>\*</sup>
- Whirlpool Corp., Chairman

### RACHEL EMPEY (b. 1976)

Member since 2021, elected until the AGM 2025

Member of Supervisory Boards

#### Mandates

- Deutsche Telekom AG (since 9 April 2025)
- ZF Friedrichshafen AG<sup>\*</sup>

<sup>1</sup> Employee of BMW AG.

<sup>2</sup> Union representative.

<sup>3</sup> Executive employee of BMW AG.

<sup>\*</sup> Not listed on the stock exchange.

<sup>\*\*</sup> BMW Group mandate.

<sup>\*\*\*</sup> Group mandate (other).

— Memberships on other mandatory supervisory boards.

— Memberships on comparable boards in Germany and abroad.

**DR-ING HEINRICH HIESINGER** (b. 1960)

Member since 2017, elected until the AGM 2026

Member of supervisory boards

**Mandates**

- Deutsche Post AG
- Fresenius Management SE\*
- ZF Friedrichshafen AG\*, Chairman (until 19 March 2025)

**DR HC SUSANNE KLATTEN** (b. 1962)

Member since 1997, elected until the AGM 2028

Entrepreneur

**Mandates**

- ALTANA AG\*, Deputy Chairwoman
- SprinD GmbH\* (until 31 December 2025)
- UnternehmerTUM GmbH\*, Chairwoman

Note: Dr hc Klatten is the sole shareholder of UnternehmerTUM GmbH. Her mandates at SprinD GmbH and UnternehmerTUM GmbH were and are primarily an expression of her corporate citizenship.

**JENS KÖHLER**<sup>1</sup> (b. 1964)

Member since 2021, elected until the AGM 2029

Chairman of the BMW AG Works Council Leipzig

**ANDRÉ MANDL**<sup>1</sup> (b. 1984)

Member since 2022, elected until the AGM 2029

Chairman of the BMW AG Works Council Regensburg/

Wackersdorf

**DR DOMINIQUE MOHABEER**<sup>1</sup> (b. 1963)

Member since 2012, elected until the AGM 2029

Member of the BMW AG Works Council Munich

**DR MICHAEL NIKOLAIDES**<sup>3</sup> (b.1974)

Member since 2024, elected until the AGM 2029

Head of Production Network, Logistics at BMW AG

**Mandates**

- BMW Manufacturing Hungary Kft.\*\*

**HORST OTT**<sup>2</sup> (b. 1966)

Member since 2024, elected until the AGM 2029

District manager of IG Metall Bayern

**Mandates**

- Schaeffler AG, Deputy Chairman

**ANKE SCHÄFERKORDT** (b. 1962)

Member since 2020, elected until the AGM 2029

Member of Supervisory Boards

**Mandates**

- Serviceplan Group Management SE\*
- Wayfair Inc. (until 20 May 2025)

**PROF DR DR HC CHRISTOPH M. SCHMIDT** (b. 1962)

Member since 2021, elected until the AGM 2029

President of RWI - Leibniz-Institute for Economic Research  
Essen, University Professor

**Mandates**

- Basalt-Actien-Gesellschaft\* (until 18 March 2025)
- Thyssen Vermögensverwaltung GmbH\*

**DR VISHAL SIKKA** (b. 1967)

Member since 2019, elected until the AGM 2028

CEO and Founder, Vianai Systems, Inc.\*

**Mandates**

- GSK plc.

**SIBYLLE WANKEL**<sup>2</sup> (b. 1964)

Member since 2022, elected until the AGM 2029

Managing Director and First Representative  
of IG Metall's Munich Office

**Mandates**

- KraussMaffei Group GmbH\*, Deputy Chairwoman
- MAN Truck & Bus SE\*

**PROF DR JOHANNA WENCKEBACH**<sup>2</sup> (b.1982)

Member since 2024, elected until the AGM 2029

General Legal Counsel at IG Metall, Professor of Labour Law

<sup>1</sup> Employee of BMW AG.

<sup>2</sup> Union representative.

<sup>3</sup> Executive employee of BMW AG.

\* Not listed on the stock exchange.

\*\* BMW Group mandate.

\*\*\* Group mandate (other).

— Memberships on other mandatory supervisory boards.

— Memberships on comparable boards in Germany and abroad.

# STAKEHOLDERS AND CAPITAL MARKETS

## DIALOGUE WITH STAKEHOLDERS

The BMW Group operates within a highly interconnected world. Its business activities impact the environment in which it operates, and can have both a direct and an indirect bearing on the interests of a wide variety of stakeholders. Conversely, societal trends and developments can influence many aspects of the Group's business activities. Against this backdrop, the BMW Group maintains a continuous dialogue with its stakeholders worldwide. Dialogue builds mutual trust and provides clarity about perspectives and expectations. Incorporating different external perspectives facilitates the transfer of knowledge and improves the BMW Group's ability to innovate.

The BMW Group's interaction with stakeholders includes topics brought to its attention from outside the Group as well as those in which it proactively engages in dialogue. This combination results in a comprehensive spectrum of topics:

- NEUE KLASSE with a focus on innovations in the areas of electrification, digitalisation and sustainability
- Competitiveness of the European Union and Germany
- The Paris Climate Agreement and climate neutrality goal of the BMW Group
- Emission limits with a focus on technological diversity in terms of drivetrain technologies and vehicle concepts, plus EU zero-emissions initiatives from 2035 onwards
- Hydrogen as a means of energy storage in electric drivetrain systems

- Circular design and use of secondary materials (particularly in relation to battery recycling)
- Active crisis management regarding the geopolitical situation
- Importance of a fair and rules-based global trade system that improves our competitiveness and promotes cooperation
- Supply of critical raw materials and components
- Compliance with statutory due diligence obligations in supply chains, particularly environmental and social standards and respect for human rights, especially regarding the procurement of raw materials for electromobility applications
- Social responsibility for employees



We use established events such as the BMW Group Dialogues and rad°hub to provide platforms for communication with a variety of target groups. These events usually take place several times a year. The results of this dialogue with stakeholders are documented and incorporated in the Group's strategic considerations.

Detailed information on the dialogue with stakeholders regarding sustainability topics is included in the Sustainability Statement. [➤ Stakeholder Engagement](#)

The BMW Group maintains an active, open and transparent 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.

A comprehensive overview of the BMW Group's key political positions and its approach to representing its interests can be found in [➤ Advocacy](#).

Additional information about the BMW Group's political engagement can be found in the [➤ Political Engagement and Lobbying Activities](#) section of the Sustainability Statement.

The BMW Group will continue to interact closely and constructively with its stakeholders and make use of established dialogue opportunities in 2026.

## BMW GROUP AND CAPITAL MARKETS

### Credit ratings remain at high level

BMW AG continues to have one of the best credit ratings of any automobile manufacturer. Rating agencies Moody's and Standard & Poor's (S&P) have confirmed BMW AG's existing high investment-grade credit ratings. Moody's has held its long-term rating at "A2 with stable outlook", while the short-term rating is unchanged at "P-1". Standard & Poor's has confirmed its long-term rating of "A" and its short-term rating of "A-1". However, given the challenging market and industry environment, S&P has adjusted the outlook for its long-term rating from stable to negative.

BMW AG's positioning and the operating performance achieved in previous years continue to support the existing credit ratings in the dynamic market environment and in the challenging 2025 financial year. The credit ratings are also supported by the Group's solid capital structure, balanced financial policy and good liquidity position. The increasing share of all-electric vehicles in deliveries and the opportunities that NEUE KLASSE technologies offer across the entire portfolio continue to be viewed positively by the rating agencies. With this profile, the rating agencies view BMW AG as fundamentally well positioned to meet the structural and geopolitical challenges facing the automotive industry.

These credit ratings are therefore testimony to BMW AG's excellent creditworthiness. On this basis, BMW AG continues to enjoy good access to international capital markets and benefits from attractive refinancing conditions.

Company rating	Moody's <sup>1</sup>	Standard & Poor's <sup>2</sup>
Long-term debt	A2	A
Short-term debt	P-1	A-1
Outlook	stable	negative

<sup>1</sup> Moody's scale for long-term ratings: Aaa to C. Moody's scale for short-term ratings: P-1 (Prime-1) to NP (Not Prime).

<sup>2</sup> S&P scale for long-term ratings: AAA to D. S&P scale for short-term ratings: A-1 to D.

### Good placement in sustainability ratings

The BMW Group again achieved a good ranking in prestigious sustainability ratings in 2025, confirming its strong position in this respect. As at 31 December 2025, the BMW Group has an AA rating from MSCI ESG, a score of 19.5 (low risk) from Sustainalytics, and a C+ rating and Prime status from ISS ESG. According to the most recent disclosures on the CDP website, the BMW Group is on the A List in the Climate category and has achieved an A- leadership score in the Water Security category. The results for 2025 were not yet available at the time of publication.

## Dividends once again at a high level

The Board of Management and the Supervisory Board will propose to the Annual General Meeting that the unappropriated profit of BMW AG amounting to € 2,672 million (2024: € 2,677 million) be used to pay a dividend of € 4.40 for each ordinary share entitled to receive a dividend (2024: € 4.30) and a dividend of € 4.42 for each preferred share entitled to receive a dividend (2024: € 4.32), and that the remaining amount be transferred to other revenue reserves. The payout ratio (unappropriated profit of BMW AG in accordance with HGB in relation to the BMW Group net profit attributable to shareholders of BMW AG in accordance with IFRS) for 2025 therefore stands at 36.6% (2024: 36.7%).

## BMW AG Stock

	2025	2024	2023	2022	2021
<b>ORDINARY SHARE</b>					
Number of issued shares in 1,000	561,135	579,796	579,796	601,995	601,995
Shares bought back as of reporting date in 1,000	6,909	13,364	4,218	15,312	-
Stock exchange price in € <sup>1</sup>					
Year-end closing price	93.14	78.98	100.78	83.38	88.49
High	97.42	114.75	112.90	99.32	95.89
Low	63.52	65.96	85.80	69.13	68.34
<b>PREFERRED SHARE</b>					
Number of issued shares in 1,000	54,676	58,920	58,920	60,844	59,404
Shares bought back as of reporting date in 1,000	1,773	3,093	943	1,449	-
Stock exchange price in € <sup>1</sup>					
Year-end closing price	91.50	72.40	89.95	79.55	73.30
High	92.55	105.40	105.00	85.20	82.00
Low	59.59	62.00	80.15	58.85	51.60
<b>KEY DATA PER SHARE IN €</b>					
Dividend					
Ordinary share	4.40	4.30	6.00	8.50	5.80
Preferred share	4.42	4.32	6.02	8.52	5.82
Earnings per ordinary share <sup>3</sup>	11.89	11.62	17.67	27.31	18.77
Earnings per preferred share <sup>4</sup>	11.91	11.64	17.69	27.33	18.79
Free cash flow Automotive segment <sup>5</sup>	5.34	7.80	10.96	17.14	9.61
Equity <sup>5,6</sup>	157.62	148.35	141.42	134.85	113.60

<sup>1</sup> Xetra closing prices.

<sup>2</sup> Proposed by management.

<sup>3</sup> Weighted average number of shares for the year.

<sup>4</sup> Stock weighted according to dividend entitlements.

<sup>5</sup> The key figure is calculated without the repurchased shares.

<sup>6</sup> The equity attributable to shareholders of BMW AG has been used for the calculation since the 2022 financial year.

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\* Not part of ESRS reporting.

02

**COMBINED  
MANAGEMENT REPORT**

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## 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<sup>1</sup>.

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.



<sup>1</sup> Excluding the joint operation Spotlight; see [↗ ESG Glossary and Explanations of Key Figures](#) for a definition.

<sup>2</sup> [↗ 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<sup>1</sup>) and cutting-edge plug-in hybrids (PHEVs<sup>2</sup>) 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<sup>3</sup> 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<sup>3</sup>, 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<sup>3</sup> and the all-electric Rolls-Royce Spectre<sup>3</sup>.

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.

<sup>1</sup> Battery electric vehicle [↗ Electrified Vehicles](#).

<sup>2</sup> Plug-in hybrid electric vehicle [↗ Electrified Vehicles](#).

<sup>3</sup> [↗ 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 expectations 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<sub>2</sub> 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<sub>2</sub> 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

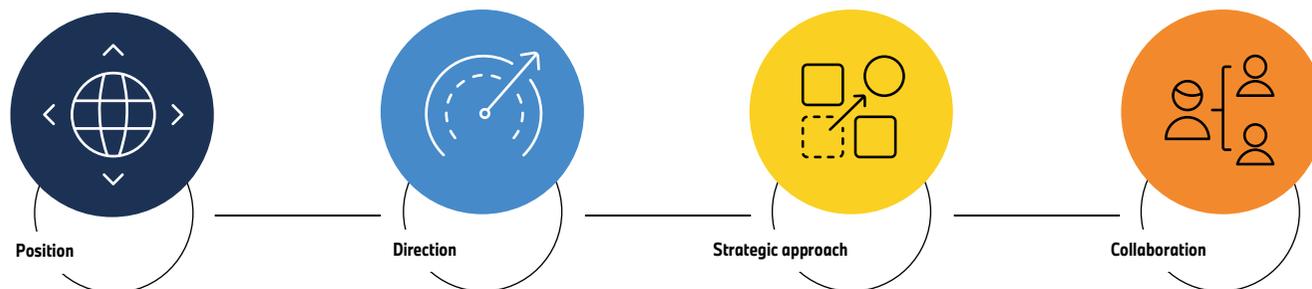
Contains disclosures pursuant to ESRS 2 SBM-1, SBM-3

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<sub>2</sub>e) 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<sub>2</sub>e emissions by at least 40 million tonnes CO<sub>2</sub>e compared to the base year of 2019 – from 150.1 million tonnes CO<sub>2</sub>e to 108.6 million tonnes CO<sub>2</sub>e. 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<sub>2</sub>e. These actions are intended to achieve a reduction of at least 60 million tonnes CO<sub>2</sub>e versus the base year of 2019. [➤ Path to achieving the CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sup>3</sup> – 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 work-flows 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<sub>2</sub>e emissions [Path to achieving the CO<sub>2</sub>e 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)<sup>1</sup>
- Carbon-equivalent emissions for Scope 1 and 2 (in millions of tonnes CO<sub>2</sub>e)<sup>2</sup>

### 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<sub>2</sub>e)

### 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 %

<sup>1</sup> Refers to BMW AG in Germany.

<sup>2</sup> 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.

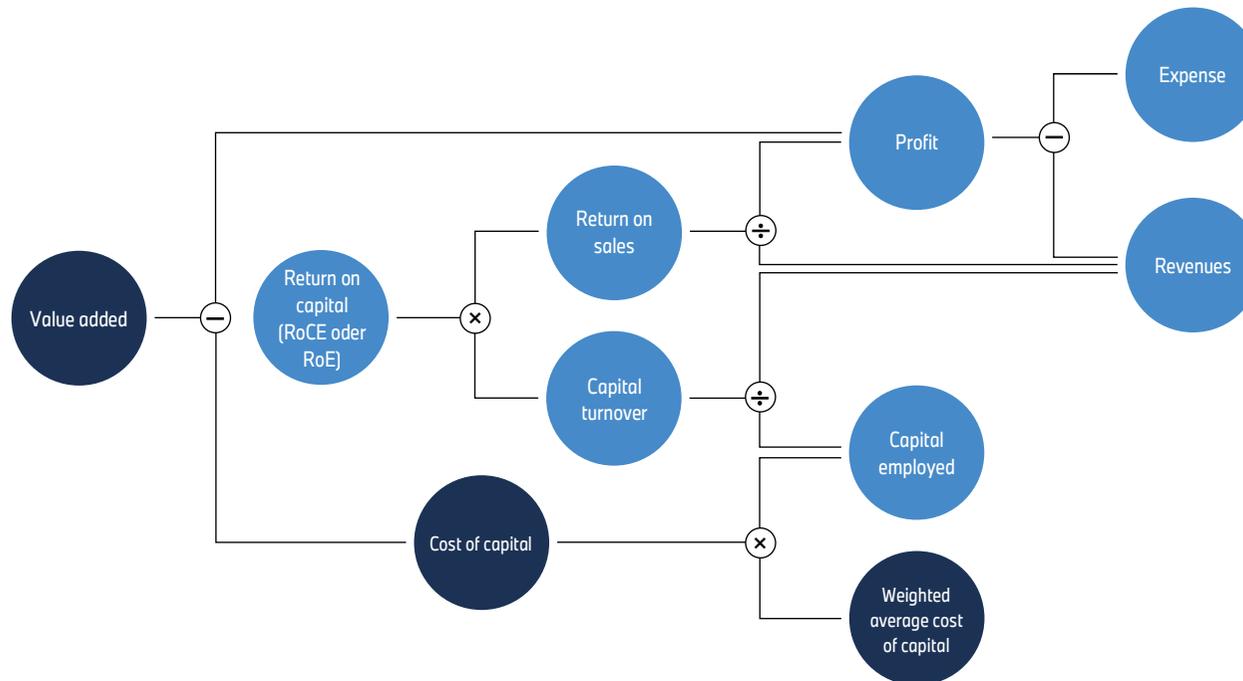
### Performance management

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

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

$$\begin{aligned} \text{Value added Group} &= \text{Earnings amount} - \text{Cost of capital} \\ &= \text{Earnings amount} - (\text{cost of capital rate} \times \text{capital employed}) \end{aligned}$$

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<sup>1</sup>. 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<sup>1</sup> 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.<sup>2</sup> 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.

<sup>1</sup> ↗ Consumption and Carbon Disclosures.

<sup>2</sup> 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 Momena



In cooperation with Momena, 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 Momena 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<sup>1</sup> 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<sup>2</sup>. 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<sup>2</sup>, which is certified via Energy Attribute Certificates (EACs).

<sup>1</sup> 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.

<sup>2</sup> 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<sub>2</sub>e 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<sub>2</sub>e emissions by as much as 90% compared with fossil-based diesel.

### Lower CO<sub>2</sub>e fuels for petrol vehicles as well

The BMW Group, Lothar GmbH and German eFuel One GmbH are working in partnership with the aim of promoting the use of petrol with lower CO<sub>2</sub>e 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<sub>2</sub>. 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 production 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 <sup>1</sup> , BMW X4, BMW X5 <sup>1</sup>	ICE, PHEV
Berlin	Germany	BMW motorcycles	ICE, BEV
Chennai	India	BMW 2 Series, BMW 3 Series, BMW 5 Series, BMW 7 Series, BMW X1 <sup>1</sup> , BMW iX1 <sup>1</sup> , BMW X3 <sup>1</sup> , BMW X5 <sup>1</sup> , BMW X7 <sup>1</sup>	ICE, BEV
Debrecen	Hungary	BMW iX1 <sup>1</sup>	BEV
Dingolfing	Germany	BMW 4 Series, BMW 5 Series, BMW i5 <sup>1</sup> , BMW 7 Series, BMW i7 <sup>1</sup> , BMW 8 Series, BMW M, BMW iX <sup>1</sup>	ICE, BEV, PHEV
Goodwood (Rolls-Royce Manufacturing)	UK	Rolls-Royce Cullinan <sup>1</sup> , Ghost <sup>1</sup> , Phantom <sup>1</sup> , Spectre <sup>1</sup>	ICE, BEV
Leipzig	Germany	BMW 1 Series, BMW 2 Series, MINI Countryman <sup>1</sup>	ICE, BEV, PHEV
Manaus	Brazil	BMW motorcycles	ICE
Munich	Germany	BMW 3 Series, BMW 4 Series, BMW i4 <sup>1</sup> , BMW M	ICE, BEV, PHEV
Oxford	UK	MINI Cooper <sup>1</sup> , MINI Cooper Convertible <sup>1</sup>	ICE
Rayong	Thailand	BMW 2 Series, BMW 3 Series, BMW 5 Series, BMW i5 <sup>1</sup> , BMW X1 <sup>1</sup> , BMW X3 <sup>1</sup> , BMW X5 <sup>1</sup> , BMW X6 <sup>1</sup> , BMW X7 <sup>1</sup> , MINI Countryman <sup>1</sup> BMW Motorrad	ICE, BEV, PHEV
Regensburg	Germany	BMW X1 <sup>1</sup> , BMW iX1 <sup>1</sup> , BMW X2 <sup>1</sup> , BMW iX2 <sup>1</sup>	ICE, BEV, PHEV
Rossllyn	South Africa	BMW X3 <sup>1</sup>	ICE, PHEV
San Luis Potosí	Mexico	BMW 2 Series, BMW 3 Series, BMW M	ICE, PHEV
Shenyang (Dadong)	China	BMW 5 Series, BMW i5 <sup>1</sup> , BMW iX3 <sup>1</sup> , BMW X5 <sup>1</sup>	ICE, BEV
Shenyang (Tiexi)	China	BMW 2 Series, BMW 3 Series, BMW i3, BMW X1 <sup>1</sup> , BMW iX1 <sup>1</sup> , BMW X3 <sup>1</sup>	ICE, BEV
Spartanburg	USA	BMW X3 <sup>1</sup> , BMW X4, BMW X5 <sup>1</sup> , BMW X6 <sup>1</sup> , BMW X7 <sup>1</sup> , BMW XM <sup>1</sup> , BMW M	ICE, PHEV

## Jointly controlled vehicle plants

Location	Country	Production programme 2025 (series)	Drivetrain portfolio
Zhangjiagang (Spotlight)	China	MINI Cooper <sup>1</sup> , MINI Aceman <sup>1</sup>	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<sup>1</sup> and MINI Aceman<sup>1</sup> 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<sup>2</sup> produced the BMW Z4<sup>2</sup> 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.

<sup>1</sup> ↗ Consumption and Carbon Disclosures.

<sup>2</sup> Contract manufacturing.

<sup>3</sup> 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
Rossllyn (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
<b>Total</b>	<b>2,456,561</b>	<b>2,513,830</b>	<b>-2.3</b>

\* 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 network
- 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<sup>1</sup> 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

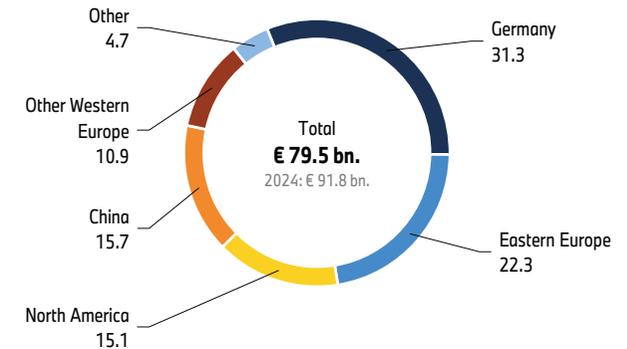
Maintaining supplies and deliveries to BMW Group plants is a key element of the purchasing strategy. Risks throughout supply chains are proactively identified and mitigated by means of robust measures.

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<sup>2</sup> 2025 – principle of local-for-local sourcing

in %



## 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.

<sup>1</sup> BMW Group IT system.

<sup>2</sup> 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 extends to the sites of sub-suppliers 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 CO<sub>2</sub>e 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 [2 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

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# 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<sub>2</sub>/km and, at 90.0 g CO<sub>2</sub>/km (WLTP), were once again below the required limit of 92.9 g CO<sub>2</sub>/km (limit in 2024: 130.1 g CO<sub>2</sub>/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
<b>Total</b>	<b>+ 3.3</b>

### 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
<b>Total</b>	<b>- 7.2</b>

\* 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
<b>GROUP</b>				
Profit before tax	At previous years's level	Q3: Slight decrease	€ million	10,236 (-6.7%) Slight decrease
Employees at year-end <sup>1</sup>	At previous years's level	Q3: Slight decrease		154,540 (-1.9%) Slight decrease
Share of women in management positions <sup>1</sup>	Slight increase		%	22.0 (+1.9%) Slight increase
CO <sub>2</sub> e emissions scope 1 and 2 <sup>2</sup>	Slight increase	Q3: Slight reduction	million tonnes	0.792 (-2.2%) Slight reduction
<b>AUTOMOTIVE SEGMENT</b>				
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 <sub>2</sub> e emissions scope 3 supply chain and use phase <sup>3</sup>	Slight increase	Q3: Slight reduction	million tonnes	118.7 (-5.1%) Moderate reduction
<b>MOTORCYCLES SEGMENT</b>				
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
<b>FINANCIAL SERVICES SEGMENT</b>				
Return on equity (RoE)	Between 13 and 16		%	14.3

<sup>1</sup> Excluding the joint operation Spotlight.

<sup>2</sup> 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.

<sup>3</sup> CO<sub>2</sub>e 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
<b>Gross profit</b>	<b>20,595</b>	<b>22,895</b>	<b>- 10.0</b>
Selling and administrative expenses	- 10,606	- 11,296	6.1
Other operating income and expenses	197	- 90	-
<b>Profit before financial result</b>	<b>10,186</b>	<b>11,509</b>	<b>- 11.5</b>
Financial result	50	- 538	-
<b>Profit before tax</b>	<b>10,236</b>	<b>10,971</b>	<b>- 6.7</b>
Income taxes	- 2,785	- 3,293	- 15.4
<b>Net profit</b>	<b>7,451</b>	<b>7,678</b>	<b>- 3.0</b>
Attributable to non-controlling interests	157	388	- 59.5
<b>Attributable to shareholders of the BMW AG</b>	<b>7,294</b>	<b>7,290</b>	<b>0.1</b>
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 <sup>1</sup>	15.4	16.1	- 0.7
Pre-tax return on sales <sup>2</sup>	7.7	7.7	-
Post-tax return on sales <sup>3</sup>	5.6	5.4	0.2
Effective tax rate <sup>4</sup>	27.2	30.0	- 2.8

<sup>1</sup> Gross profit as a percentage of Group revenues.

<sup>2</sup> Group profit before tax as a percentage of Group revenues.

<sup>3</sup> Group net profit as a percentage of Group revenues.

<sup>4</sup> 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
<b>Group</b>	<b>100.0</b>	<b>100.0</b>

## 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
<b>Cost of sales</b>	<b>112,858</b>	<b>119,485</b>	<b>– 5.5</b>

## 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
<b>Research and development expenses</b>	<b>6,848</b>	<b>7,642</b>

## BMW Group performance indicators relating to research and development expenses

in %	2025	2024	Change in % points
Research and development expenditure ratio <sup>1</sup>	6.2	6.4	-0.2
Capitalisation rate <sup>2</sup>	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<sup>3</sup> 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.

<sup>1</sup> Research and development expenditure as a percentage of Group revenues.

<sup>2</sup> Capitalised development costs as a percentage of research and development expenditure.

<sup>3</sup> 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
<b>Change in cash and cash equivalents</b>	<b>- 433</b>	<b>1,960</b>	<b>- 2,393</b>

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
<b>Free cash flow Automotive segment</b>	<b>3,240</b>	<b>4,852</b>	<b>- 1,612</b>

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
<b>Financial assets</b>	<b>47,001</b>	<b>49,727</b>	<b>- 2,726</b>
Less: external financial liabilities*	- 2,613	- 3,948	1,335
<b>Net financial assets Automotive</b>	<b>44,388</b>	<b>45,779</b>	<b>- 1,391</b>

\* 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
<b>Change in cash and cash equivalents</b>	<b>127</b>	<b>13</b>	<b>114</b>

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 %
<b>ASSETS</b>						
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
<b>Total assets</b>	<b>265,967</b>	<b>100.0</b>	<b>267,732</b>	<b>100.0</b>	<b>- 0.7</b>	<b>3.9</b>
<b>EQUITY AND LIABILITIES</b>						
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
<b>Total equity and liabilities</b>	<b>265,967</b>	<b>100.0</b>	<b>267,732</b>	<b>100.0</b>	<b>- 0.7</b>	<b>3.9</b>

\* 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 ESR5 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<sup>1</sup> 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
<b>Total</b>	<b>642,071</b>	<b>593,150</b>	<b>8.2</b>
in %			
BEV-Anteil	17.9	17.4	2.9
PHEV-Anteil	8.1	6.8	19.1
<b>xEV-Anteil</b>	<b>26.1</b>	<b>24.2</b>	<b>7.9</b>



<sup>1</sup> 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.

<sup>2</sup> [↗ 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
<b>Total</b>	<b>2,463.7</b>	<b>2,450.9</b>	<b>2,554.2</b>	<b>2,399.6</b>	<b>2,521.5</b>

### 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.

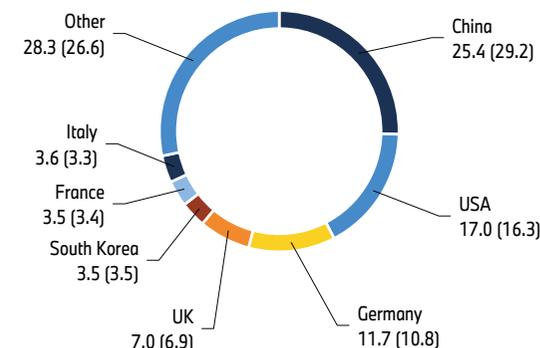
In addition, there was an rise in deliveries of PHEV models in particular. With a significant increase of 21.8%, deliveries of BMW PHEVs reached 199,883 vehicles (2024: 164,172 units). Among the most successful models in the reporting year were the models in the X family, such as the BMW X1\*. The BMW 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.

## BMW Group – largest automobile markets in 2025 (2023)

in % of sales



## 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	-
<b>BMW total</b>	<b>2,169,739</b>	<b>2,200,217</b>	<b>-1.4</b>	<b>100.0</b>
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
<b>MINI total</b>	<b>288,278</b>	<b>244,925</b>	<b>17.7</b>	<b>100.0</b>

### 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.



### 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
<b>Rolls-Royce total</b>	<b>5,664</b>	<b>5,712</b>	<b>-0.8</b>

### 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.

## 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%).

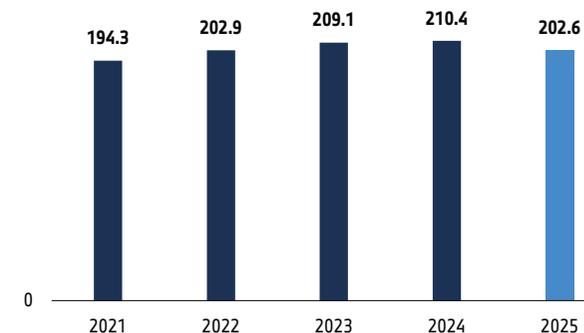
### Market launches in the reporting year

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.

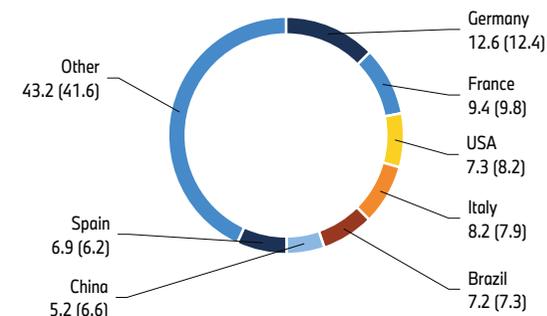
### Deliveries of BMW motorcycles

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.

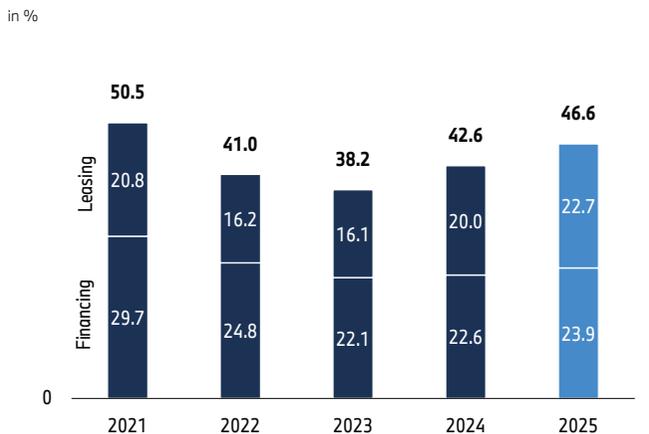
### New business up slightly on the previous year

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\*

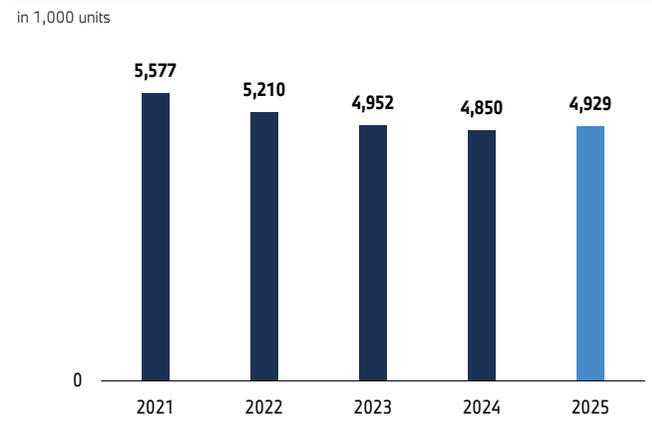


\*The calculation only includes automobile markets in which the Financial Services segment is represented by a consolidated entity.

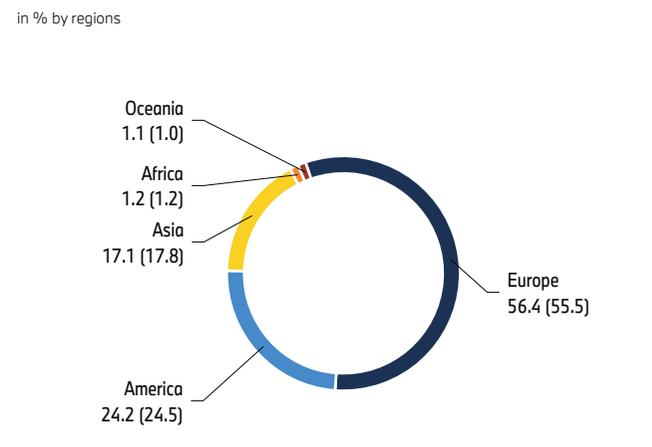
### Slight increase in number of financed and leased vehicles

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



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



**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
<b>Gross profit</b>	<b>14,898</b>	<b>17,103</b>
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
<b>Profit after income tax</b>	<b>3,944</b>	<b>3,541</b>
Other taxes	- 17	- 17
<b>Net profit</b>	<b>3,927</b>	<b>3,524</b>
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	-
<b>Unappropriated profit available for distribution</b>	<b>2,672</b>	<b>2,677</b>

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	in € million	2025	2024
<b>ASSETS</b>			<b>EQUITY AND LIABILITIES</b>		
Intangible assets	1,224	1,606	Subscribed capital	616	639
Property, plant and equipment	17,184	16,623	Nominal amount of treasury shares	- 9	- 17
Investments	12,001	12,020	Capital reserves	2,473	2,450
<b>Tangible, intangible and investment assets</b>	<b>30,409</b>	<b>30,249</b>	Revenue reserves	11,000	10,926
Inventories	7,296	7,766	Unappropriated profit available for distribution	2,672	2,677
Trade receivables	1,164	1,005	<b>Equity</b>	<b>16,752</b>	<b>16,675</b>
Receivables from subsidiaries	15,650	13,546	<b>Registered profit-sharing certificates</b>	<b>22</b>	<b>23</b>
Other receivables and other assets	5,485	3,845	Pension provisions	2,153	1,848
Marketable securities	1,189	1,912	Other provisions	9,897	10,660
Cash and cash equivalents	8,407	8,142	Provisions	12,050	12,508
<b>Current assets</b>	<b>39,191</b>	<b>36,216</b>	Trade payables	7,097	6,892
<b>Prepaid expenses</b>	<b>128</b>	<b>105</b>	Liabilities to subsidiaries	28,358	23,949
			Other liabilities	588	1,794
			<b>Liabilities</b>	<b>36,043</b>	<b>32,635</b>
			<b>Deferred income</b>	<b>4,861</b>	<b>4,729</b>
<b>Total assets</b>	<b>69,728</b>	<b>66,570</b>	<b>Total assets</b>	<b>69,728</b>	<b>66,570</b>

**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 proportion 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](http://www.bmwgroup.com/ir).

# SUSTAINABILITY STATEMENT

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\* Not part of ESRS reporting.

## FOREWORD TO THE SUSTAINABILITY STATEMENT<sup>1</sup>

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<sub>2</sub>e emissions by 2050 at the latest. The Company's sustainability targets remain ambitious and are science-based<sup>2</sup>. 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<sup>3</sup> 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<sub>2</sub>e 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<sub>2</sub>e emissions levels across the entire value chain by at least 40 million tonnes CO<sub>2</sub>e 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<sub>2</sub>e 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<sup>4</sup> 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<sup>4</sup> 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<sup>4</sup> 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<sub>2</sub>e emission targets.

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

<sup>1</sup> Not part of ESRS reporting.

<sup>2</sup> Additional information is available in [ESG Glossary and Explanations of Key Figures](#).

<sup>3</sup> See [Glossary](#) for a definition of electricity from renewable sources.

<sup>4</sup> [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<sub>2</sub>e emissions lies in expanding the use of renewable, CO<sub>2</sub>e-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<sub>2</sub>e 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<sub>2</sub> 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<sub>2</sub>e 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.

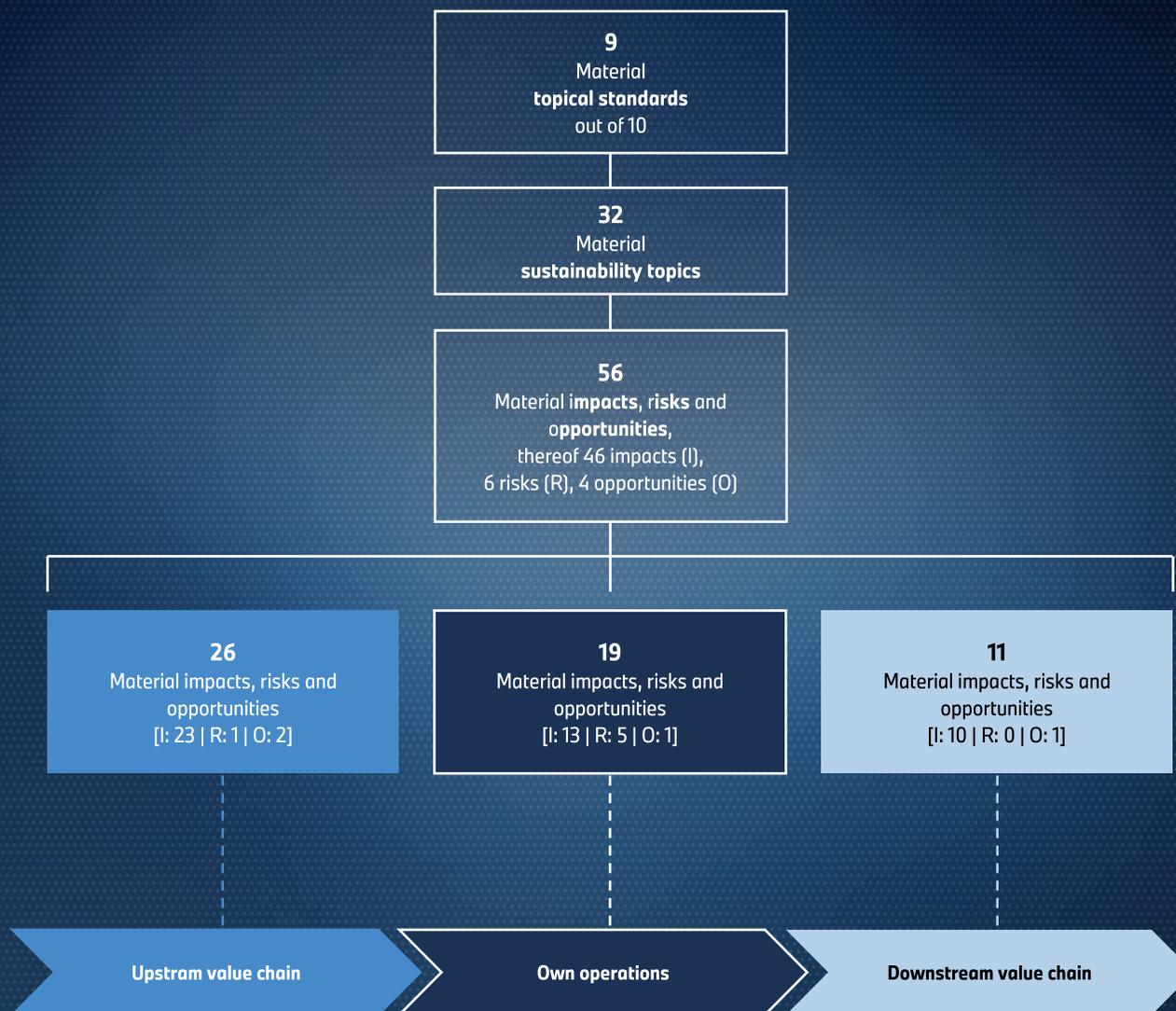
Our clear and consistent corporate strategy and commitment to responsible action form the basis of long-term success, as exemplified by the road map set out by the BMW Group for the NEUE KLASSE.

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](#).

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## 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 data-points is available in the [ESRS Index](#). An overview of all data-points 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.

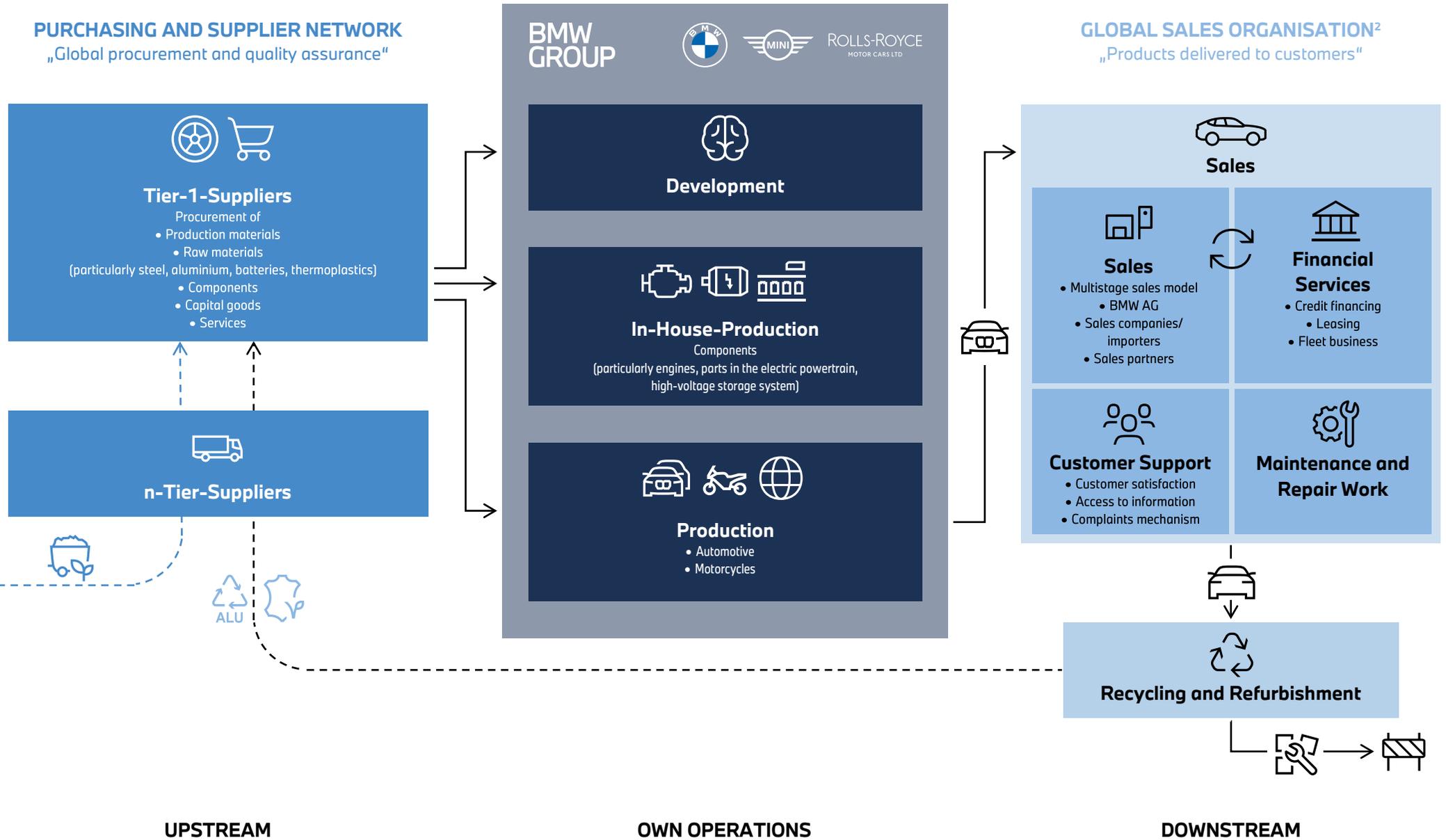
An overview of the current and expected benefits of the products and services for customers, investors and other relevant stakeholders can be found in » [Cornerstones of the Strategy](#). For information on financial performance and the course of business, please refer to » [Financial Performance](#) 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<sup>1</sup>



<sup>1</sup> Simplified depiction according to ERS. <sup>2</sup> 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<sub>2</sub>e 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<sub>2</sub>e 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<sup>1</sup> 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<sup>2</sup> 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

<sup>1</sup> The LEAP approach is an integrated environmental assessment process comprising four steps: Locate, Evaluate, Assess and Prepare.

<sup>2</sup> 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	
Medium to high water stress	Rayong	Thailand
	Eisenach	Germany
	Wackersdorf	Germany
	Goodwood	UK
Low to medium water stress	San Luis Potosí	Mexico
	Zhangjiagang	China
Low water stress	Hams Hall	UK
	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)
<b>E1 Climate Change</b> Climate change adaptation > Climate change mitigation >>> Energy >>>	<b>S1 Own Workforce</b> Health and safety > Gender equality and equal pay for work of equal > Diversity > Training and skills development > Secure employment > Social dialogue > Collective bargaining >	<b>G1 Business Conduct</b> Political engagement and lobbying activities > Corruption and bribery – Prevention and detection including training >
<b>E2 Pollution</b> Pollution of water > Pollution of soil > Microplastic >	<b>S2 Workers in the Value Chain</b> Working time > Adequate wages > Freedom of association, including the existence of work councils > Health and safety > Training and skills development >	
<b>E3 Water and Marine Resources</b> Water consumption >>> Water withdrawals >	Measures against violence and harassment in the workplace > Child labour > Forced labour >	
<b>E4 Biodiversity</b> Direct exploitation >	<b>S4 Consumers and End-Users</b> Access to (quality) information > Privacy > Health and safety >	
<b>E5 Circular Economy</b> Resources inflows, including resource use >>> Resource outflows related to products and services > Waste >		

> 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<sub>2</sub>e-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<sub>2</sub>e 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

### SUPERVISORY BOARD

♀ 30% | ♂ 70% 10 representatives each from shareholders and employees



- Monitoring the management of the Board of Management
- Advising the Board of Management on important matters relating to the management



### BOARD OF MANAGEMENT\*

♀ 14% | ♂ 86%



- Overall responsibility for the management
- Definition of the strategy and resource framework
- Taking actions to implement the strategy



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.

ESG Sustainability-related corporate 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.

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		(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
		Development	

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<sub>2</sub>e 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	<input checked="" type="checkbox"/>	Individual mobility	Climate change <input checked="" type="checkbox"/>
US	<input checked="" type="checkbox"/>	Corporate strategy	Pollution <input checked="" type="checkbox"/>
China	<input checked="" type="checkbox"/>	Technologies	Water and marine resources <input checked="" type="checkbox"/>
Other	<input checked="" type="checkbox"/>	Production	Biodiversity and ecosystems <input checked="" type="checkbox"/>
		Sales	Circular economy and resource use <input checked="" type="checkbox"/>
		Finance	Own workforce <input checked="" type="checkbox"/>
		Personnel management	Workers in the value chain <input checked="" type="checkbox"/>
		Digitalisation	Consumers and end-users <input checked="" type="checkbox"/>
		Supply chain	Business conduct <input checked="" type="checkbox"/>

### 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<sub>2</sub>e emissions in Scopes 1 and 2 as well as Scope 3 total, the reduction in fleet CO<sub>2</sub> 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

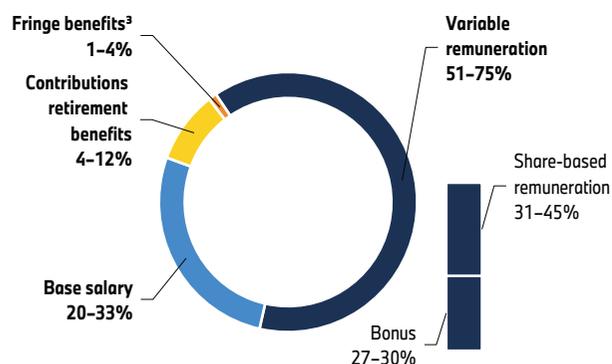
ESRS 2 GOV-3, ESRS E1 GOV-3

### 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<sup>1</sup>



<sup>1</sup> The remuneration structure as defined in the remuneration system for total target remuneration is depicted.

<sup>2</sup> 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<sub>2</sub>e 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<sub>2</sub>e emissions, Scope 3 total CO<sub>2</sub>e 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

- a) Embedding due diligence in governance, strategy and business model
- b) Engaging with affected stakeholders in all key steps of the due diligence
- c) Identifying and assessing adverse impacts
- d) Taking actions to address those adverse impacts

- e) Tracking the effectiveness of these efforts and communicating

#### Paragraphs in the sustainability statement

- 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
- Procedure and methodological basis for the materiality assessment
- Stakeholder Engagement
- Principles of Governance by the Board of Management and Supervisory Board
- 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
- Transition plan to achieve Net-Zero emissions by 2050
- Climate change mitigation and adaptation 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
- 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

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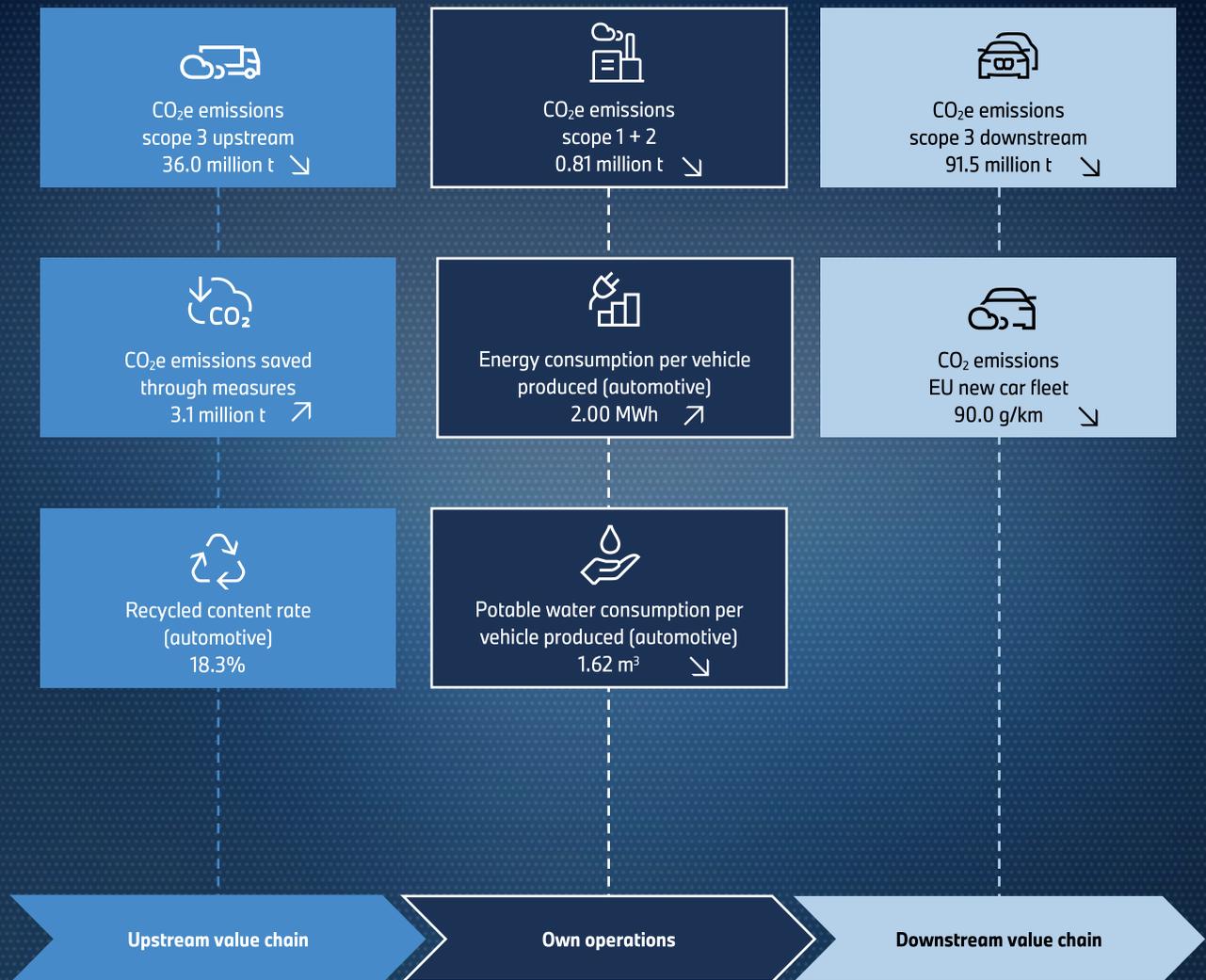
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## CLIMATE CHANGE MITIGATION AND ADAPTATION

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 <sub>2</sub> e in 2030 compared to 2019 levels (target 2030: 108.6 million tonnes CO <sub>2</sub> e), and reduce by at least a further 20 million tonnes CO <sub>2</sub> e 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
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				– Logistics: expansion of innovation and infrastructure management process for logistics actions
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				– Use phase: consistent electrification of the vehicle fleet and further efficiency improvements for conventional drivetrains
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				– Continuous increase in the use of charging electricity from CO <sub>2</sub> e-free generation
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 [2 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<sub>2</sub>e 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<sub>2</sub>e, 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e emissions. The interactions between volume, drivetrain mix, and supply chain are made more transparent within planning processes by integrating the impact on CO<sub>2</sub>e emissions directly into scenario analyses used for volume and financial planning.

In addition to the CO<sub>2</sub>e 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<sub>2</sub> 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

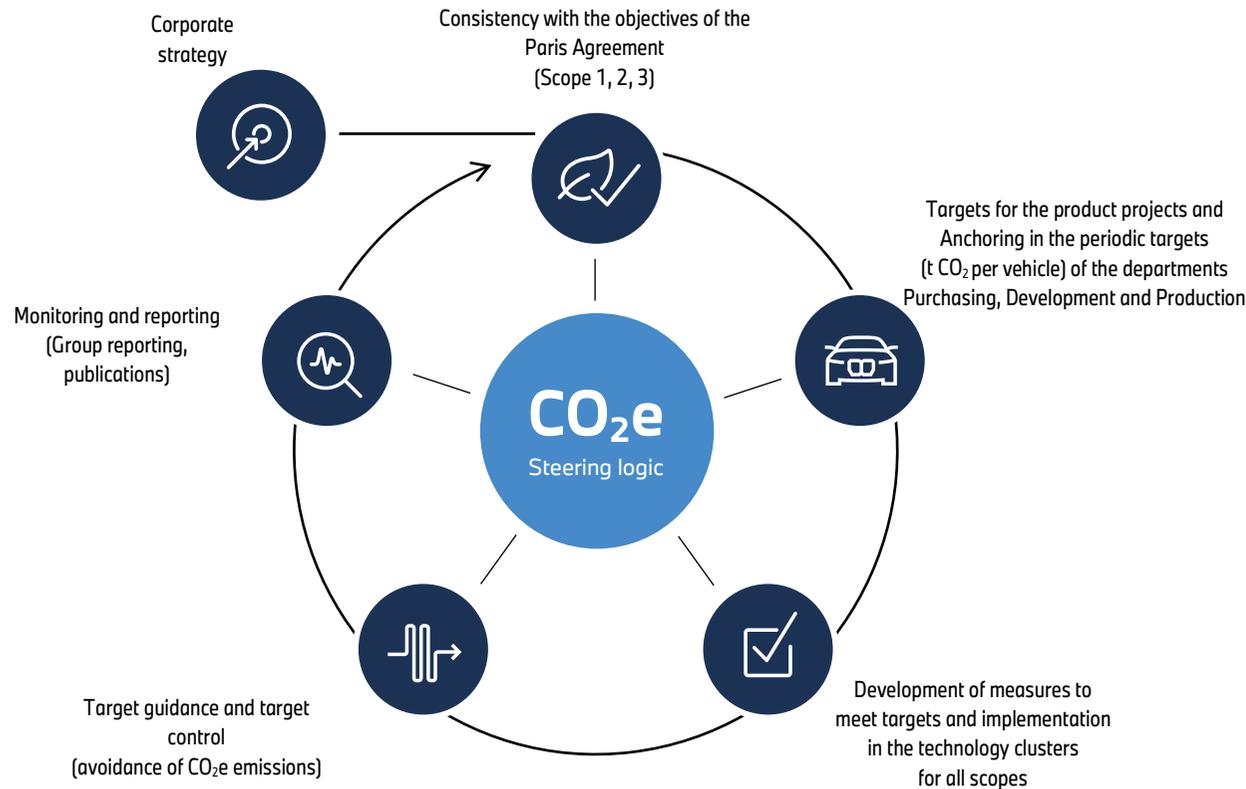
#### ESRS E1-1, E1-4

The BMW Group aims to achieve net zero CO<sub>2</sub>e emissions across the entire value chain by latest 2050. This means that the unavoidable CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e targets were converted from relative values to absolute values.

[Science-based, cross-sectoral methods](#) were used to derive CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e emissions of 2.5% per year as compared with 2019. The BMW Group uses a holistic approach that looks at the CO<sub>2</sub>e 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<sub>2</sub>e targets, specific decarbonisation levers are identified, assessed, approved and implemented for each scope.

The expected CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e emissions by at least 40 million tonnes CO<sub>2</sub>e compared to the 2019 base year by 2030 – from 150.1 million tonnes CO<sub>2</sub>e to 108.6 million tonnes CO<sub>2</sub>e. 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub> 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<sub>2</sub>e 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<sub>2</sub>e). 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e).

In the supply chain, the biggest levers for reducing CO<sub>2</sub>e are the use of electricity from renewable sources and the use of secondary materials and raw materials from CO<sub>2</sub>e-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<sub>2</sub>e 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<sub>2</sub>e emissions can be reduced further over the entire life cycle. Compared to similar vehicle concepts with an internal combustion engine, Scope 3 CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e footprint of the supply chain.

For example, by using materials with CO<sub>2</sub>e-reduced manufacturing processes or higher proportions of secondary materials, CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e-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<sub>2</sub>e-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<sub>2</sub>e reduction

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

The overarching CO<sub>2</sub>e 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<sub>2</sub>e was achieved compared to the previous year (2024: 38,000 t CO<sub>2</sub>e/–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<sub>2</sub>e emissions. As a result, CO<sub>2</sub>e reduction measures are focused on these areas in particular.

The BMW Group has established the reduction of CO<sub>2</sub>e 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<sub>2</sub>e-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<sub>2</sub>e-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<sub>2</sub>e (2024: 2.8 million tonnes CO<sub>2</sub>e/+12.4 %). It is expected that it will be possible to reduce CO<sub>2</sub>e 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<sub>2</sub>e-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<sub>2</sub>e emissions. Participating suppliers are provided support with defining CO<sub>2</sub>e 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<sup>1</sup>, 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<sub>2</sub>e 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<sub>2</sub> fuel cells) since 2022 in addition to the "HyCET" research project (trucks featuring H<sub>2</sub> 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.

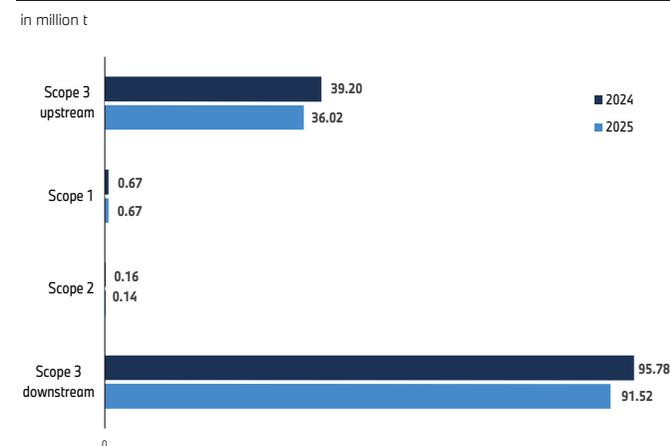
The implementation of these CO<sub>2</sub>e reduction measures is initially geared towards the years 2030 and 2035. However, the measures extend well beyond that in many areas, such as the adaptation of the product portfolio or making it possible to operate new sites without the use of fossil fuels. 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<sub>2</sub>e 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<sub>2</sub>e emissions, excluding biogenic CO<sub>2</sub> emissions, totalled 128,352,902 t CO<sub>2</sub>e (2024: 135,821,526 t CO<sub>2</sub>e/-5.5%).<sup>2</sup> The CO<sub>2</sub>e emissions in Scope 1 and 2 amount to 811,420 t CO<sub>2</sub>e (2024: 836,963 t CO<sub>2</sub>e/-3.1%) and 127,541,482 t CO<sub>2</sub>e (2024: 134,984,563 t CO<sub>2</sub>e/-5.5%) in Scope 3.<sup>2</sup> The largest proportion of this, 99.4%, is attributable to the Scope 3 CO<sub>2</sub>e emissions, with 28.1% attributable to Scope 3 upstream and 71.3% to Scope 3 downstream.

### CO<sub>2</sub>e emissions of the BMW Group<sup>2</sup>



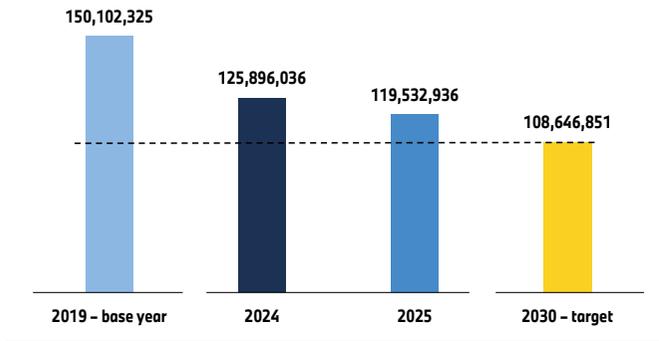
<sup>1</sup> [↗ Consumption and Carbon Disclosures.](#)

<sup>2</sup> 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<sub>2</sub>e; Scope 3: 4,687,325 t CO<sub>2</sub>e; Scope 3 upstream: 4,100,290 t CO<sub>2</sub>e; Scope 3 downstream: 587,035 t CO<sub>2</sub>e). 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e (2024: 836.963 t CO<sub>2</sub>e/−3,1%) and for Scope 3 118.721.516 t CO<sub>2</sub>e (2024: 125.059.073 t CO<sub>2</sub>e/−5,1%).

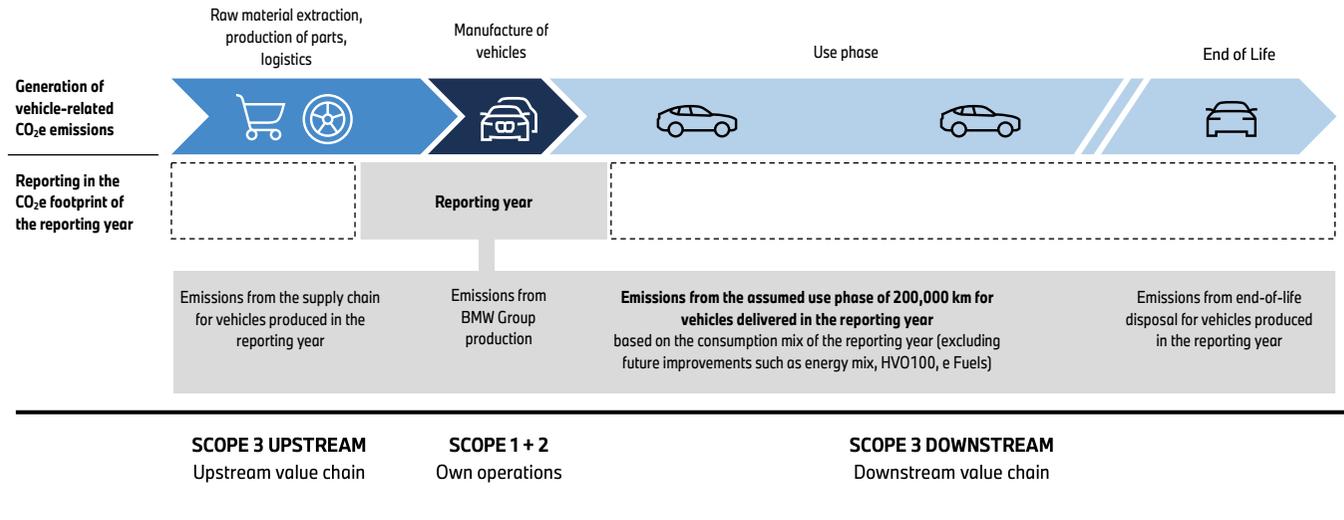
### CO<sub>2</sub>e emissions target 2030 (Scope 1, 2 and 3)

in t



The following schematic illustrations clarify the origin and recording of vehicle-related CO<sub>2</sub>e 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).

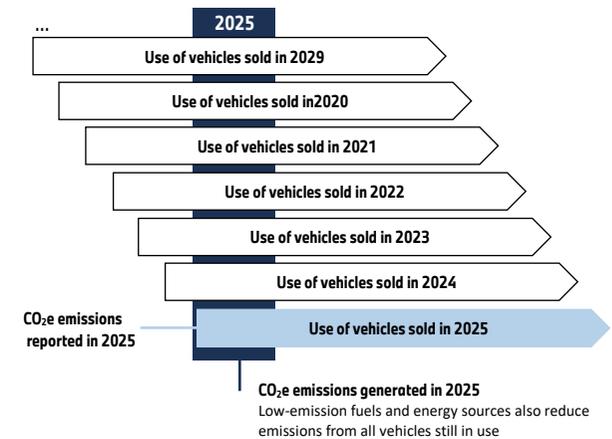
### Generation and reporting of CO<sub>2</sub>e emissions of a vehicle



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<sub>2</sub>e 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<sub>2</sub>e emissions, the BMW Group also assesses its fleet CO<sub>2</sub> emissions limits in the use phase. Within the EU, average fleet CO<sub>2</sub> 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<sup>1,2</sup>

in g CO <sub>2</sub> /km	2025	2024	Change in %
Fleet emissions EU <sup>3</sup>	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 <sup>4</sup>	175.7	185.0	- 5.0
Fleet emissions China	153.6	141.9	8.2
Fleet emissions USA <sup>5</sup>	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.

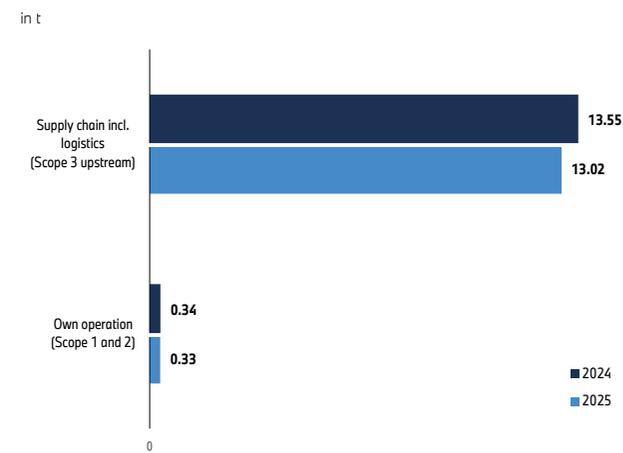
Global CO<sub>2</sub>e fleet emissions for the BMW Group showed a further reduction in the reporting year. As in previous years, when calculating the emissions metrics, the BMW Group takes into account volume-weighted fleet CO<sub>2</sub>e emissions (including upstream emissions for fuel and electric 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<sub>2</sub>e emissions.

The BMW Group is involved in associations and also participates independently in political debates on future requirements related to CO<sub>2</sub> 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<sub>2</sub>e 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<sub>2</sub>e/€ million (2024: 966 t CO<sub>2</sub>e/€ million/+0.8%) according to the market-based method and 982 t CO<sub>2</sub>e/€ million (2024: 974 t CO<sub>2</sub>e/€ million/+0.8%) according to the location-based method.<sup>6</sup> 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<sub>2</sub>e emissions from BMW Group locations (Scope 1 and 2) are 0.33 t CO<sub>2</sub>e per vehicle produced (2024: 0.34 t per vehicle produced/-2.9%), while CO<sub>2</sub>e emissions for the supply chain are 13.02 t per vehicle produced (2024: 13.55 t per vehicle produced/-3.9%).<sup>7</sup> Changes in the production volume may affect these reporting metrics [Production Network](#).

### CO<sub>2</sub>e emissions per vehicle produced (automotive)<sup>7</sup>



The allocation of emissions to all scopes and relevant categories reveals the details of the BMW Group's CO<sub>2</sub>e footprint. Biogenic CO<sub>2</sub> emissions are reported separately afterwards.

<sup>1</sup> Additional information is available in [ESG Glossary and Explanations of Key Figures](#).

<sup>2</sup> Assurance level: reasonable assurance.

<sup>3</sup> EU-27 countries plus Norway and Iceland.

<sup>4</sup> The calculated emissions include upstream emissions from supplying fuel.

<sup>5</sup> Converted from g/ml to g/km for comparison purposes.

<sup>6</sup> 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<sub>2</sub>e [market-based method] and 33 t CO<sub>2</sub>e [location-based method]).

<sup>7</sup> 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<sub>2</sub>e 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<sub>2</sub>e footprint<sup>1</sup>

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

<sup>1</sup> 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<sub>2</sub>e; total emissions [location-based]: 4,687,325 t CO<sub>2</sub>e). Additional information is available in ↗ ESG Glossary and Explanations of Key Figures.

<sup>2</sup> The marked categories are included in the reduction target.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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<sub>2</sub>e, 2030: 11,851 t CO<sub>2</sub>e). Taking this adjustment into account, the comparable target-related value for 2024 amounts to 836,963 t CO<sub>2</sub>e.

<sup>6</sup> Audit level: reasonable assurance.

CO<sub>2</sub>e footprint<sup>1</sup>

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

<sup>1</sup> 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<sub>2</sub>e). Additional information is available in [ESG Glossary and Explanations of Key Figures](#).

<sup>2</sup> The marked categories are to a significant extent included in the reduction target.

<sup>3</sup> 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.

<sup>4</sup> 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<sub>2</sub>e).

<sup>5</sup> 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.

<sup>6</sup> Includes the downstream transportation category in accordance with the Greenhouse Gas Protocol.

<sup>7</sup> 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<sub>2</sub>e).

<sup>8</sup> 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.

<sup>9</sup> 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.

<sup>10</sup> 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.

<sup>11</sup> Audit level: reasonable assurance.

**Biogenic emissions<sup>1</sup>**

in t CO <sub>2</sub>	2025	2024	Change in %
<b>Total</b>	<b>4,763,721</b>	<b>4,760,281</b>	<b>0.1</b>
Scope 1	43,839	52,648	- 16.7
Scope 2 (market-based) <sup>2</sup>	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<sub>2</sub>e emissions for its global retail partner network for the first time in its report for the 2025 financial year. This category includes CO<sub>2</sub>e emissions for retail partner sites for BMW and BMW Motorrad, MINI and Rolls-Royce Motor Cars. To ensure continual improvements, CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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](#).

<sup>1</sup> 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<sub>2</sub>, Scope 1: 9,689 t CO<sub>2</sub>, Scope 3: 125,695 t CO<sub>2</sub>). Additional information is available in [➤ ESG Glossary and Explanations of Key Figures](#).

<sup>2</sup> The biogenic Scope 2 emissions (location-based) amount to 206,925 t CO<sub>2</sub> (2024: 187,517 t CO<sub>2</sub>/+10.3%).

## Reporting overview for the Scope 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<sub>2</sub> 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<sub>2</sub> (2024: 475 € per tonne CO<sub>2</sub>). Vehicle projects are managed directly based on their impact in g CO<sub>2</sub>/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<sub>2</sub>e emissions from the use phase of the Automotive sector. In the 2025 reporting year, this price was applied to 86,558,680 t CO<sub>2</sub>e (2024: 90,667,226 t CO<sub>2</sub>e/-4.5%). This is equivalent to 67.4% (2024: 66.8%/+1.0%) of the total CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e emissions) must be neutralised from that point onwards using permanent carbon sinks.

The BMW Group has been supporting the development of new permanent CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e sequestration.

### CO<sub>2</sub>e certificates cancelled in the reporting year\*

	2025	2024	Veränderung in %
<b>Total (in t CO<sub>2</sub>e)</b>	<b>25,000</b>	<b>25,000</b>	<b>0%</b>
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 %)	-	-	-
<b>CO<sub>2</sub>e certificates planned to be cancelled in the future (in t CO<sub>2</sub>e)</b>			
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<sub>2</sub>e 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 policy-makers, 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 <a href="#">↗ Climate change mitigation and adaption as a key part of the corporate strategy</a>	– Reduce Scope 1, Scope 2 and Scope 3 emissions by at least 40 million tonnes CO <sub>2</sub> e in 2030 compared to 2019 levels (target 2030: 108.6 million tonnes CO <sub>2</sub> e), and reduce by at least a further 20 million tonnes CO <sub>2</sub> e in 2035 compared to 2030 levels  <a href="#">↗ Path to achieving the CO<sub>2</sub>e reduction targets</a>	– Supply chain: use of electricity from renewable sources* and secondary materials  <a href="#">↗ Actions implemented and metrics for a holistic approach to CO<sub>2</sub>e reduction</a>
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  <a href="#">↗ Holistic Environmental Management within the BMW Group</a>	– 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
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				– Development of new processes that are more efficient and more environmentally friendly
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				– Replacement of fossil fuels with renewable energy sources

 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<sub>2</sub>e 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<sub>2</sub>e-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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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](#).

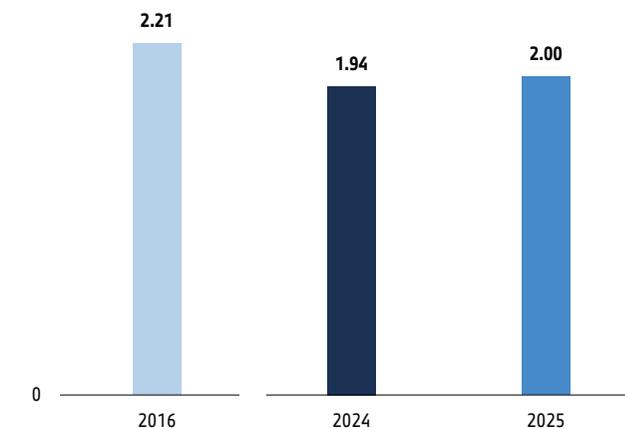
In addition to fossil fuels and renewables, the average electricity mix supplied to the BMW Group also included 11,272 MWh (2024: 12,037 MWh/−6.4%), which accounted for around 0.2% (2024: 0.2%) of total energy consumption.

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)\*

in MWh



\* Additional disclosure. Assurance level of the years 2024 and 2025: reasonable assurance. Additional information is available in [Energy Glossary and Explanations of Key Figures](#).

## Energy consumption and mix at BMW Group locations<sup>1</sup>

in MWh	2025	2024	Change in %
<b>Total energy consumption</b>	<b>6,177,162</b>	<b>6,205,004</b>	<b>- 0.4</b>
<b>Total fossil energy consumption</b>	<b>3,127,821</b>	<b>3,195,726</b>	<b>- 2.1</b>
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 <sup>2</sup>	423,165	515,200	- 17.9
Share of fossil sources in total energy consumption (in %) <sup>2</sup>	50.6	51.5	- 1.7
<b>Total renewable energy consumption</b>	<b>3,049,341</b>	<b>3,009,278</b>	<b>1.3</b>
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

<sup>1</sup> Additional information is available in [2 ESG Glossary and Explanations of Key Figures](#). Audit level: reasonable assurance.

<sup>2</sup> 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		<ul style="list-style-type: none"> <li>– None yet</li> </ul>	<ul style="list-style-type: none"> <li>– None yet</li> </ul>	<ul style="list-style-type: none"> <li>– Collaboration in the development of measurement methods for tyre abrasion</li> <li>– Work in associations</li> </ul>
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		<ul style="list-style-type: none"> <li>– Multistage due diligence process to uphold environmental and social standards in the supply chain (including the BMW Group Supplier Code of Conduct)</li> <li>– Process for responsible raw material management</li> </ul>	<ul style="list-style-type: none"> <li>– Overarching targets for the procedures used to perform due diligence in the supplier network</li> <li>– Analysis of the effectiveness of the processes and measures implemented</li> </ul>	<ul style="list-style-type: none"> <li>– Commitment to initiatives</li> <li>– Risk analysis</li> <li>– Sustainability questionnaire (online assessment)</li> <li>– On-site assessments of supplier locations</li> <li>– Complaints procedure</li> <li>– Certification and traceability of raw materials supply chains</li> <li>– Implementation of local projects</li> </ul>
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				
				<ul style="list-style-type: none"> <li>– <u><a href="#">Social and Environmental Responsibility in the Supplier Network</a></u></li> <li>– <u><a href="#">Due Diligence in the supplier network</a></u></li> <li>– <u><a href="#">Responsible raw material management</a></u></li> </ul>	<ul style="list-style-type: none"> <li>– <u><a href="#">Social and Environmental Responsibility in the Supplier Network</a></u></li> <li>– <u><a href="#">Preventive and remedial measures</a></u></li> <li>– <u><a href="#">Complaints procedure</a></u></li> <li>– <u><a href="#">Due Diligence in the supplier network</a></u></li> <li>– <u><a href="#">Responsible raw material management</a></u></li> </ul>	<ul style="list-style-type: none"> <li>– <u><a href="#">Social and Environmental Responsibility in the Supplier Network</a></u></li> <li>– <u><a href="#">Due Diligence in the supplier network</a></u></li> <li>– <u><a href="#">Risk analysis and control mechanisms</a></u></li> <li>– <u><a href="#">Preventive and remedial measures</a></u></li> <li>– <u><a href="#">Complaints procedure</a></u></li> <li>– <u><a href="#">Responsible raw material management</a></u></li> </ul>

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		<ul style="list-style-type: none"> <li>– Multistage due diligence process to uphold environmental and social standards in the supply chain (including the BMW Group Supplier Code of Conduct)</li> </ul>	<ul style="list-style-type: none"> <li>– Overarching targets for the procedures used to perform due diligence in the supplier network</li> </ul>	<ul style="list-style-type: none"> <li>– Commitment to initiatives</li> <li>– Risk analysis</li> </ul>
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		<ul style="list-style-type: none"> <li>– Process for responsible raw material management</li> </ul>	<ul style="list-style-type: none"> <li>– Analysis of the effectiveness of the processes and measures implemented</li> </ul>	<ul style="list-style-type: none"> <li>– Sustainability questionnaire (online assessment)</li> <li>– On-site assessments of supplier locations</li> <li>– Complaints procedure</li> <li>– Certification and traceability of raw materials supply chains</li> <li>– Implementation of local projects</li> </ul>
				<ul style="list-style-type: none"> <li>– <a href="#">Social and Environmental Responsibility in the Supplier Network</a></li> <li>– <a href="#">Due Diligence in the supplier network</a></li> <li>– <a href="#">Responsible raw material management</a></li> </ul>	<ul style="list-style-type: none"> <li>– <a href="#">Social and Environmental Responsibility in the Supplier Network</a></li> <li>– <a href="#">Preventive and remedial measures</a></li> <li>– <a href="#">Complaints procedure</a></li> <li>– <a href="#">Due Diligence in the supplier network</a></li> <li>– <a href="#">Responsible raw material management</a></li> </ul>	<ul style="list-style-type: none"> <li>– <a href="#">Social and Environmental Responsibility in the Supplier Network</a></li> <li>– <a href="#">Due Diligence in the supplier network</a></li> <li>– <a href="#">Risk analysis and control mechanisms</a></li> <li>– <a href="#">Preventive and remedial measures</a></li> <li>– <a href="#">Complaints procedure</a></li> <li>– <a href="#">Responsible raw material management</a></li> </ul>
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		<ul style="list-style-type: none"> <li>– BMW Group Water Strategy</li> <li>– Environmental policy</li> <li>– <a href="#">Holistic Environmental Management within the BMW Group</a></li> </ul>	<ul style="list-style-type: none"> <li>– Reduce potable water withdrawal per vehicle (automotive) by 25% by 2030</li> </ul>	<ul style="list-style-type: none"> <li>– Use of alternative water sources</li> <li>– Water treatment and reuse</li> <li>– Innovation and technologies for reducing water use</li> <li>– Risk-based water strategy and monitoring</li> </ul>

## 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<sup>1</sup> 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<sup>2</sup> 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.

<sup>1</sup> 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](#).

<sup>2</sup> 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

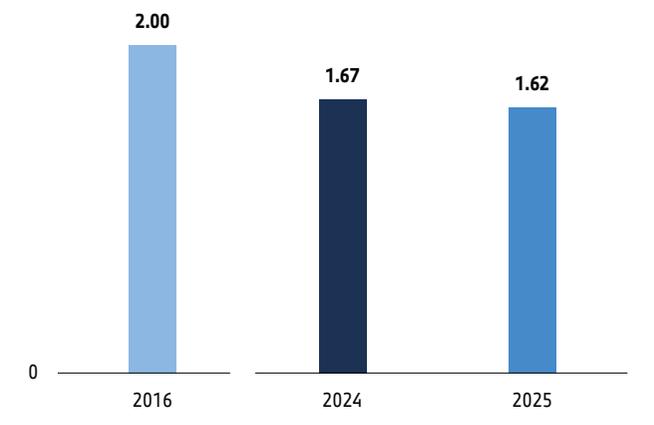
ESRS E3-3, MDR-P, MDR-T

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.<sup>1</sup> In the reporting period, specific [↑ potable water withdrawal per vehicle](#) in automobile production was lower than the previous year at 1.62 m<sup>3</sup> (2024: 1.67 m<sup>3</sup>/–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)<sup>1</sup>



## 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](#).<sup>2</sup> This figure amounts to 1,249,501 m<sup>3</sup> (2024: 1,411,145 m<sup>3</sup>/–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 m<sup>3</sup> (2024: 4,779,094 m<sup>3</sup>/+2.7%).<sup>3</sup> 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

<sup>1</sup> 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](#).

<sup>2</sup> 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 m<sup>3</sup>). Additional information is available in [↑ ESG Glossary and Explanations of Key Figures](#).

<sup>3</sup> The prior-year figure for this metric has been retrospectively adjusted (difference from adjusted value from the previous year: 665 m<sup>3</sup>) 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 m<sup>3</sup> (2024: 2,093,253 m<sup>3</sup>/–11.1%).<sup>1</sup> The reduction was achieved through efficiency improvements and the ongoing introduction of new technologies in selected countries. The **water intensity** (total water consumption in m<sup>3</sup> per € million net revenue) is currently 14.13 m<sup>3</sup>/€ million (2024: 14.89 m<sup>3</sup>/€ million/–5.1%).<sup>1</sup> 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 m<sup>3</sup> (2024: 458,025 m<sup>3</sup>/–0.6%) of **stored water** in systems including extinguishing water or rain-water tanks.<sup>2</sup>

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 intended 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<sup>3</sup>

in m <sup>3</sup>	2025	2024	Change in %
<b>Total water consumption</b>	<b>1,861,542</b>	<b>2,093,253</b>	<b>– 11.1</b>
<b>Total water consumption in areas at water risk, including areas of high water stress</b>	<b>1,249,501</b>	<b>1,411,145</b>	<b>– 11.5</b>
<b>Total volume recycled and reused</b>	<b>4,905,853</b>	<b>4,779,094</b>	<b>2.7</b>
<b>Total water stored</b>	<b>455,054</b>	<b>458,025</b>	<b>– 0.6</b>
<b>Changes in storage during the year</b>	<b>354,528</b>	<b>336,220</b>	<b>5.4</b>
<b>Total water withdrawals</b>	<b>5,699,543</b>	<b>5,848,597</b>	<b>– 2.5</b>

<sup>1</sup> 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 m<sup>3</sup>). This has a corresponding impact on the water intensity metric (difference from adjusted value from the previous year: –26.46 m<sup>3</sup>/€ million). Additional information is available in [ESG Glossary and Explanations of Key Figures](#).

<sup>2</sup> The prior-year figure for this metric has been retrospectively adjusted (difference from adjusted value from the previous year: 2,500 m<sup>3</sup>) due to improvements in the data infrastructure. Additional information is available in [ESG Glossary and Explanations of Key Figures](#).

<sup>3</sup> 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 m<sup>3</sup>; water consumption in water risk and stress areas: –1,668,125 m<sup>3</sup>; total water recycled and reused: 665 m<sup>3</sup>; stored water: 2,500 m<sup>3</sup>; changes in storage volume during the year: 2,500 m<sup>3</sup>). 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		<ul style="list-style-type: none"> <li>– Biodiversity Policy</li> <li>– Multistage due diligence process to uphold environmental and social standards in the supply chain (including the BMW Group Supplier Code of Conduct)</li> <li><a href="#">↗ Social and Environmental Responsibility in the Supplier Network</a></li> <li><a href="#">↗ Due Diligence in the supplier network</a></li> <li>– Process for responsible raw material management</li> <li><a href="#">↗ Responsible raw material management</a></li> </ul>	<ul style="list-style-type: none"> <li>– No targets that focus exclusively and thematically on material impacts</li> </ul>	<ul style="list-style-type: none"> <li>– Commitment to deforestation-free procurement</li> <li>– Commitment to biodiversity initiatives</li> <li>– Implementation of local projects</li> <li>– Multistage due diligence process to uphold environmental and social standards in the supply chain</li> <li><a href="#">↗ Social and Environmental Responsibility in the Supplier Network</a></li> <li><a href="#">↗ Due Diligence in the supplier network</a></li> <li>– Process for responsible raw material management</li> <li><a href="#">↗ Responsible raw material management</a></li> </ul>

 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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-)-topic	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		<ul style="list-style-type: none"> <li>– BMW Group Circular Economy Strategy</li> </ul>	<ul style="list-style-type: none"> <li>– Average recycled content of at least 25% by 2030 for all automobiles produced worldwide</li> </ul>	<ul style="list-style-type: none"> <li>– Increased proportion of recycled content</li> <li>– Improved recyclability</li> </ul>
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				<ul style="list-style-type: none"> <li>– Expansion of repair and reprocessing</li> </ul>
A product made without circular principles and with high embodied CO <sub>2</sub> e 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				<ul style="list-style-type: none"> <li>– Investments in innovative recycling technologies</li> </ul>
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		<ul style="list-style-type: none"> <li>– Process for responsible raw material management                             <ul style="list-style-type: none"> <li>➤ <a href="#">Responsible raw material management</a></li> </ul> </li> <li>– Raw materials strategy                             <ul style="list-style-type: none"> <li>➤ <a href="#">Raw materials security and strategy</a></li> </ul> </li> <li>– BMW Group Supplier Code of Conduct                             <ul style="list-style-type: none"> <li>➤ <a href="#">Due Diligence in the Supplier Network</a></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>– Overarching targets for the procedures used to perform due diligence in the supplier network                             <ul style="list-style-type: none"> <li>➤ <a href="#">Social and Environmental Responsibility in the Supplier Network</a></li> <li>➤ <a href="#">Preventive and remedial measures</a></li> <li>➤ <a href="#">Complaints procedure</a></li> </ul> </li> <li>– Analysis of the effectiveness of the processes and measures implemented                             <ul style="list-style-type: none"> <li>➤ <a href="#">Due Diligence in the supplier network</a></li> </ul> </li> <li>– Objectives for local projects                             <ul style="list-style-type: none"> <li>➤ <a href="#">Responsible raw material management</a></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>– Risk analysis</li> <li>– Certification and traceability of raw materials supply chains</li> <li>– Commitment to initiatives</li> <li>– Implementation of local projects                             <ul style="list-style-type: none"> <li>➤ <a href="#">Social and Environmental Responsibility in the Supplier Network</a></li> <li>➤ <a href="#">Responsible raw material management</a></li> </ul> </li> <li>– Complaints procedure                             <ul style="list-style-type: none"> <li>➤ <a href="#">Complaints procedure</a></li> </ul> </li> </ul>

Material impacts, risks and opportunities	Type	Sub(-sub-)-topic	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		<ul style="list-style-type: none"> <li>Multistage due diligence process to uphold environmental and social standards in the supply chain (including the BMW Group Supplier Code of Conduct)</li> </ul>	<ul style="list-style-type: none"> <li>Overarching targets for the procedures used to perform due diligence in the supplier network</li> </ul>	<ul style="list-style-type: none"> <li>Commitment to initiatives</li> <li>Risk analysis</li> </ul>
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		<ul style="list-style-type: none"> <li><u><a href="#">Social and Environmental Responsibility in the Supplier Network</a></u></li> <li><u><a href="#">Due Diligence in the supplier network</a></u></li> </ul>	<ul style="list-style-type: none"> <li><u><a href="#">Social and Environmental Responsibility in the Supplier Network</a></u></li> <li><u><a href="#">Preventive and remedial measures</a></u></li> <li><u><a href="#">Complaints procedure</a></u></li> <li>Analysis of the effectiveness of the processes and measures implemented</li> <li><u><a href="#">Due Diligence in the supplier network</a></u></li> </ul>	<ul style="list-style-type: none"> <li>Sustainability questionnaire (online assessment)</li> <li>On-site assessments of supplier locations</li> <li>Complaints procedure</li> <li><u><a href="#">Social and Environmental Responsibility in the Supplier Network</a></u></li> <li><u><a href="#">Due Diligence in the supplier network</a></u></li> <li><u><a href="#">Risk analysis and control mechanisms</a></u></li> <li><u><a href="#">Preventive and remedial measures</a></u></li> <li><u><a href="#">Complaints procedure</a></u></li> </ul>

 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<sub>2</sub>e 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<sub>2</sub>e 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

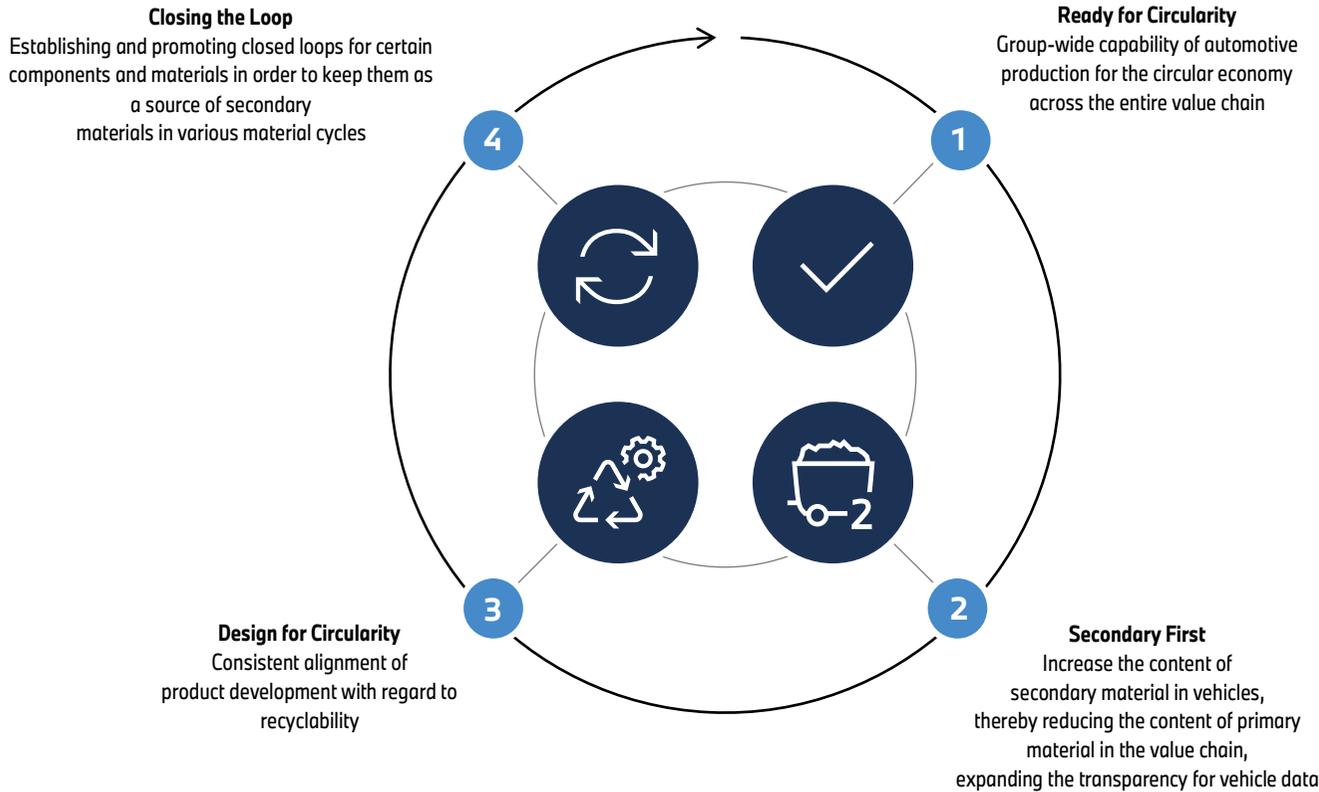
The BMW Group has set itself clear decarbonisation targets as an important part of its corporate strategy. To achieve this, the BMW Group is reducing CO<sub>2</sub>e emissions throughout the whole life cycle of its products. [Climate Change Mitigation and Adaptation](#)

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 203/0284(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)).<sup>1</sup> This corresponds to a total scrapping weight for vehicles (including

motorcycles) of 7,475 t (2024: 7,263 t/+2.9%).<sup>1</sup> 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).<sup>2</sup> At least 95% (2024: 95%) of sold units can be recovered.<sup>1,2</sup>

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 re-utilised 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.

<sup>1</sup> Additional disclosure, based on SASB [SASB Index](#).

<sup>2</sup> 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.

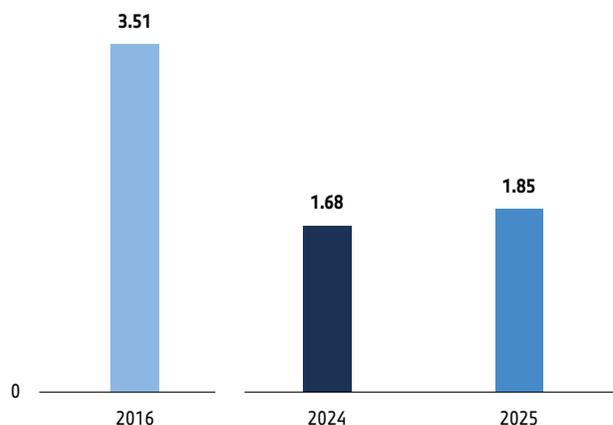
- Condition Based Services (CBS): In addition, CBS uses sensors and special algorithms to monitor the condition of every BMW Group vehicle. Depending on the customer's driving profile, the service life of maintenance components can thus be optimally utilised.

## 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.<sup>1</sup> 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)<sup>1</sup>

in kg



In the reporting period, a total of 846,603 t of the waste generated in production was recovered (2024: 868,394 t/-2.5%).<sup>1,2</sup> 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.<sup>1,2</sup> 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).<sup>1,2</sup> Changes in the production volume may affect these reporting metrics [Production Network](#).

### Waste generated by production<sup>1,2</sup>

in t	2025	2024	Change in %
<b>Total waste</b>	<b>851,830</b>	<b>873,350</b>	<b>- 2.5</b>
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](#)

<sup>1</sup> Additional disclosure, based on SASB. [SASB Index](#).

<sup>2</sup> 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.<sup>1</sup> No economic activities of relevance for the BMW Group have been defined for the other environmental objectives.<sup>2</sup>

### 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<sup>3</sup> (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<sub>2</sub>e emissions of vehicles over their entire life cycle. The CO<sub>2</sub>e 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	

<sup>1</sup> 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](#).

<sup>2</sup> EU Taxonomy reporting for the financial year 2025 already applies the provisions of the Commission's Delegated Regulation (EU) 2026/773 of 4 July 2025.

<sup>3</sup> 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<sub>2</sub>e) 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<sub>2</sub>/km WLTP by 2025) and emissions-free vehicles (BEVs and motorcycles with 0g CO<sub>2</sub>/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<sub>2</sub> 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.

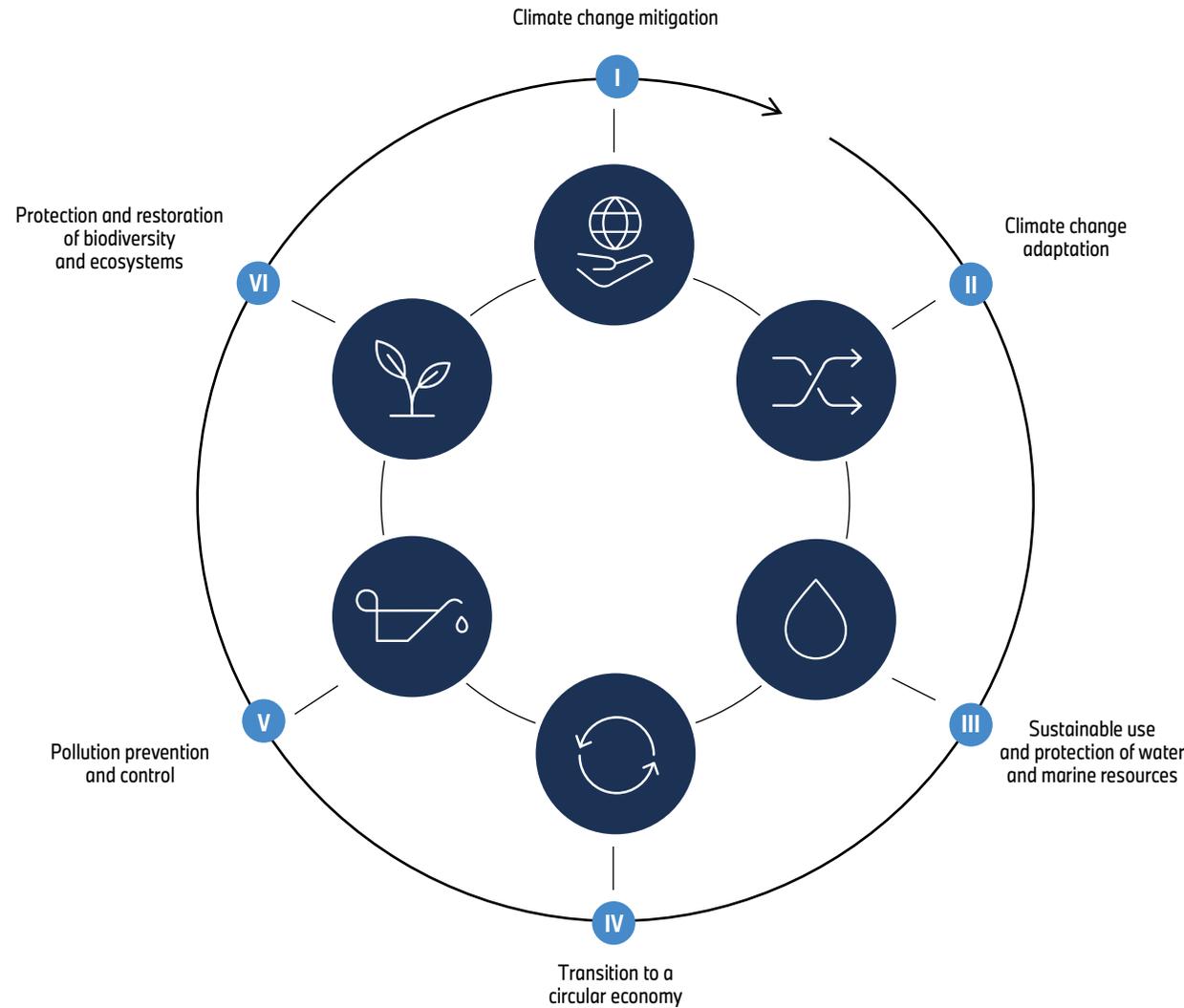
**Environmental objectives of EU Taxonomy**

**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	<p>CCM 3.3 &amp; CCM 6.5:</p> <ul style="list-style-type: none"> <li>— 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</li> <li>— Analysis of potential natural hazards at all direct supplier locations in order to consider risks of shortages when selecting and evaluating suppliers</li> <li>— Derivation and, if necessary, implementation of adaptive solutions for risk mitigation in cooperation with the respective site representatives based on the risk analysis</li> <li>— ↗ Procedure and methodological basis for climate-related risks and opportunities, ↗ Physical climate risks, ↗ Transitory climate risks and opportunities</li> </ul>	✓	✓	
III	Sustainable use and protection of water and marine resources and	<p>CCM 3.3:</p> <ul style="list-style-type: none"> <li>— Implementation of a comprehensive risk analysis with regard to the preservation and protection of the relevant environmental, water and marine resources</li> <li>— 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</li> </ul>	✓	Not relevant	
VI	protection and restoration of biodiversity and ecosystems	<ul style="list-style-type: none"> <li>— Conducting environmental impact assessments in accordance with EU requirements for sites outside the EU</li> <li>— 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</li> <li>— ↗ Holistic Environmental Management within the BMW Group</li> </ul>			
IV	Transition to a circular economy	<p>CCM 3.3:</p> <ul style="list-style-type: none"> <li>— Use of secondary raw materials in BMW Group products as well as recycling-friendly product design</li> <li>— Waste management at production sites in accordance with the waste hierarchy</li> <li>— Systematic registration of substances of concern along the entire supply chain</li> </ul>	<p>CCM 6.5:</p> <ul style="list-style-type: none"> <li>— Established processes for compliance with recycling requirements</li> <li>— Waste management measures during maintenance and at the end of the vehicle life cycle</li> <li>— ↗ Circular economy and resource use</li> </ul>	✓	✓
V	Pollution prevention and control	<p>CCM 3.3:</p> <ul style="list-style-type: none"> <li>— Established processes for monitoring and ensuring compliance with statutory prohibitions and limits on the use of chemical substances in vehicle components</li> <li>— 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)</li> <li>— Hazardous substances that cannot be avoided are used in compliance with hazardous substance regulations and under controlled conditions</li> </ul>	<p>CCM 6.5:</p> <ul style="list-style-type: none"> <li>— 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)</li> <li>— Further deductions for PHEV and BEV models due to requirements for rolling resistance coefficients for tyres and external rolling noise of tyres</li> <li>— Simplified calculation of alignment based on approved tyres, weighted by their purchase volumes and take rates</li> </ul>	✓	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 economic activities are shown in each case as an aggregate percentage 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 %
<b>Revenues<sup>1</sup></b>	<b>by activity</b>	<b>of which Taxonomy-aligned</b>	<b>Proportion</b>	<b>Proportion</b>
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
<b>Total revenues BMW Group</b>	<b>133,453</b>	<b>18,844</b>	<b>14.1</b>	<b>14.6</b>
<b>Capital expenditure<sup>2</sup></b>	<b>by activity</b>	<b>of which Taxonomy-aligned</b>	<b>Proportion</b>	<b>Proportion</b>
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
<b>Total capital expenditure BMW Group</b>	<b>37,123</b>	<b>9,308</b>	<b>25.1</b>	<b>29.1</b>
<b>Operating expenditure<sup>3</sup></b>	<b>by activity</b>	<b>of which Taxonomy-aligned</b>	<b>Proportion</b>	<b>Proportion</b>
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
<b>Total operating expenditure BMW Group</b>	<b>5,624</b>	<b>1,608</b>	<b>28.6</b>	<b>32.3</b>

<sup>1</sup> Taxonomy-aligned share calculated with denominator as third-party revenue from Taxonomy-eligible values of the respective economic activity.

<sup>2</sup> Taxonomy-aligned share calculated with the Taxonomy-eligible value of the respective economic activity as denominator. See [2 note \[20\]](#) to the Group Financial Statements for details on the BMW Group's capital expenditure.

<sup>3</sup> Only includes the operating expenditure defined in the EU Taxonomy.

**Contextual KPI information related to Taxonomy-aligned economic activities**

in € million	2025	2024
<b>Revenues</b>		
Sales of products, related goods and revenue of service contracts	16,394	19,077
Revenues related to financial services	2,450	1,742
<b>Total</b>	<b>18,844</b>	<b>20,819</b>
<b>Capital expenditure</b>		
Economic activity CCM 3.3		
Property, plant and equipment*	4,713	5,668
Development costs	2,111	2,012
Leased products	-	-
<b>Total</b>	<b>6,824</b>	<b>7,680</b>
Economic activity CCM 6.5		
Property, plant and equipment*	2	2
Development costs	-	-
Leased products	2,482	3,005
<b>Total</b>	<b>2,484</b>	<b>3,006</b>
<b>Total</b>	<b>9,308</b>	<b>10,687</b>
<b>Operating expenditure</b>		
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
<b>Total</b>	<b>1,580</b>	<b>2,125</b>
Economic activity CCM 6.5		
Development costs – not capitalised	25	18
Right-of-use assets (lessee) – not capitalised	-	-
Maintenance/repair expenses	4	3
<b>Total</b>	<b>28</b>	<b>21</b>
<b>Total</b>	<b>1,608</b>	<b>2,146</b>

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
<b>Economic activities</b>			
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
<b>Total</b>		<b>80,689</b>	<b>98,775</b>

## KPI Overview

KPI	Financial year 2025		Environmental objective of Taxonomy-aligned activities										2024		
	Total	Proportion of Taxonomy-eligible activities <sup>1</sup>	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 activities in previous financial year	Proportion of Taxonomy-aligned activities in previous financial year
	(1)	(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

<sup>1</sup> For Taxonomy-non-eligible scopes, see table 2 Voluntary additional information on the Taxonomy-aligned share per economic activity.

## Turnover

Economic activities	Financial year 2025		Environmental objective of Taxonomy-aligned activities										2024	
	Code(s) <sup>2</sup>	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)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
		in %	in € million	in %	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 <sup>3</sup>	CE 5.4	1.2	0	0.0	-	-	-	0.0	-	-	-	-	0.0	
<b>Sum of alignment per objective</b>					<b>14.1</b>	<b>0.0</b>	-	<b>0.0</b>	-	-				
<b>Total Turnover</b>		<b>89.7</b>	<b>18,844</b>	<b>14.1</b>	<b>14.1</b>	<b>0.0</b>	-	<b>0.0</b>	-	-	<b>12.3</b>	<b>0.1</b>	<b>15.7</b>	

<sup>2</sup> With reference to Annex II of Delegated Regulation (EU) of 27 June 2023 (EU 2023/2486) and 8 January 2026 (EU 2026/73).

<sup>3</sup> 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) <sup>1</sup>	Proportion of Taxonomy-eligible CapEx	Taxonomy-aligned CapEx	Taxonomy-aligned CapEx	Climate change mitigation	Climate change adaptation	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
<b>Sum of alignment per objective</b>					<b>25.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total CapEx</b>		<b>99.8</b>	<b>9,308</b>	<b>25.1</b>	<b>25.1</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18.4</b>	<b>0.5</b>	<b>25.1</b>

<sup>1</sup> 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) <sup>2</sup>	Proportion of Taxonomy-eligible OpEx	Taxonomy-aligned OpEx	Taxonomy-aligned OpEx	Climate change mitigation	Climate change adaptation	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
<b>Sum of alignment per objective</b>					<b>28.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total OpEx</b>		<b>100.0</b>	<b>1,608</b>	<b>28.6</b>	<b>28.6</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28.1</b>	<b>-</b>	<b>28.6</b>

<sup>2</sup> 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

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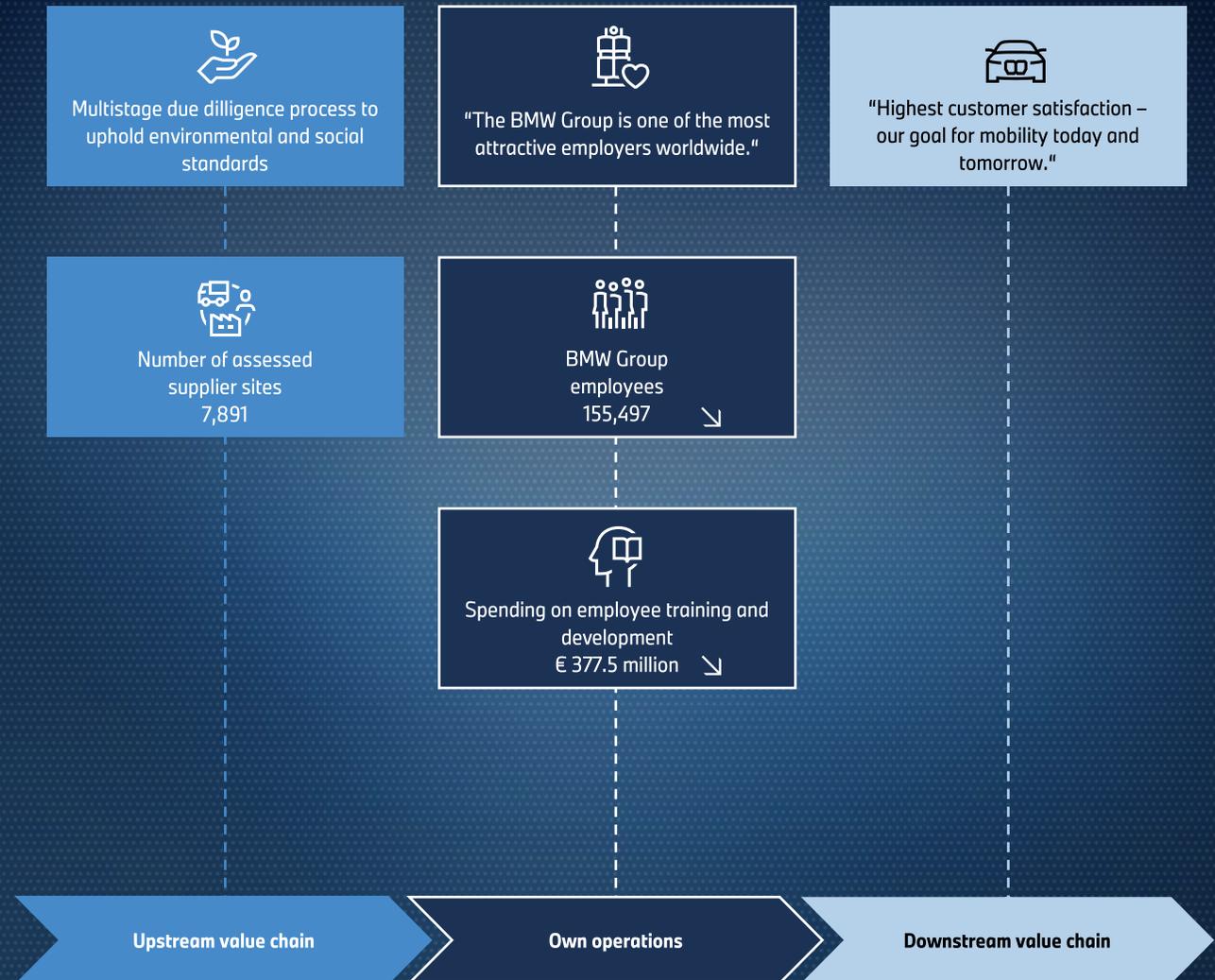
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## SOCIAL RESPONSIBILITY

### 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**



<sup>1</sup> Department programme design, prevention.

<sup>2</sup> 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		<ul style="list-style-type: none"> <li>– Gender distribution at management level</li> <li>– Competitive and performance-related pay</li> </ul>	<ul style="list-style-type: none"> <li>– Share of women in management positions</li> </ul>	<ul style="list-style-type: none"> <li>– Early identification and development of female high-potential candidates</li> <li>– Regular reviews of remuneration structures and the gender pay gap</li> </ul>
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		<ul style="list-style-type: none"> <li>– BMW Group-wide health and safety management</li> </ul>	<ul style="list-style-type: none"> <li>– None</li> </ul>	<ul style="list-style-type: none"> <li>– Prevention through hazard and stress analyses</li> </ul>
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		<ul style="list-style-type: none"> <li>– Occupational safety along the value chain</li> </ul>		<ul style="list-style-type: none"> <li>– Qualification measures, quality audits and certification of the occupational health and safety management system</li> <li>– Holistic health management system with access to in-house health services</li> </ul>
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		<ul style="list-style-type: none"> <li>– People Engagement: strategic management of different perspectives and talents</li> <li>– Protection against discrimination</li> </ul>	<ul style="list-style-type: none"> <li>– Share of women in management positions</li> </ul>	<ul style="list-style-type: none"> <li>– Training and awareness-raising measures to ensure a prejudice-free working environment</li> <li>– Points of contact for employees with concerns about discriminatory behaviour</li> <li>– BMW AG's general operating and inclusion agreement</li> </ul>
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		<ul style="list-style-type: none"> <li>– Integrative Just Transition approach</li> </ul>	<ul style="list-style-type: none"> <li>– Investment in vocational training and further education</li> </ul>	<ul style="list-style-type: none"> <li>– Comprehensive training measures determined using a system-supported Training Needs Analysis process</li> <li>– Qualification and development of managers based on the Leadership Competency Model</li> <li>– BMW Group development programmes to retain top talent at an early stage</li> </ul>

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	<ul style="list-style-type: none"> <li>– Measures derived from the long-term strategic human resources planning, for example the use of different employment types</li> <li>– Use of working time accounts at all production sites where this is legally possible</li> </ul>
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	<ul style="list-style-type: none"> <li>– Central opportunities to participate and regular dialogue between employees and the Company</li> <li>– Measurement of the organisation's performance using the High Performance Organisation Index as part of a biennial employee survey</li> </ul>
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	<ul style="list-style-type: none"> <li>– Up to two meetings per year between the BMW EURO Works Council and corporate management</li> </ul>

 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<sup>1</sup> 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<sup>2</sup> 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<sup>3</sup>

	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.

<sup>1</sup> A joint supervisory board is a supervisory board which is composed of an equal number of shareholder representatives (e.g. shareholders) and employee representatives.

<sup>2</sup> Absolute metric according to ESRS.

<sup>3</sup> 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<sup>1,2</sup>

headcount	2025	2024	Change in %
<b>Total number of employees<sup>3</sup></b>	<b>155,497</b>	<b>158,441</b>	<b>- 1.9</b>
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<sup>1</sup>

headcount	2025	2024	Change in %
<b>Total number of employees<sup>3</sup></b>	<b>155,497</b>	<b>158,441</b>	<b>- 1.9</b>
<b>Number of permanent employees</b>	<b>146,064</b>	<b>145,846</b>	<b>0.1</b>
Male	116,968	117,156	- 0.2
Female	29,058	28,649	1.4
Other	-	-	-
Not disclosed	38	41	- 7.3
<b>Number of temporary employees</b>	<b>9,433</b>	<b>12,595</b>	<b>- 25.1</b>
Male	7,354	10,161	- 27.6
Female	2,079	2,431	- 14.5
Other	-	-	-
Not disclosed	-	3	- 100.0
<b>Number of non-guaranteed hours employees<sup>4</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>
Male	-	-	-
Female	-	-	-
Other	-	-	-
Not disclosed	-	-	-

<sup>1</sup> Assurance level: reasonable assurance.

<sup>2</sup> 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.

<sup>3</sup> Compared to the [↗ Key Performance Indicator](#), the joint operation Spotlight is included on a pro rata basis in accordance with ESRS.

<sup>4</sup> 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\*

headcount	Europe			America			Asia			Africa			Oceania			Total		
	2025	2024	Change in %	2025	2024	Change in %	2025	2024	Change in %	2025	2024	Change in %	2025	2024	Change in %	2025	2024	Change in %
<b>Total number of employees</b>	<b>106,990</b>	<b>107,408</b>	<b>- 0.4</b>	<b>17,545</b>	<b>17,639</b>	<b>- 0.5</b>	<b>27,520</b>	<b>29,932</b>	<b>- 8.1</b>	<b>3,158</b>	<b>3,165</b>	<b>- 0.2</b>	<b>284</b>	<b>297</b>	<b>- 4.4</b>	<b>155,497</b>	<b>158,441</b>	<b>- 1.9</b>
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%<sup>1</sup> of employees in the BMW Group are covered by collective bargaining agreements (2024: 78%<sup>1</sup>/-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<sup>2</sup> days (2024: 0 days/no change). The number of days idle for 2025 was 0<sup>2</sup> (2024: 0 days/no change).

<sup>1</sup> 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.

<sup>2</sup> Additional disclosure, based on SASB [SASB Index](#).

## Percentage of employees who are covered by collective bargaining agreements and employee representation

Coverage rate in %	Collective bargaining coverage		Social dialogue
	Employees – EEA	Employees – non-EEA	Workplace representation (EEA only)
	(for countries with >50 employees representing >10% total employees)	(estimates for regions with >50 employees representing >10% total employees)	(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 %
<b>Total number of work-related accidents</b>	<b>802</b>	<b>891</b>	<b>− 10.0</b>
Employees and other BMW Group employees	517	502	3.0
Temporary agency workers	285	389	− 26.7

	2025	2024	Change in %
<b>Total rate of work-related accidents</b>	<b>2.6</b>	<b>2.9*</b>	<b>− 10.3</b>
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 %
<b>Total number with fatalities</b>	<b>4</b>	<b>2</b>	<b>100.0</b>
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.

#### Gender distribution at management level\*

	2025		2024		Change	
	headcount	in %	headcount	in %	headcount in %	share in %
<b>Number of employees at management level</b>	<b>12,647</b>	<b>100.0</b>	<b>12,755</b>	<b>100.0</b>	<b>- 0.8</b>	<b>-</b>
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 %
<b>Total number of employees</b>	<b>155,497</b>	<b>100.0</b>	<b>158,441</b>	<b>100.0</b>	<b>- 1.9</b>	<b>-</b>
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

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.

#### Number of employees by gender\*

	2025		2024		Change	
	headcount	in %	headcount	in %	headcount in %	share in %
<b>Total number of employees</b>	<b>155,497</b>	<b>100.0</b>	<b>158,441</b>	<b>100.0</b>	<b>- 1.9</b>	<b>-</b>
Male	124,322	79.9	127,317	80.4	- 2.4	- 2.4
Female	31,137	20.1	31,080	19.6	0.2	0.2
Other	-	-	-	-	-	-
Not disclosed	38	0.0	44	0.0	- 13.6	- 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	– Overarching targets for the procedures used to perform due diligence in the supplier network	– Commitment to initiatives – Risk analysis
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	➔	– BMW Group Supplier Code of Conduct		– Sustainability questionnaire (online assessment)
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	➔			– On-site assessments of supplier locations (on-site assessment)
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	➔			– Complaints procedure – Analysis of the effectiveness of the processes and measures implemented
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	– Overarching targets for the procedures used to perform due diligence in the supplier network	– Risk analysis
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	➔	– Raw materials strategy » Raw materials security and strategy	– Objectives for local projects	– Reduction of critical virgin raw materials – Certification and traceability of raw materials supply chains
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	➔	– BMW Group Supplier Code of Conduct		– Commitment to initiatives – Implementation of local projects
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	➔			– Complaints procedure
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	➔			– Analysis of the effectiveness of the processes and measures implemented
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		<ul style="list-style-type: none"> <li>– Multistage due diligence process to uphold environmental and social standards in the supply chain</li> <li>– BMW Group Supplier Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>– Objectives for local projects</li> </ul>	<ul style="list-style-type: none"> <li>– Implementation of local projects</li> <li>– Training programme</li> <li>– Analysis of the effectiveness of the processes and measures implemented</li> </ul>

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<sup>1</sup>

	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 <sup>2</sup>	10	16	- 37.5
of which number of justified notifications that were clarified during the reporting year <sup>3</sup>	-	-	-

<sup>1</sup> Basis: industry-specific sustainability questionnaire (online assessment).

<sup>2</sup> 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.

<sup>3</sup> 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	➤	<ul style="list-style-type: none"> <li>– Systems-based incident management as part of the information security management system (ISMS)</li> </ul>	<ul style="list-style-type: none"> <li>– Securing departmental IT</li> <li>– Data protection projects on the rights of data subjects</li> </ul>	<ul style="list-style-type: none"> <li>– Strengthening customers' personal responsibility in relation to their personal data</li> </ul>
The BMW Group is responsible for secure handling of customer data – incidents that compromise the security of personal data can negatively affect the personal rights of customers.	Negative impact	Privacy	➤	<ul style="list-style-type: none"> <li>– Policies for the safe handling of customer data in IT</li> </ul>		<ul style="list-style-type: none"> <li>– Established Passkey procedure</li> <li>– Synchronised and automated implementation of data subject rights</li> </ul>
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	➤	<ul style="list-style-type: none"> <li>– Corporate quality ensures that the highest quality and safety standards are met</li> </ul>	<ul style="list-style-type: none"> <li>– All BMW Group products and services are required to meet the highest standards in terms of quality and safety</li> </ul>	<ul style="list-style-type: none"> <li>– Implementation of product quality and product safety standards</li> </ul>
BMW Group vehicles can contribute to overall traffic safety.	Positive impact	Health and safety	➤		<ul style="list-style-type: none"> <li>– Addressing 100% of complaints regarding safety-related deficiencies within one year</li> </ul>	<ul style="list-style-type: none"> <li>– Encouraging and empowering customers to drive safely</li> </ul>
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	➤	<ul style="list-style-type: none"> <li>– Customer experience at the core of the customer, brand and sales system (sales strategy framework)</li> </ul>	<ul style="list-style-type: none"> <li>– Customer orientation (increasing customer satisfaction)</li> </ul>	<ul style="list-style-type: none"> <li>– Training for employees in direct contact with customers</li> <li>– Review and optimisation of processes and responsibilities</li> </ul>
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	➤	<ul style="list-style-type: none"> <li>– Customer experience at the core of the customer, brand and sales system (sales strategy framework)</li> </ul>	<ul style="list-style-type: none"> <li>– Customer orientation (increasing customer satisfaction)</li> </ul>	<ul style="list-style-type: none"> <li>– Enhanced transparency via the vehicle footprint</li> </ul>
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	➤			<ul style="list-style-type: none"> <li>– Provision of owner's manuals and safety booklets</li> </ul>

➤ 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.

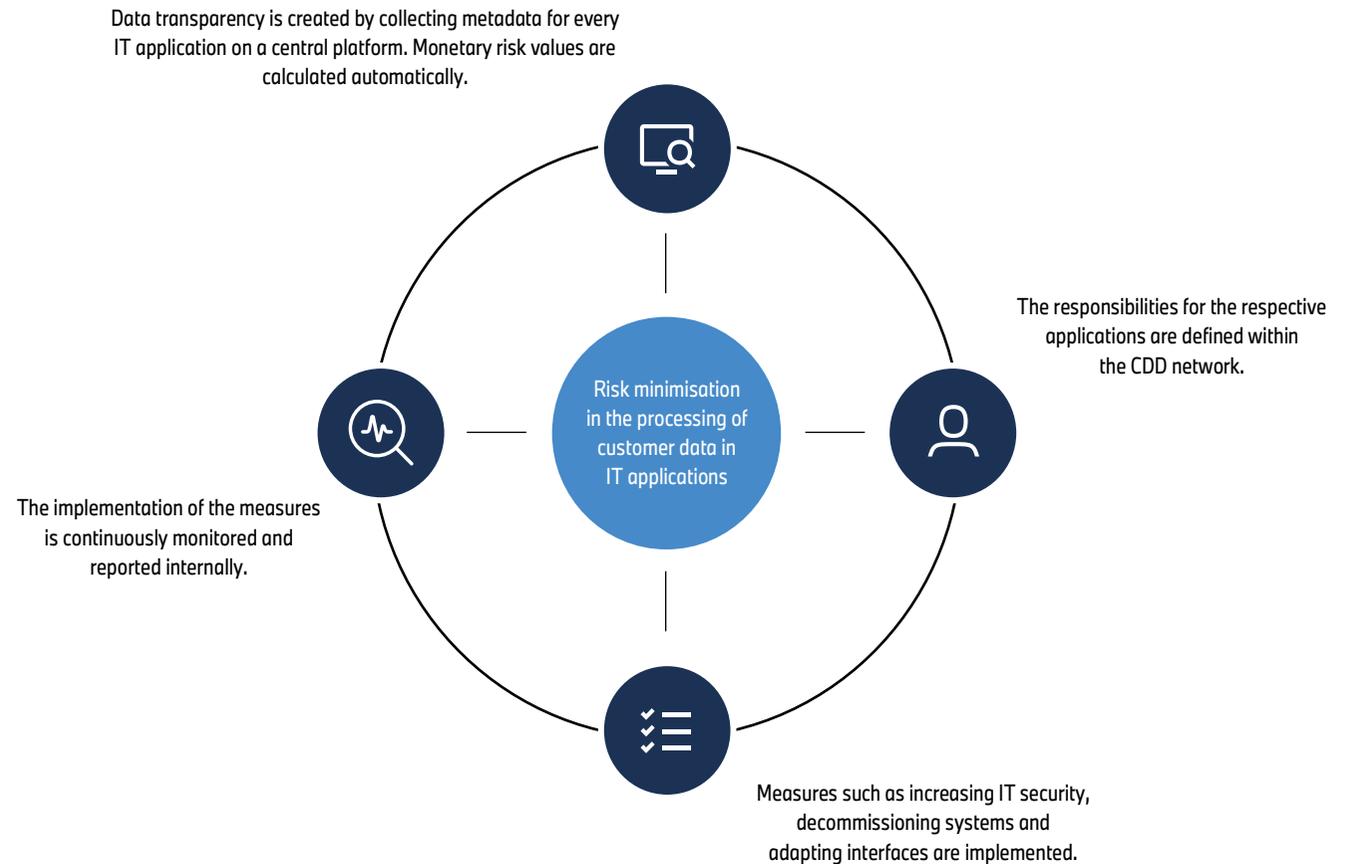
All systems are reviewed on a regular basis to ensure they comply with current IT security standards. Specialised expert teams systematically identify and resolve potential vulnerabilities. New findings are integrated into the development of mandatory safety standards.

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%<sup>1</sup> 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<sup>2</sup>, MINI Cooper Electric<sup>2</sup> and MINI Aceman Electric<sup>2</sup> as well as the new BMW X3<sup>2</sup> achieved the highest five-star rating in the Euro NCAP (European New Car Assessment Programme). The new BMW X3<sup>2</sup> 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).

<sup>1</sup> Additional disclosure, based on SASB, [SASB Index](#).

<sup>2</sup> [Consumption and Carbon Disclosures](#).

### Percentage of vehicle models<sup>1</sup> rated by NCAP programmes with an overall five-star safety rating<sup>2</sup>

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<sup>2</sup> (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.

<sup>1</sup> Vehicle models that were listed in the BMW Group portfolio at the end of the 2025 reporting year.

<sup>2</sup> Additional disclosure, based on SASB [SASB Index](#).

# GOVERNANCE INFORMATION

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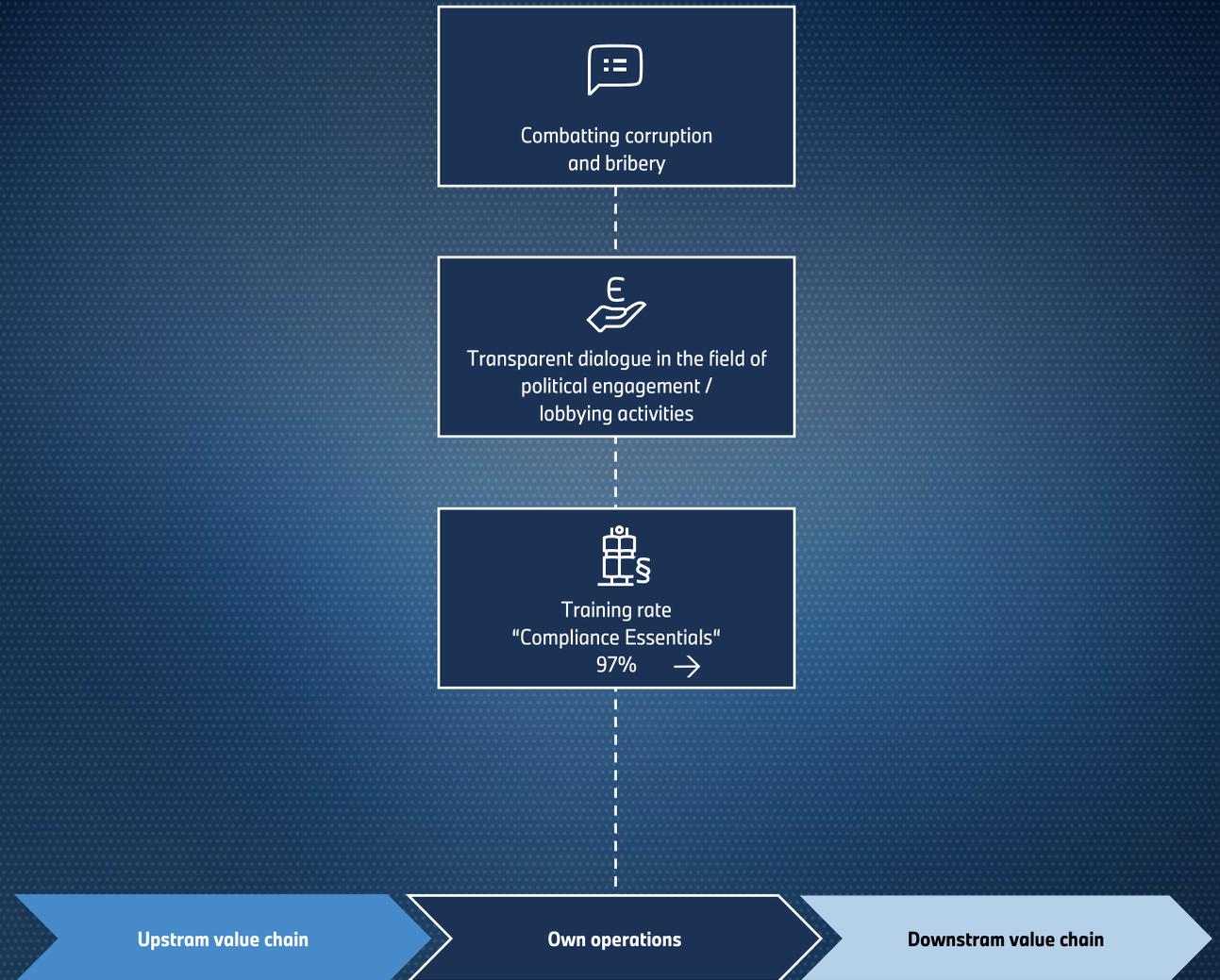
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## COMBATTING CORRUPTION AND BRIBERY

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		<ul style="list-style-type: none"> <li>– BMW Group Compliance Management System (CMS)</li> <li>» <a href="#">Compliance Management System (CMS)</a></li> </ul>	<ul style="list-style-type: none"> <li>– Rate of completion of the mandatory "Compliance Essentials" web-based training course</li> </ul>	<ul style="list-style-type: none"> <li>– Internal compliance regulations</li> <li>– Internal communications measures and case-by-case consultation by Compliance</li> <li>– Regular monitoring, including reporting to management</li> </ul>

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<sub>2</sub>e 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<sub>2</sub> 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<sub>2</sub>e 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<sub>2</sub>e 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, YVIKROAH, PVXASO43, UVPUF1GH, GVTU7903, EVJFE0PH, LV1DGN13, BHOB62A3, 0VE7PMF3, Y3GQAMLH, DHMZCMYV, Y3KG6M5V, 0V2ARJVV, LVIC6E0V, 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

in €	2025			2024			Change in %		
	by recipient group			by recipient group			by recipient group		
	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	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>407,965</b>			<b>633,257</b>			<b>- 35.6</b>		

## 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<sub>2</sub> 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<sub>2</sub> reduction targets.

Companies validated by the Science Based Targets initiative (SBTi) are strongly recommended to implement BVCM in addition to the reduction of CO<sub>2</sub>e in their own value chain. One example of BVCM is the purchasing of CO<sub>2</sub>e-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<sub>2</sub> 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<sub>2</sub> released during combustion is previously absorbed from the surrounding air and bound in lignin. Biogenic CO<sub>2</sub> 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<sub>2</sub>O, soot, etc.) contribute to an increase.

The unit of the metrics is tonnes of CO<sub>2</sub> [t CO<sub>2</sub>]. The BMW Group reports biogenic emissions separately from CO<sub>2</sub>e emissions in a stand-alone balance sheet.

#### C

##### **Cancellation of CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e certificates in t CO<sub>2</sub>e generated by the BMW Group's financing in the projects or their cancellation statements. The quantity of CO<sub>2</sub>e certificates generated by the projects is calculated and certified using the assumptions and methodologies of the independent CSI C-Sink CO<sub>2</sub>e 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<sub>2</sub>e-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<sub>2</sub>e sink project results will be reported until 2026.

### CO<sub>2</sub>e certificate

A transferable or tradeable voluntary instrument that represents the reduction or the removal of one tonne of CO<sub>2</sub>e from the atmosphere, which is issued and verified in accordance with recognised quality standards. Volumes of [Beyond Value Chain Mitigation](#) CO<sub>2</sub>e certificates that are obtained by the BMW Group are not credited in the CO<sub>2</sub>e footprint.

### CO<sub>2</sub> equivalents/CO<sub>2</sub>e

CO<sub>2</sub>e 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<sub>2</sub> 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<sub>2</sub>, while for nitrous oxide the impact is 265 times higher. CO<sub>2</sub>e is measured in terms of weight (tonnes).

### CO<sub>2</sub>e 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<sub>2</sub>e emissions of BMW Group locations](#), [Scope 1: CO<sub>2</sub>e emissions company vehicles](#), [Scope 1: CO<sub>2</sub>e-emissions company-owned planes](#), [Scope 2: CO<sub>2</sub>e emissions from electricity/heating/cooling purchased by BMW Group locations](#) and [Scope 2: CO<sub>2</sub>e 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<sub>2</sub> equivalent [t CO<sub>2</sub>e] per vehicle produced.

### CO<sub>2</sub>e 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<sub>2</sub>e emissions of purchased goods and services](#) are added to the upstream transport emissions of the automobile fleet from [Scope 3: CO<sub>2</sub>e 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<sub>2</sub> equivalent [t CO<sub>2</sub>e] per vehicle produced.

### CO<sub>2</sub> emissions of the new vehicle fleet in China (Scope 3 downstream, tank-to-wheel)

The average CO<sub>2</sub> emissions of a manufacturer's fleet (use phase) are calculated on the basis of the volume-weighted average of CO<sub>2</sub> 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<sub>2</sub> 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<sub>2</sub> 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<sub>2</sub> [g CO<sub>2</sub>e] per kilometre driven (after conversion from L/100km to CO<sub>2</sub> g/km).

### CO<sub>2</sub> emissions of the new vehicle fleet in the EU (Scope 3 downstream, tank-to-wheel)

The average CO<sub>2</sub> emissions of the BMW Group fleet (use phase) are calculated on the basis of the volume-weighted average of CO<sub>2</sub> 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<sub>2</sub> emissions determined using the WLTP type test procedure.

Average CO<sub>2</sub> 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<sub>2</sub> fleet emissions since 2021.

The CO<sub>2</sub> 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<sub>2</sub>/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<sub>2</sub> [g CO<sub>2</sub>] per kilometre driven.

### CO<sub>2</sub> emissions of the new vehicle fleet in the US (Scope 3 downstream, tank-to-wheel)

The average CO<sub>2</sub> emissions of a manufacturer's fleet (use phase) are calculated on the basis of the volume-weighted average of CO<sub>2</sub> 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<sub>2</sub> emissions, which are determined according to the US combined type approval procedure. The CO<sub>2</sub> 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<sub>2</sub> [g CO<sub>2</sub>] per kilometre driven (after conversion from miles to kilometres).

### CO<sub>2</sub>e 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<sub>2</sub>e 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. super-credits 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<sub>2</sub>e/kg fuel). To reflect the CO<sub>2</sub>e 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<sub>2</sub>e/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<sub>2</sub> equivalent [g CO<sub>2</sub>e] per kilometre driven.

### CO<sub>2</sub>e reduction Scope 1 and 2

The reduction of Scope 1 and 2 emissions comprises a total value of CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub> equivalent [t CO<sub>2</sub>e].

### CO<sub>2</sub>e reduction in the supply chain (Scope 3 upstream)

The metric expresses the absolute quantity of CO<sub>2</sub>e emissions that were saved during the reporting year as a result of measures taken to reduce CO<sub>2</sub>e emissions in the supply chain of the automobiles produced.

The CO<sub>2</sub>e emissions reductions achieved result from the sum of measures taken to reduce CO<sub>2</sub>e 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<sub>2</sub>e emissions from purchased goods and services](#).

In the first step, the CO<sub>2</sub>e 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<sub>2</sub>e into account (secondary data). In the second step, the calculation of CO<sub>2</sub>e emissions is repeated including measures that have been directly agreed with suppliers. The difference between the two calculations yields the CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub> equivalent [t CO<sub>2</sub>e].

## 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<sub>2</sub>), 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<sub>2</sub>e) 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<sub>2</sub>e (often one tonne of CO<sub>2</sub>e 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\* 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 [2 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<sub>2</sub>e [↗ Scope 1 to Scope 3: CO<sub>2</sub>e 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<sub>2</sub> equivalent per euro [CO<sub>2</sub>e/€].

## I

### Internal CO<sub>2</sub> price

The BMW Group calculates a CO<sub>2</sub> 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<sub>2</sub> price is based on the CO<sub>2</sub> emissions limit set by the EU fleet regulations.

The EU fleet regulations set a value in euros per g of CO<sub>2</sub> 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<sub>2</sub> 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<sub>2</sub> [€/t CO<sub>2</sub>].

## L

### Location-based method

A method to quantify the reporting company's Scope 2 CO<sub>2</sub>e 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<sub>2</sub>e emissions based on CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e emissions covered by an internal CO<sub>2</sub> pricing system (Scope 1, 2 and 3) and share of total emissions per scope

As described in [internal CO<sub>2</sub> price](#), Scope 3 Category 11 use phase emissions, in accordance with the Greenhouse Gas Protocol, are affected by the internal CO<sub>2</sub> 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<sub>2</sub> equivalent [t CO<sub>2</sub>e] (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<sub>2</sub>e emissions (total)

CO<sub>2</sub>e 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<sub>2</sub> equivalent [t CO<sub>2</sub>e]. Biogenic emissions are reported separately.

#### Scope 1: CO<sub>2</sub>e 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<sub>2</sub> equivalent [t CO<sub>2</sub>e]. Biogenic emissions are reported separately.

### Scope 1: CO<sub>2</sub>e 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<sub>2</sub>e from destroyed volatile organic compounds (VOC). These are produced, for example, from the post-combustion of solvent residues in the paint shop.

The CO<sub>2</sub>e 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<sub>2</sub> content is absorbed from the surrounding air and bound in lignin. However, they are reported together with their equivalents (e.g. N<sub>2</sub>O, soot). Biogenic CO<sub>2</sub> 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<sub>2</sub> equivalent [t CO<sub>2</sub>e]. The emissions factors [t/MWh] are applied to energy consumption [MWh].

### Scope 1: CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e kg/litre).

The calculation formula for the consumption-based method per country is:

CO<sub>2</sub>e emissions =  $\Sigma$  (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<sub>2</sub>e kg/litre)

The calculation formula for the mileage-based method per country is:

CO<sub>2</sub>e emissions =  $\Sigma$  (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<sub>2</sub>e 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<sub>2</sub>e emissions from employee commuting \[Employees' commuter traffic\]](#) and [Scope 3: CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub> equivalent [t CO<sub>2</sub>e].

### Scope 1: CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub> 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<sub>2</sub>e 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<sub>2</sub> 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<sub>2</sub> 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<sub>2</sub> emissions for all flights operated.

It should be noted that the metric defined in this context (unit: CO<sub>2</sub>e) 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<sub>2</sub> equivalent [t CO<sub>2</sub>e].

### Scope 2: CO<sub>2</sub>e 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<sub>2</sub> equivalent [t CO<sub>2</sub>e]. Biogenic emissions are reported separately.

### Scope 2: CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub> equivalent [t CO<sub>2</sub>e]. The emissions factors [t/MWh] are applied to energy consumption [MWh].

### Scope 2: CO<sub>2</sub>e emissions from company vehicles

The metric includes indirect emissions (consumption of electricity) from the BMW Group's vehicle fleet expressed in tonnes of CO<sub>2</sub>e.

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<sub>2</sub>e 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<sub>2</sub>e/MWh)

Calculation formula for the consumption-based method per country:

CO<sub>2</sub>e emissions = Σ (quantity of energy consumed (MWh) x country-specific emissions factor for electricity [t CO<sub>2</sub>e/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<sub>2</sub>e/MWh)

Calculation formula for the mileage-based method per country:

CO<sub>2</sub>e emissions = Σ (distance driven by the respective vehicle type x vehicle-specific energy consumption factor) x country-specific emissions factor for electricity (t CO<sub>2</sub>e/MWh)

The data for the respective countries resulting from calculation methods #1 and #2 is ultimately summed up to yield the total reported CO<sub>2</sub>e 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<sub>2</sub>e emissions from employee commuting \[employees' commuter traffic\]](#) and [↗ Scope 3: CO<sub>2</sub>e emissions from use of sold products \[use phase\]](#) and [↗ Scope 2: CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub> equivalent [t CO<sub>2</sub>e].

### Scope 3: CO<sub>2</sub>e 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<sub>2</sub> equivalent [t CO<sub>2</sub>e]. Biogenic emissions are reported separately.

### Scope 3: CO<sub>2</sub>e emissions from purchased goods and services

The metric describes the absolute amount of CO<sub>2</sub>e 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<sub>2</sub>e supply chain emissions. Due to the absence of supplier-specific CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e baseline value for supply

chain emissions (hereinafter referred to as the baseline value). The total fleet value of CO<sub>2</sub>e supply chain emissions is calculated by adding up the CO<sub>2</sub>e 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<sub>2</sub>e-reducing measures must be deducted from the fleet baseline value in a subsequent process step. The calculation of the total quantities of CO<sub>2</sub>e emissions saved is described in the metric [↑ CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e-reducing actions are not currently verified by motorcycle suppliers independently and are therefore also not accounted for in [↑ CO<sub>2</sub>e 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<sub>2</sub>e-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<sub>2</sub> equivalent [t CO<sub>2</sub>e]. Biogenic emissions are reported separately.

### Scope 3: CO<sub>2</sub>e 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 Climaq. 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<sub>2</sub> equivalent [t CO<sub>2</sub>e].

### Scope 3: CO<sub>2</sub>e emissions from upstream transportation and distribution [logistics]

The metric comprises the CO<sub>2</sub>e 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 [note Scope 3: CO<sub>2</sub>e 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 [note Scope 1: CO<sub>2</sub>e emissions of BMW Group locations](#) and [note Scope 2: CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e per tonne-kilometre [g CO<sub>2</sub>e/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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e emissions for each vehicle produced are calculated using the methodology described above. An average derivative-specific outbound CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub> equivalent [t CO<sub>2</sub>e]. Biogenic emissions are reported separately.

### Scope 3: CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub> equivalent [t CO<sub>2</sub>e].

### Scope 3: CO<sub>2</sub>e emissions of employee commuting [employees' commuter traffic]

The metric includes the CO<sub>2</sub>e 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<sub>2</sub>e emissions from company vehicles](#) and [Scope 2: CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e emissions resulting from employee commuting. Biogenic emissions are reported separately.

The unit of the metric is tonnes of CO<sub>2</sub> equivalent [t CO<sub>2</sub>e].

### Scope 3: CO<sub>2</sub>e emissions from use of sold products [use phase]

The metric describes the absolute quantity of CO<sub>2</sub>e 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<sub>2</sub>e emissions by the global new vehicle fleet, including upstream emissions (Scope 3 downstream, well-to-wheel, see [↗ CO<sub>2</sub>e 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<sub>2</sub>e is the result of multiplying the average CO<sub>2</sub>e 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<sub>2</sub>e emissions per kilometre of a new BMW Group car can be found at [↗ CO<sub>2</sub>e 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 Motor-cycle 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<sub>2</sub>e/kg fuel). To calculate the CO<sub>2</sub> 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<sub>2</sub>/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<sub>2</sub>e emissions from company vehicles](#) and [↗ Scope 2: CO<sub>2</sub>e 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<sub>2</sub> equivalent [t CO<sub>2</sub>e].

### Scope 3: CO<sub>2</sub>e emissions from end-of-life treatment of sold products [disposal]

The metric describes the absolute amount of CO<sub>2</sub>e 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<sub>2</sub>e emissions from recovery in tonnes of CO<sub>2</sub>e 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<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, SF<sub>6</sub>, NF<sub>3</sub>) 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<sub>2</sub>e 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<sub>2</sub> equivalent [t CO<sub>2</sub>e] for emissions and terawatt hours [TWh] for energy consumption.

### Scope 3: CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e emissions of BMW Group locations](#) and [Scope 2: CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e emissions are extrapolated based on the CO<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e 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<sub>2</sub>e emissions. Biogenic emissions are reported separately.

The unit of the metric is tonnes of CO<sub>2</sub> equivalent [t CO<sub>2</sub>e].

### 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<sup>3</sup>].

### 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<sup>3</sup> 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<sup>3</sup>].

### 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<sup>1</sup>. 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<sup>2</sup>. 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<sup>3</sup>] 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.

<sup>1</sup> VDA 231-106 Material classification in vehicle construction: Composition and nomenclature.

<sup>2</sup> 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<sup>3</sup>].

#### 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<sup>3</sup>].

#### Water intensity

The water intensity is calculated based on the BMW Group's [↗ total water consumption](#) in m<sup>3</sup>. 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<sup>3</sup>/€].

#### 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<sup>3</sup>].

### 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<sub>2</sub> 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.

## 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)
<b>ESRS E1 – Climate Change</b>						
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	➤	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	➤	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	➤	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	➤	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	➤	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	➤	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	➤	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	➤	ESRS
Concluding power purchase agreements support the development of more renewable energy capacity and saving resources and emissions.	Positive impact	Energy	Potential	Mid term	➤	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	➤	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	➤	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	➤	ESRS

Material impacts, risks and opportunities	Type	Sub(-sub)-topic	Likelihood	Time horizon*	Stage of the value chain	ESRS/ Entity specific disclosures (ESD)
<b>ESRS E2 - Pollution</b>						
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
<b>ESRS E3 - Water and Marine Resources</b>						
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
<b>ESRS E4 - Biodiversity</b>						
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
<b>ESRS E5 - Circular Economy</b>						
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 <sub>2</sub> e 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
<b>ESRS S1 – Own Workforce</b>						
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
<b>ESRS S2 – Workers in the value chain</b>						
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
<b>ESRS S4 – Consumers and End-Users</b>						
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 compromise 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)
<b>ESRS G1 – Business Conduct</b>						
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 <sub>2</sub> e 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 m <sup>3</sup> 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 disclosures 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 disclosures pursuant to ESRS**

SBM-1.42b) – Outputs

**BMW Group Report 2025**

- 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 disclosures 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 adaptation 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<sub>2</sub>e 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<sub>2</sub>e 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

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**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 disclosures 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

➤ Commitment 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 disclosures pursuant to ESRS****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

E5-1 – Policies related to resource use and circular economy

E5-2 – Actions and resources related to resource use and circular economy

E5-3 – Targets related to resource use and circular economy

E5-4 – Resource inflows

E5-5 – Resource outflows

E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities

**ESRS S1 – Own workforce**

Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

S1-1 – Policies related to own workforce

S1-2 – Processes for engaging with own workers and workers' representatives about impacts

S1-3.32, 34 – Procedures for improving negative impacts and channels through which the company's workforce can raise concerns

S1-3.33 – Procedures for improving negative impacts and channels through which the company's workforce can raise concerns

**BMW Group Report 2025**

➤ Procedure and methodological basis for the materiality assessment  
➤ Stakeholder Engagement

➤ Holistic approach for the transition to a circular economy  
➤ Social and Environmental Responsibility in the Supplier Network  
» Raw materials security and strategy

➤ Measures and metrics for the responsible use of resources  
➤ Social and Environmental Responsibility in the Supplier Network

➤ Milestones along the road to the circular economy  
➤ Social and Environmental Responsibility in the Supplier Network

➤ Measures and metrics for the responsible use of resources

➤ Measures and metrics for the responsible use of resources

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➤ Stakeholder Engagement

➤ Description of material impacts, risks and opportunities and their link to strategy and business model  
➤ Basis for action

➤ 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

➤ 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

➤ Basis for action  
➤ Points of contact for employees

» Compliance and notification systems

**Mandatory disclosures pursuant to ESRS**

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

**BMW Group Report 2025**

- 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 disclosures pursuant to ESRS**

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

➤ Characteristics of consumers and end-users

S4-1.15-17 –Policies on consumer and end-user engagement

➤ Basis for action  
➤ Characteristics of consumers and end-users  
➤ Customer data protection

S4-1.16b) – Policies on consumer and end-user engagement

➤ Characteristics 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 disclosures pursuant to ESRS**

S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

**BMW Group Report 2025**

- Ensuring customer satisfaction
- Definition and implementation of sales targets at the BMW Group
- BMW Group target: ensuring that data is processed accurately and securely
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**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
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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

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- 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
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  - » Compliance as a corporate function
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  - » 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

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# 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/](http://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<sup>1</sup> (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<sup>2</sup>.

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.

<sup>1</sup> Disclosures pursuant to § 289 and § 315 HGB as well as ESRS 2, paragraphs 34–36 and AR 11.

<sup>2</sup> 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%).

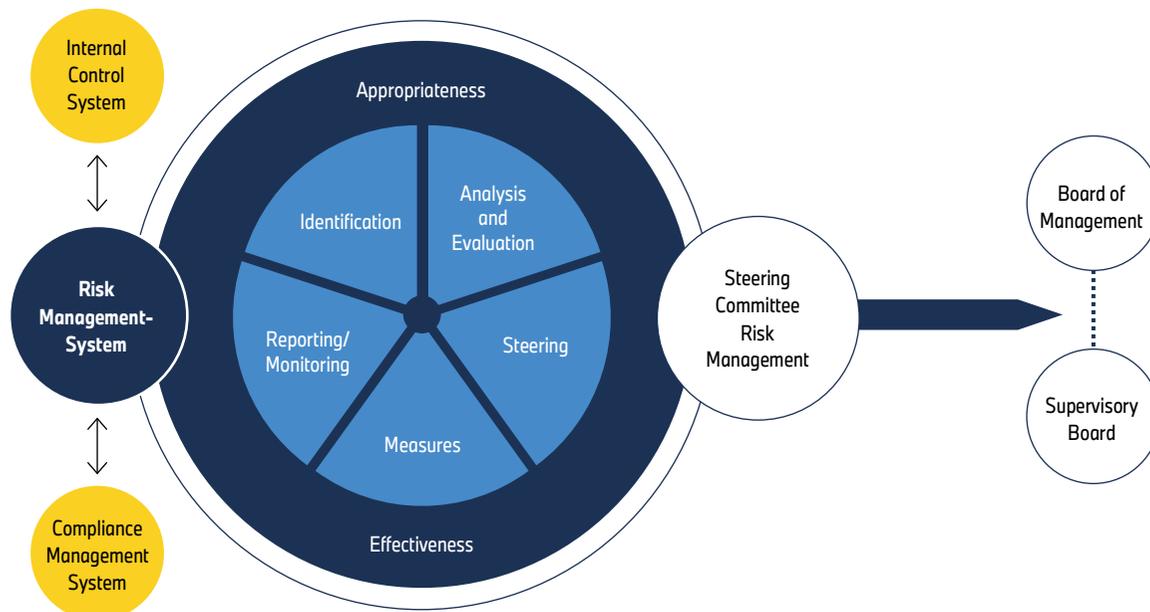
The impacts of risks and opportunities are presented separately without offsetting against each other.

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**



Internal and external audit

**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
<b>Macroeconomic risks and opportunities</b>	Very high	–	Immaterial	–
<b>Strategic and sector-specific risks and opportunities</b>				
Changes in legislation and regulatory requirements	High	–	Immaterial	–
Market developments	Very high	–	Immaterial	–
<b>Risks and opportunities relating to operations</b>				
Production and technology	High	–	Immaterial	–
Purchasing	Very high	Increased	Immaterial	–
Sales network	Medium	Increased	Immaterial	–
Information security, data protection and IT	High	–	Immaterial	–
<b>Financial risks and opportunities</b>				
Foreign currencies	Medium	–	Material	–
Raw materials	Medium	–	Material	–
Liquidity	Low	–	–	–
Other financial risks	Medium	–	Immaterial	–
Pension obligations	Medium	–	Material	–
<b>Legal risks</b>	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

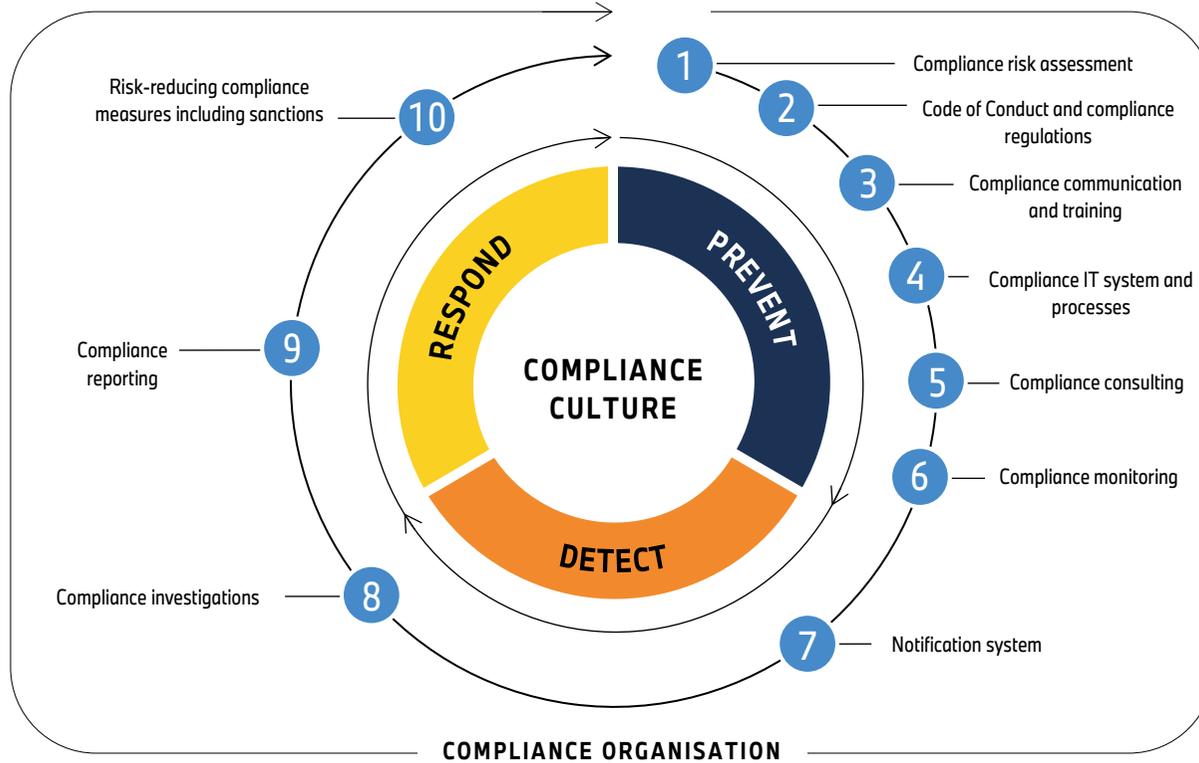
companies and independent audits carried out by Group Data Privacy Protection.

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 around 1.25 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<sub>2</sub>e emissions is expected as further substitution measures in energy supply are taking effect.

The absolute Scope 3 CO<sub>2</sub>e 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 re-marketing 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 [7 Risks and Opportunities](#) section.

BMW Group key performance indicators<sup>1</sup>

		2025 Reported	2026 Outlook
<b>GROUP</b>			
Profit before tax	€ million	10,236	Moderate decrease
Employees at year-end <sup>2</sup>		154,540	Slight decrease
Share of women in management positions BMW AG <sup>3</sup>	%	20.0	At previous year's level
CO <sub>2</sub> e emissions scope 1 and 2	million tonnes	0.811	Slight reduction
<b>AUTOMOTIVE SEGMENT</b>			
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 <sub>2</sub> e emissions scope 3 supply chain and use phase <sup>4</sup>	million tonnes	118.7	Slight increase
<b>MOTORCYCLES SEGMENT</b>			
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
<b>FINANCIAL SERVICES SEGMENT</b>			
Return on equity (RoE)	%	14.3	Between 13 and 16

<sup>1</sup> For information on terminology and ranges, see [Glossary](#).

<sup>2</sup> Excluding the joint operation Spotlight.

<sup>3</sup> From the 2026 financial year onwards, the key performance indicator refers to the BMW AG in Germany.

<sup>4</sup> CO<sub>2</sub>e 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](http://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 accrual,
- (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:<sup>1</sup>

Shareholder	Direct share of voting rights (in %)	Indirect share of voting rights (in %)
Stefan Quandt, Germany	0.2	27.5 <sup>2</sup>
AQTON SE, Bad Homburg v. d. Höhe, Germany	9.7	17.8 <sup>3</sup>
AQTON Verwaltung GmbH, Bad Homburg v. d. Höhe, Germany	–	17.8 <sup>4</sup>
AQTON GmbH & Co. KG für Automobilwerte, Bad Homburg v. d. Höhe, Germany	17.8	–
Susanne Klatten, Germany	0.2	22.3 <sup>5</sup>
Susanne Klatten Beteiligungs GmbH, Bad Homburg v. d. Höhe, Germany	22.3	–

<sup>1</sup> Based on voluntary notifications provided by the listed shareholders as at 31 December 2025.

<sup>2</sup> Controlled entities, of which 3% or more are attributed: AQTON SE, AQTON Verwaltung GmbH, AQTON GmbH & Co. KG für Automobilwerte.

<sup>3</sup> Controlled entities, of which 3% or more are attributed: AQTON Verwaltung GmbH, AQTON GmbH & Co. KG für Automobilwerte.

<sup>4</sup> Controlled entities, of which 3% or more are attributed: AQTON GmbH & Co. KG für Automobilwerte.

<sup>5</sup> 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.

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# 03 GROUP FINANCIAL STATEMENTS





# STATEMENT OF COMPREHENSIVE INCOME FOR GROUP

in € million	Note	2025	2024
<b>Net profit</b>		<b>7,451</b>	<b>7,678</b>
Remeasurement of the net liability for defined benefit pension plans	33	149	302
Income taxes		- 128	- 50
<b>Items not expected to be reclassified to the income statement in the future</b>		<b>21</b>	<b>252</b>
Marketable securities (at fair value through other comprehensive income)		17	2
Derivative financial instruments		2,995	- 3,306
Costs of hedging		- 174	919
Other comprehensive income from equity accounted investments		1	7
Income taxes		- 844	678
Currency translation foreign operations		- 2,436	1,108
<b>Items that can be reclassified to the income statement in the future</b>		<b>- 441</b>	<b>- 592</b>
<b>Other comprehensive income for the period after tax</b>	<b>19</b>	<b>- 420</b>	<b>- 340</b>
<b>Total comprehensive income</b>		<b>7,031</b>	<b>7,338</b>
Total comprehensive income attributable to non-controlling interests		13	324
<b>Total comprehensive income attributable to shareholders of BMW AG</b>		<b>7,018</b>	<b>7,014</b>

# BALANCE SHEET FOR GROUP AND SEGMENTS AT 31 DECEMBER 2025

in € million	Note	Group		Automotive (unaudited supplementary information)		Motorcycles (unaudited supplementary information)		Financial Services (unaudited supplementary information)		Other Entities (unaudited supplementary information)		Eliminations (unaudited supplementary information)	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>ASSETS</b>													
Intangible assets	21	19,915	20,220	19,345	19,630	199	220	370	369	1	1	-	-
Property, plant and equipment	22	39,903	39,581	39,233	38,909	595	588	75	84	-	-	-	-
Leased products	23	53,024	48,838	-	-	-	-	60,985	57,249	-	-	-7,961	-8,411
Investments accounted for using the equity method	24	526	553	526	553	-	-	-	-	-	-	-	-
Other investments		891	1,099	14,670	14,662	-	-	25	25	23,436	23,187	-37,240	-36,775
Receivables from sales financing	25	53,599	55,149	-	-	-	-	53,753	55,299	-	-	-154	-150
Financial assets	26	2,568	834	1,474	315	-	-	189	192	1,043	471	-138	-144
Deferred tax	13	2,205	3,244	2,873	3,336	-	-	615	597	60	57	-1,343	-746
Other assets	28	1,688	1,827	2,206	2,061	23	18	3,394	2,906	41,772	41,499	-45,707	-44,657
<b>Non-current assets</b>		<b>174,319</b>	<b>171,345</b>	<b>80,327</b>	<b>79,466</b>	<b>817</b>	<b>826</b>	<b>119,406</b>	<b>116,721</b>	<b>66,312</b>	<b>65,215</b>	<b>-92,543</b>	<b>-90,883</b>
Inventories	29	21,281	24,387	19,370	22,372	872	919	1,039	1,096	-	-	-	-
Trade receivables	30	2,946	2,834	2,534	2,449	160	132	251	252	1	1	-	-
Receivables from sales financing	25	36,440	38,569	-	-	-	-	36,440	38,569	-	-	-	-
Financial assets	26	2,460	2,565	1,595	1,561	-	-	664	613	269	423	-68	-32
Current tax	27	1,849	1,316	856	715	-	-	66	154	927	447	-	-
Other assets	28	7,818	7,429	25,156	23,152	6	17	3,691	4,375	69,100	64,227	-90,135	-84,342
Cash and cash equivalents		18,854	19,287	15,416	14,853	17	21	3,230	3,103	191	1,310	-	-
<b>Current assets</b>		<b>91,648</b>	<b>96,387</b>	<b>64,927</b>	<b>65,102</b>	<b>1,055</b>	<b>1,089</b>	<b>45,381</b>	<b>48,162</b>	<b>70,488</b>	<b>66,408</b>	<b>-90,203</b>	<b>-84,374</b>
<b>Total assets</b>		<b>265,967</b>	<b>267,732</b>	<b>145,254</b>	<b>144,568</b>	<b>1,872</b>	<b>1,915</b>	<b>164,787</b>	<b>164,883</b>	<b>136,800</b>	<b>131,623</b>	<b>-182,746</b>	<b>-175,257</b>

# BALANCE SHEET FOR GROUP AND SEGMENTS AT 31 DECEMBER 2025

in € million	Note	Group		Automotive (unaudited supplementary information)		Motorcycles (unaudited supplementary information)		Financial Services (unaudited supplementary information)		Other Entities (unaudited supplementary information)		Eliminations (unaudited supplementary information)	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>EQUITY AND LIABILITIES</b>													
Subscribed capital	31	616	639	-	-	-	-	-	-	-	-	-	-
Capital reserves	31	2,479	2,456	-	-	-	-	-	-	-	-	-	-
Revenue reserves	31	95,471	92,812	-	-	-	-	-	-	-	-	-	-
Accumulated other equity	31	-2,168	-2,090	-	-	-	-	-	-	-	-	-	-
Treasury shares	31	-701	-1,502	-	-	-	-	-	-	-	-	-	-
<b>Equity attributable to shareholders of BMW AG</b>	<b>31</b>	<b>95,697</b>	<b>92,315</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non-controlling interests		2,209	2,688	-	-	-	-	-	-	-	-	-	-
<b>Equity</b>		<b>97,906</b>	<b>95,003</b>	<b>60,225</b>	<b>58,562</b>	<b>-</b>	<b>-</b>	<b>16,444</b>	<b>16,954</b>	<b>62,997</b>	<b>61,550</b>	<b>-41,760</b>	<b>-42,063</b>
Pension provisions	33	203	222	121	134	-	-	12	16	70	72	-	-
Other provisions	34	6,524	7,830	6,142	7,411	101	107	281	312	-	-	-	-
Deferred tax	13	4,110	2,621	3,501	2,500	-	-	3,038	2,099	77	92	-2,506	-2,070
Financial liabilities	36	68,159	66,770	2,313	3,145	2	1	22,028	21,205	43,954	42,563	-138	-144
Other liabilities	37	7,341	7,597	9,283	8,271	743	779	43,139	43,461	577	410	-46,401	-45,324
<b>Non-current provisions and liabilities</b>		<b>86,337</b>	<b>85,040</b>	<b>21,360</b>	<b>21,461</b>	<b>846</b>	<b>887</b>	<b>68,498</b>	<b>67,093</b>	<b>44,678</b>	<b>43,137</b>	<b>-49,045</b>	<b>-47,538</b>
Other provisions	34	7,670	8,543	6,846	7,813	127	130	693	549	4	51	-	-
Current tax	35	864	1,131	683	737	-	-	117	241	64	153	-	-
Financial liabilities	36	42,310	44,491	1,250	3,012	1	-	25,527	26,901	15,600	14,610	-68	-32
Trade payables	38	12,488	14,126	11,001	12,556	495	561	984	997	8	12	-	-
Other liabilities	37	18,392	19,398	43,889	40,427	403	337	52,524	52,148	13,449	12,110	-91,873	-85,624
<b>Current provisions and liabilities</b>		<b>81,724</b>	<b>87,689</b>	<b>63,669</b>	<b>64,545</b>	<b>1,026</b>	<b>1,028</b>	<b>79,845</b>	<b>80,836</b>	<b>29,125</b>	<b>26,936</b>	<b>-91,941</b>	<b>-85,656</b>
<b>Total equity and liabilities</b>		<b>265,967</b>	<b>267,732</b>	<b>145,254</b>	<b>144,568</b>	<b>1,872</b>	<b>1,915</b>	<b>164,787</b>	<b>164,883</b>	<b>136,800</b>	<b>131,623</b>	<b>-182,746</b>	<b>-175,257</b>

# CASH FLOW STATEMENT FOR GROUP AND SEGMENTS

in € million	Group		Automotive (unaudited supplementary information)		Financial Services (unaudited supplementary information)	
	2025	2024	2025	2024	2025	2024
Profit/loss before tax	10,236	10,971	5,945	7,544	2,401	2,538
Income taxes paid	-2,045	-3,794	-1,455	-2,043	124	-1,059
Interest received*	518	644	1,074	1,342	11	10
Other interest and similar income/expenses*	-235	-433	78	-135	36	9
Depreciation and amortisation of tangible, intangible and investment assets	8,692	8,650	8,510	8,504	24	28
Other non-cash income and expense items	39	339	81	167	-9	20
Result from equity accounted investments	-38	14	-38	14	-	-
Change in leased products	-6,773	-5,231	-	-	-6,804	-6,186
Change in receivables from sales financing	-1,746	-4,144	-	-	-1,751	-4,154
Changes in working capital	880	-396	941	173	31	-534
Change in inventories	1,587	-128	1,549	270	24	-385
Change in trade receivables	-221	1,379	-185	1,474	1	-69
Change in trade payables	-486	-1,647	-423	-1,571	6	-80
Change in provisions	-1,382	-726	-1,340	-698	137	132
Change in other operating assets and liabilities	82	1,672	-2	1,923	99	809
<b>Cash inflow/outflow from operating activities</b>	<b>8,228</b>	<b>7,566</b>	<b>13,794</b>	<b>16,791</b>	<b>-5,701</b>	<b>-8,387</b>
Total investment in intangible assets and property, plant and equipment	-10,963	-12,205	-10,813	-12,006	-9	-16
Proceeds from subsidies for intangible assets and property, plant and equipment	130	192	130	192	-	-
Proceeds from the disposal of intangible assets and property, plant and equipment	31	21	30	19	1	2
Expenditure for investment assets	-86	-162	-79	-157	1	-
Proceeds from the disposal of investment assets and other business units	197	13	178	13	-	-
Investments in marketable securities and investment funds	-1,150	-1,062	-1,049	-913	-64	-149
Proceeds from the disposal of marketable securities and investment funds	1,889	1,834	1,822	1,752	29	82
<b>Cash inflow/outflow from investing activities</b>	<b>-9,952</b>	<b>-11,369</b>	<b>-9,781</b>	<b>-11,100</b>	<b>-42</b>	<b>-81</b>

# CASH FLOW STATEMENT FOR GROUP AND SEGMENTS

in € million	Group		Automotive (unaudited supplementary information)		Financial Services (unaudited supplementary information)	
	2025	2024	2025	2024	2025	2024
Payments out of equity	- 4	- 22	- 4	- 22	-	-
Payments into equity	40	-	40	-	-	-
Treasury shares acquired	- 1,250	- 1,002	- 1,250	- 1,002	-	-
Payment of dividends to shareholders of BMW AG	- 2,649	- 3,781	- 2,649	- 3,781	-	-
Payment of dividends to non-controlling interests	- 510	- 1,013	- 510	- 1,013	-	-
Intragroup financing and equity transactions	-	-	3,710	2,001	3,566	5,148
Interest paid*	- 245	- 196	- 1,111	- 1,207	- 47	- 18
Proceeds from issue of non-current financial liabilities	26,983	30,025	-	10	12,253	11,752
Repayment of non-current financial liabilities	- 19,504	- 22,182	- 516	- 528	- 10,012	- 10,466
Change in other financial liabilities	- 1,488	3,937	- 1,111	1,125	34	2,122
<b>Cash inflow/outflow from financing activities</b>	<b>1,373</b>	<b>5,766</b>	<b>- 3,401</b>	<b>- 4,417</b>	<b>5,794</b>	<b>8,538</b>
<b>Effect of exchange rate on cash and cash equivalents</b>	<b>- 82</b>	<b>- 3</b>	<b>- 49</b>	<b>- 11</b>	<b>76</b>	<b>- 57</b>
<b>Change in cash and cash equivalents</b>	<b>- 433</b>	<b>1,960</b>	<b>563</b>	<b>1,263</b>	<b>127</b>	<b>13</b>
Cash and cash equivalents as at 1 January	19,287	17,327	14,853	13,590	3,103	3,090
<b>Cash and cash equivalents as at 31 December</b>	<b>18,854</b>	<b>19,287</b>	<b>15,416</b>	<b>14,853</b>	<b>3,230</b>	<b>3,103</b>

\* With the exception of interest for lease liabilities, interest relating to financial services business is classified as revenues/cost of sales.

The reconciliation of liabilities from financing activities is presented in [note \[36\]](#) to the Group Financial Statements.

# STATEMENT OF CHANGES IN EQUITY FOR GROUP

in € million	Note	Accumulated other equity										Total
		Subscribed capital	Capital reserves	Revenue reserves	Translation differences	Marketable securities	Derivative financial instruments	Costs of hedging	Treasury shares	Equity attributable to shareholders of BMW AG	Non-controlling interests	
1 January 2025	31	639	2,456	92,812	- 1,105	- 28	- 877	- 80	- 1,502	92,315	2,688	95,003
Net profit		-	-	7,294	-	-	-	-	-	7,294	157	7,451
Other comprehensive income for the period after tax		-	-	21	- 2,148	13	1,960	- 122	-	- 276	- 144	- 420
<b>Comprehensive income at 31 December 2025</b>		-	-	<b>7,315</b>	<b>- 2,148</b>	<b>13</b>	<b>1,960</b>	<b>- 122</b>	-	<b>7,018</b>	<b>13</b>	<b>7,031</b>
Dividend payments		-	-	- 2,649	-	-	-	-	-	- 2,649	- 510	- 3,159
Treasury shares acquired		-	-	-	-	-	-	-	- 1,250	- 1,250	-	- 1,250
Reissuance of treasury shares		-	-	-	-	-	-	-	49	49	-	49
Treasury share redemption		-	-	- 2,002	-	-	-	-	2,002	-	-	-
Reclassification resulting from share redemption		- 23	23	-	-	-	-	-	-	-	-	-
Other changes		-	-	- 5	-	-	219	-	-	214	18	232
<b>31 December 2025</b>	<b>31</b>	<b>616</b>	<b>2,479</b>	<b>95,471</b>	<b>- 3,253</b>	<b>- 15</b>	<b>1,302</b>	<b>- 202</b>	<b>- 701</b>	<b>95,697</b>	<b>2,209</b>	<b>97,906</b>

# STATEMENT OF CHANGES IN EQUITY FOR GROUP

in € million	Note	Accumulated other equity										Total
		Subscribed capital	Capital reserves	Revenue reserves	Translation differences	Marketable securities	Derivative financial instruments	Costs of hedging	Treasury shares	Equity attributable to shareholders of BMW AG	Non-controlling interests	
1 January 2024	31	639	2,456	89,072	- 2,083	- 29	699	- 658	- 500	89,596	3,327	92,923
Net profit		-	-	7,290	-	-	-	-	-	7,290	388	7,678
Other comprehensive income for the period after tax		-	-	252	978	1	- 2,085	578	-	- 276	- 64	- 340
<b>Comprehensive income at 31 December 2024</b>		-	-	<b>7,542</b>	<b>978</b>	<b>1</b>	<b>- 2,085</b>	<b>578</b>	-	<b>7,014</b>	<b>324</b>	<b>7,338</b>
Dividend payments		-	-	- 3,781	-	-	-	-	-	- 3,781	- 1,013	- 4,794
Treasury shares acquired		-	-	-	-	-	-	-	- 1,002	- 1,002	-	- 1,002
Reissuance of treasury shares		-	-	-	-	-	-	-	-	-	-	-
Treasury share redemption		-	-	-	-	-	-	-	-	-	-	-
Reclassification resulting from share redemption		-	-	-	-	-	-	-	-	-	-	-
Other changes		-	-	- 21	-	-	509	-	-	488	50	538
<b>31 December 2024</b>	<b>31</b>	<b>639</b>	<b>2,456</b>	<b>92,812</b>	<b>- 1,105</b>	<b>- 28</b>	<b>- 877</b>	<b>- 80</b>	<b>- 1,502</b>	<b>92,315</b>	<b>2,688</b>	<b>95,003</b>

# NOTES TO THE GROUP FINANCIAL STATEMENTS

## PRINCIPLES

### 01 Basis of preparation

The consolidated financial statements of Bayerische Motoren Werke Aktiengesellschaft (BMW Group Financial Statements or Group Financial Statements) at 31 December 2025 were drawn up in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (EU), and the supplementary requirements of § 315e (1) of the German Commercial Code (HGB). Pursuant to § 3s25 HGB, the Group Financial Statements and the Group Management Report are required to be submitted electronically to the operator of the Company Register and made accessible via that agency's website. Bayerische Motoren Werke Aktiengesellschaft (BMW AG), which has its seat in Germany, Munich, Petuelring 130, is registered in the Commercial Register of the District Court of Munich under the number HRB 42243. BMW AG manufactures automobiles and motorcycles in the premium segment.

The Group Financial Statements have been drawn up in euros. All amounts are disclosed in millions of euros (€ million) unless stated otherwise.

Key figures presented in this report have been rounded in accordance with standard commercial practice. In certain cases, this may mean that values do not add up exactly to the stated total and that percentages cannot be derived from the values shown.

The income statement for the BMW Group and segments is presented using the cost of sales method.

In order to provide a better insight into the results of operations, financial position and net assets of the BMW Group, and going beyond the requirements of IFRS 8, the Group Financial Statements also include an income statement and a balance sheet for the Automotive, Motorcycles, Financial Services and Other Entities segments. The Group Cash Flow Statement is supplemented by a statement of cash flows for the Automotive and Financial Services segments. Inter-segment transactions relate primarily to internal sales of products, the provision of funds for Group companies and the related interest. A description of the nature of the business and the major operating activities of the BMW Group's segments is provided in [note \[46\]](#) (Explanatory notes to segment information).

Approval for the publication of the Group Financial Statements was granted by the Board of Management on 9 March 2026.

### 02 Group reporting entity and consolidation principles

The BMW Group Financial Statements include BMW AG and all material subsidiaries over which BMW AG – either directly or indirectly – exercises control. This also includes 62 structured entities, consisting of asset-backed financing arrangements and special purpose funds. In some cases, contractual agreements are in place with the asset-backed securities companies to offset their losses in connection with residual value risks arising from the receivables sold to them.

In relation to fully consolidated companies, the following changes took place in the Group reporting entity in the financial year 2025:

	Germany	Foreign	Total
Included at 31 December 2024	21	181	202
Included for the first time in 2025	-	15	15
No longer included in 2025	-	11	11
<b>Included at 31 December 2025</b>	<b>21</b>	<b>185</b>	<b>206</b>

All consolidated subsidiaries have the same year end as BMW AG with the exception of BMW India Private Ltd., Gurugram, and BMW India Financial Services Private Ltd., Gurugram, whose year-ends are 31 March in accordance with local legal requirements, as well as BMW i Ventures SCS SICAV-RAIF, Senningerberg, BiV Carry I SCS, Senningerberg, and BiV Carry II SCS, Senningerberg, whose year-ends are 30 September. Interim financial statements are prepared as at 31 December for the companies with divergent reporting dates.

When assessing whether an investment gives rise to a controlled entity, a joint operation, a joint venture or an associated company, the BMW Group considers contractual arrangements and other circumstances, as well as the structure and legal form of the entity. Discretionary decisions may also be required. If indications exist of a change in the judgement of (joint) control, the BMW Group undertakes a new assessment.

An entity is deemed to be controlled if BMW AG – either directly or indirectly – has power over it, is exposed or has rights to variable returns from it and has the ability to influence those returns.

Joint operations and joint ventures are forms of joint arrangements. Such an arrangement exists when a BMW Group entity jointly carries out activities with a third party on the basis of a contractual agreement.

In the case of a joint operation, the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The assets, liabilities, revenues and expenses of one joint operation that is classified as material are recognised proportionately in the Group Financial Statements on the basis of the BMW Group entity's rights and obligations (proportionate consolidation). The impact of joint operations on the Group Financial Statements is of minor significance.

The BMW Group's largest joint operation is Spotlight Automotive Ltd., Zhangjiagang, which has been operated together with the Chinese automobile manufacturer Great Wall Motor Company Limited since 2019, jointly developing and manufacturing electric vehicles for the MINI and Great Wall brands in China. The BMW Group and Great Wall each hold 50% of the joint operation's equity.

In the case of a joint venture, the parties which have joint control only have rights to the net assets of the arrangement.

An entity is classified as an associated company if BMW AG – either directly or indirectly – has the ability to exercise significant influence over the entity's operating and financial policies. As a general rule, the Group is assumed to have significant influence if it holds 20% or more of the entity's voting power.

Interests in material associated companies and joint ventures are accounted for using the equity method.

BMW Fleet GmbH, Munich, which acquired part of the Group's own fleet and thus also assumed responsibility for the management and marketing of these vehicles, was fully included in the Group Financial Statements for the first time with effect from 31 March 2024.

On 6 November 2023, the BMW Group signed an agreement with a company of the Mercedes-Benz Group to establish Beijing Ionchi New Energy Technology Ltd. in Beijing, China, with the aim of developing charging infrastructure throughout China. Following approval by the antitrust authorities, the transaction was completed on 4 March 2024. The BMW Group holds a 50% interest in the newly founded entity. Since then, the company has been included in the BMW Group's consolidated financial statements as a joint venture using the equity method.

The other changes to the Group reporting entity do not have a material impact on the results of operations, financial position and net assets of the Group.

### 03 Other significant events

#### Geopolitical customs and trade policy

During the financial year 2025, there have been significant changes in global customs policy, which directly affect the BMW Group due to its global production and supply relationships. The impact of increased customs duties reduced the EBIT margin in the Automotive segment by around 1.5 percentage points. The negative impact results from higher customs duties arising in the United States as well as the anti-subsidy duties imposed by the European Commission.

#### Tax reform in Germany

In 2025, the Law for an Immediate Tax-Based Investment Programme to Strengthen Germany as a Business Location was passed. Starting on 1 January 2028 and continuing until 2032, the German corporation tax rate will be gradually reduced by one percentage point each year from 15% to 10%. Deferred taxes are therefore measured at the tax rates that are expected to apply at the time of the reversal of the respective temporary differences. The resulting impact of remeasuring deferred taxes is recognised either in profit or loss or directly in equity (through other comprehensive income), depending on the underlying transaction. The impact reduces the tax rate in 2025 by 2.7 percentage points and results primarily from capitalised development costs.

#### Russia-Ukraine war

The restrictions currently in place for payments are resulting in limited transfers of liquid funds from BMW Group companies in Russia. Developments in this area are reviewed by the BMW Group on a regular basis. In total, the Russian companies hold around 6% (2024: 4%) of the BMW Group's cash and cash equivalents.

#### 04 Foreign currency translation and measurement

In the single entity accounts of BMW AG and its subsidiaries, foreign currency receivables and payables are measured on initial recognition using the exchange rate prevailing at the date of first-time recognition. Advance payments to suppliers or from customers in a foreign currency that result in the addition of non-monetary assets or liabilities are recorded at the exchange rate prevailing at the date of payment. At the end of the reporting period, foreign currency receivables and payables are measured using the closing exchange rate. The resulting unrealised gains and losses, as well as realised gains and losses arising on settlement, are recognised in the income statement, in line with the underlying substance of the transaction.

The financial statements of consolidated companies which are presented in a foreign currency are translated using the modified closing rate method. Under this method, assets and liabilities are translated at the closing exchange rate, while income and expenses are translated at the average exchange rate. Differences arising on foreign currency translation are presented in "Accumulated other equity". Equity positions are rolled forward on the basis of historical exchange rates.

The exchange rates of currencies which have a material impact on the Group Financial Statements were as follows:

	Closing rate		Average rate	
	31.12.2025	31.12.2024	2025	2024
1 euro =				
US dollar	1.17	1.04	1.13	1.08
Chinese renminbi	8.21	7.57	8.12	7.78
British pound	0.87	0.83	0.86	0.85
Japanese yen	184.02	162.74	169.08	163.84
South Korean won	1,690.57	1,530.75	1,606.48	1,475.62

Compared with 31 December 2024, the euro has appreciated significantly against other key currencies (in particular the US dollar and Chinese renminbi). Changes in currency closing rates had an € 11.7 billion negative impact on the balance sheet total.

Argentina has fulfilled the definition of a hyperinflationary economy since 1 July 2018. Since that date, International Accounting Standard (IAS) 29 has therefore been applied to the BMW subsidiary in Argentina. The price indices published by the Federación Argentina de Consejos Profesionales de Ciencias Económicas are used to adjust non-monetary asset, liability and income statement line items. The resulting effects are not material for the BMW Group.

## 05 Financial reporting rules

### a Financial reporting standards applied for the first time in the financial year 2025

Standards and Revised Standards applied for the first time in the financial year 2025 did not have any significant impact on the BMW Group Financial Statements.

### b Financial reporting pronouncements issued by the IASB, but not yet applied

In April 2024, the International Accounting Standards Board (IASB) published IFRS 18 Presentation and Disclosure in Financial Statements. The Standard replaces IAS 1 and contains new rules on the structure of the income statement, on key performance indicators defined by management, as well as on the aggregation and disaggregation of information which may also have an impact on the disclosures made in the notes. In addition, the regulations for cash flow statements have also been partially amended. The new rules are mandatory for financial years beginning on or after 1 January 2027. The BMW Group is at an advanced stage of analysing the impact of IFRS 18 on the Group Financial Statements. Early adoption of IFRS 18 is not intended.

In December 2024, the IASB also published Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity. The targeted amendments contained therein deal with the accounting treatment of nature-dependent electricity arrangements. This applies in particular to long-term energy supply contracts (power purchase agreements). The amendments to IFRS 9 are primarily intended to address current challenges in the application of the own-use exception and hedge accounting. The amendments to IFRS 7 include additional disclosure requirements for nature-dependent electricity contracts. The new regulations, which were transposed into applicable law by the European legislator in June 2025, are required to be applied at the latest to financial years beginning on or after 1 January 2026. The new regulations have not been adopted early. The BMW Group expects that the amended criteria for assessing the applicability of the own-use exemption will make it possible to apply

it to a greater number of power purchase agreements, thereby supporting the BMW Group's decarbonisation efforts. With the exception of the additional disclosure requirements, this does not result in any change to the accounting treatment of the existing portfolio of power purchase agreements.

Other financial reporting standards and revised standards issued by the IASB that have not yet been applied are not expected to have any significant impact on the BMW Group Financial Statements.

## 06 Accounting policies, assumptions, judgements and estimations

The **impact of climate change** has been taken into account by the Board of Management when preparing the Group Financial Statements. As a matter of principle, the Group Financial Statements are prepared in accordance with the BMW Group's long-term corporate plan, as approved by management, taking into account issues – such as the expansion of electric mobility, regulatory requirements and changes in production conditions – that are relevant for expected climate change. In this context, the BMW Group incurs expenditure on research and development for electrified models, invests in resource-saving production facilities for the manufacture of electrified automobiles and, in particular, is gradually converting its production processes from fossil fuels to green energy by concluding power purchase agreements for electricity and gas from renewable sources.

In order to reduce CO<sub>2</sub>e emissions, the BMW Group has set itself science-based, cross-sector targets for 2030, in line with the approach of the Science Based Targets initiative (SBTi). Long-term corporate planning is also geared towards achieving these targets. The target set for the BMW Group's Scope 1 and 2 emissions is aligned with the 1.5°C pathway. The overarching target set for Scope 3 – Automobiles (purchased goods and services [excluding customer support], transportation logistics, use phase) – is in line with a well-below-two-degree approach.

The targets set for the period up to 2030 envisage a reduction in CO<sub>2</sub>e emissions of at least 40 million tonnes CO<sub>2</sub>e compared to the reference year 2019. This equates to an absolute target for Scopes 1 and 2 CO<sub>2</sub>e emissions of 0.646 million tonnes, a reduction of 46.2% compared to the reference year 2019. At the level of Scope 3 emissions an absolute target of 108 million tonnes of CO<sub>2</sub>e has been set for purchased goods and services (excluding customer support), transportation logistics and the use phase of automobiles, a reduction of 27.5% compared to the reference year 2019. In addition, the path taken for the target year 2035 was described for the first time in the reporting year. By then, at least a further 20 million tonnes of CO<sub>2</sub>e are to be reduced compared to 2030.

Physical and transitory climate-related risks and opportunities, as well as the targets set to reduce CO<sub>2</sub>e emissions (as explained above) are taken into account both for internal performance management as well as for financial reporting purposes. These aspects, referred to below as "climate-related aspects", are highly relevant for the preparation of the Group Financial Statements, particularly in the case of assumptions, judgements and estimations relating to future developments that impact the BMW Group and its environment, and are therefore included in their assessment.

More detailed information on how climate-related aspects are taken into account for recognition and measurement purposes is provided below, particularly in the comments on property, plant and equipment, leased products and the performance of impairment tests. This includes an indication of the extent to which climate-related aspects have been taken into account in the estimations and assumptions for the recognition and measurement of balance sheet items. (Section contains information in line with ESRS E1-1 AR 15.)

**Revenues** from customer contracts include in particular revenues from the sale of products (primarily new and pre-owned vehicles and related products) as well as revenues from services. Revenues are recognised when control of the product is transferred to the dealership or retail customer, whereby the point in time of transfer to the latter is becoming increasingly important due to the phased introduction of the direct sales model. In the case of sales of products, control is transferred and revenue therefore recognised as a general rule at the point in time when the risks and rewards of ownership are transferred. Revenues are stated net of settlement discount, bonuses and rebates as well as interest and residual value subsidies. The consideration arising from these sales is usually due for payment in advance, immediately or within 30 days. In exceptional cases, a longer payment may also be agreed. In the case of services, control is transferred over time. Consideration for the rendering of services to customers usually falls due for payment at the beginning of a contract and is therefore deferred as a contract liability. The deferred amount is released over the service period and recognised as revenue in the income statement. As a general rule, amounts are released on the basis of the expected expense trend, as this best reflects the performance of the service. If the sale of products includes a determinable amount for services (multiple-component contracts), the related revenues are deferred and recognised as income in the same way. Variable consideration components, such as bonuses, are measured at the expected value, and in the case of multiple-component contracts, allocated to all performance obligations unless directly attributable to the sale of a vehicle.

Revenues from the sale of products, for which repurchase arrangements are in place, are not recognised immediately in full. Instead, revenues are either recognised proportionately or the difference between the sales and repurchase price is recognised in instalments over the term of the contract depending on the nature of the agreement. In the case of vehicles sold to a dealership that are expected to be repurchased in a subsequent period as

part of leasing business, revenues are not recognised at Group level at the time of the sale of the vehicle. Instead, assets and liabilities arising from rights of return are recognised in the balance sheet for these vehicles.

Revenues from leases of own-manufactured vehicles are recognised at Group level in accordance with the requirements for manufacturer or dealer leases. In the case of operating leases, revenues from lease payments are recognised on a straight-line basis over the lease term. Finance leases, on the other hand, are accounted for as a sale. At the lease commencement date, revenues are recognised at the amount of the fair value of the leased asset and reduced by any unguaranteed residual value of vehicles that are expected to be returned to the Group at the end of the lease term. In addition, initial direct costs are recognised as cost of sales at the lease commencement date.

Revenues also include interest income from financial services. Interest income arising on finance leases as well as on retail customer and dealership financing is recognised using the effective interest method and reported as interest income on credit financing within revenues.

The BMW Group offers various products that meet the definition of an insurance contract in accordance with IFRS 17. However, for the majority of these products, either an exemption applies (e.g. for warranty agreements) or the insurance arrangements qualify as fixed-fee service contracts, which continue to be accounted for in accordance with IFRS 15 due to the option available in IFRS 17. In some markets, however, products (e.g. comprehensive vehicle insurance) are offered that are required to be accounted for in accordance with IFRS 17. These contracts are recognised using the so-called premium allocation approach. Insurance premiums arising on insurance contracts are presented in other revenues.

**Public sector grants** are not recognised until there is reasonable assurance that the conditions attaching to them have been complied with and the grants will be received. The resulting income is recognised in cost of sales over the periods in which the costs occur that they are intended to compensate. Government grants received for assets are deducted from the carrying amount of the relevant assets, and recognised in profit or loss over the respective useful lives of the assets in the form of reduced depreciation/amortisation. For information on the accounting treatment of government grants for assets granted before 31 December 2022, please refer to the disclosures provided in [note \[37\]](#).

**Earnings per share** are calculated as follows: basic earnings per share are calculated for ordinary and preferred shares by dividing the net profit for the year (after non-controlling interests) that is attributable to each share category, by the average number of shares of each category in circulation. Net profit for the year is accordingly allocated to the different share categories. The portion of the net profit that is not being distributed is allocated to each share category based on the number of outstanding shares. Profits available for distribution are determined directly on the basis of the dividend proposals or resolutions for ordinary and preferred shares. Diluted earnings per share are calculated and separately disclosed in accordance with IAS 33.

**Intangible assets** are measured on initial recognition at acquisition or manufacturing cost. Subsequently, intangible assets with finite useful lives are amortised on a straight-line basis over their useful lives of between three and 20 years. Impairment losses are recognised where necessary. Intangible assets with indefinite useful lives are tested annually for impairment. Internally generated intangible assets mainly comprise development costs for vehicle, module and architecture projects.

**Development costs** are capitalised if all of the criteria specified by IAS 38 are met. They are measured on the basis of direct costs and directly attributable overhead costs. Project-related capitalised development costs are amortised on a straight-line basis following the start of production over the estimated product life (usually five to 12 years).

**Goodwill** arises when the cost of acquiring a business exceeds the Group's share of the net fair value of the assets, liabilities and contingent liabilities identified during the acquisition.

Intangible assets also include **emission allowances** and similar **rights arising from programmes aimed at reducing carbon or other climate-damaging emissions** (for example in conjunction with the EU Emissions Trading System or vehicle-related emissions regulations in the USA or China). These allowances and rights are carried at cost and, in the event that they are allocated free of charge, recorded at a value of zero. Amounts are derecognised when they are returned or, in exceptional cases, when they are sold or expire. In parallel to the recognition of these allowances and rights as assets, provisions are recognised in accordance with IAS 37 corresponding to the amount of obligations expected to arise in conjunction with the related emissions regulations. Provisions are measured on the basis of the expected value of the allowances or rights that are to be returned.

If there is any indication of **impairment of intangible assets**, or if an annual impairment test is required (i.e. intangible assets with an indefinite useful life, intangible assets during the development phase and goodwill), an impairment test is performed. Each individual asset is tested separately unless the cash flows generated by the asset are not sufficiently independent from the cash flows generated by other assets or other groups of assets. In these cases, impairment is tested at the level of a cash-generating unit, which is the norm for the BMW Group.

For the purpose of the impairment test, the carrying amount of an asset (or a cash-generating unit) is compared with the recoverable amount. The first step of the impairment test is to determine the value in use. If the value in use is lower than the carrying amount, the next step is to determine the fair value less costs to sell and compare the amount so determined with the asset's carrying amount. If the fair value is lower than the carrying amount, an impairment loss is recognised, reducing the carrying amount to the higher of the asset's value in use or fair value less costs to sell.

If the reason for a previously recognised impairment loss no longer exists, the impairment loss is reversed up to the level of the recoverable amount, but no higher than the amortised acquisition or manufacturing cost. Impairment losses on goodwill are not reversed. As part of the process of assessing recoverability, it is generally necessary to apply estimations and assumptions – in particular regarding future cash inflows and outflows and the length of the forecast period – which could differ from actual amounts. Actual amounts may differ from the assumptions and estimations used if business conditions develop differently to expectations.

The BMW Group determines the value in use of intangible assets on the basis of a present value computation. The cash flows used for this calculation are derived from the long-term corporate plan approved by management, corresponding to a forecast period of six years.

For the purposes of calculating cash flows beyond the planning period, a perpetual annuity return is assumed which does not take growth into account. Forecasting assumptions are adjusted to current information and regularly compared with external sources. The assumptions used take account in particular of expectations of the profitability of the product portfolio, future market share development, macroeconomic developments (such as currency, interest rate and raw materials prices) as well as the legal environment and past experience.

Assumptions also take into account the impact of climate-related aspects and the influence of other sustainability factors on business performance and the product portfolio, for example as a result of changes in demand patterns, regulatory requirements or changes in production conditions. In line with the BMW Group's strategy process and the ongoing expansion of electric mobility, the detailed forecast takes account of key assumptions such as the planned increase in the share of electrified automobiles to over 50%, the required level of expenditure on research and development with regard to vehicle models with battery-powered electric drives, the scale of investments in resource-saving production facilities (including any expected efficiency improvements) and the cost of converting production processes from fossil fuels to renewable energy sources. Last but not least, the expected impact on the current leasing portfolio is also considered.

Amounts are discounted on the basis of a market-related cost of capital rate. Impairment tests are performed for accounting and financial reporting purposes and using a risk-adjusted pre-tax cost of capital (WACC) for the Automotive (excluding BMW Brilliance), BMW Brilliance and Motorcycles cash-generating units. In the case of the Financial Services cash-generating unit, a pre-tax cost of equity capital is used, as is customary in the sector. The following pre-tax discount factors were applied:

in %	2025	2024
Automotive excluding BMW Brilliance	13.7	13.4
BMW Brilliance	13.8	13.6
Motorcycles	13.7	13.4
Financial Services	14.7	13.9

The risk-adjusted discount rate, calculated using a capital asset pricing model (CAPM), also takes into account specific peer-group information relating to beta-factors, capital structure data and borrowing costs. No adjustments to the WACC were made for environmental, social or governance (ESG) aspects.

In conjunction with the impairment tests for cash-generating units, sensitivity analyses are performed for the main assumptions in order to rule out that possible changes to the assumptions used to determine the recoverable amount would result in the requirement to recognise an impairment loss. Even in the case of a 10% deterioration in the individual measurement assumptions, the need to recognise an impairment loss does not arise.

All items of **property, plant and equipment** are measured at acquisition or manufacturing cost less accumulated depreciation and accumulated impairment losses.

The cost of internally constructed plant and equipment comprises all costs which are directly attributable to the manufacturing process as well as an appropriate proportion of production-related overheads. This includes production-related depreciation and amortisation as well as an appropriate proportion of administrative and social costs. Financing costs are not included in acquisition or manufacturing cost unless they are directly attributable to the asset. The carrying amount of items of depreciable property, plant and equipment is written down according to scheduled usage-based depreciation – as a general rule on a straight-line basis – over the useful lives of the assets. Depreciation is recorded as an expense in the income statement.

The following useful lives are applied throughout the BMW Group:

in years	
Factory and office buildings, residential buildings, fixed installations in buildings and outside facilities	8 to 50
Plant and machinery	3 to 30
Other facilities, factory and office equipment	2 to 25

The useful lives of plant and equipment are reviewed regularly and extended or shortened as necessary. This review also takes account of the impact of climate-related aspects on useful lives, for example due to changes in demand patterns or regulatory requirements. In addition to the assumptions used for long-term corporate planning as described above, product-relevant decisions taken during the year are also considered. Climate-related aspects have an indirect impact on the utilisation of property, plant and equipment. Adjustments to the useful lives of items of plant and machinery are avoided by a combination of flexible manufacturing arrangements (independent of drivetrain type and capable of handling all vehicle generations) and asset-preservation measures. The useful lives of plant and machinery that are used exclusively for internal combustion vehicle production are also covered by up-to-date planning assumptions. For machinery used in multiple-shift operations, depreciation rates are increased to account for the additional utilisation. If there is any indication of impairment of property, plant and equipment, an impairment test is performed as described above for intangible assets.

A lease arises for IFRS 16 purposes either when an actual legal **rental/lease agreement for property, plant and equipment** is in place or when other contractual arrangements are in place that are equivalent to a lease in substance. Depending on the specific facts and circumstances of each individual case, power purchase agreements and long-term supply contracts for battery cells may also constitute a lease.

The BMW Group recognises a right-of-use asset and a liability for the outstanding lease payments with effect from the date on which the leased asset becomes available for use by the BMW Group. The cost of the right-of-use asset is the sum of the amount at which the lease liability is initially measured, any lease payments made at or before the lease commencement date, any initial direct costs incurred by the lessee and the estimated costs of dismantling, removing or restoring the leased asset. Lease incentives granted by the lessor are deducted. Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life of the leased asset and the expected lease term. If

ownership of the leased asset is automatically transferred at the end of the lease term or the exercise of a purchase option is reflected in the lease payments, the right-of-use asset is depreciated on a straight-line basis over the expected useful life of the leased asset. Right-of-use assets are reported in the balance sheet within the relevant line items for property, plant and equipment. The depreciation expense on right-of-use assets is reported in the income statement in cost of sales as well as in selling and administrative expenses.

The lease liability is measured on initial recognition at the present value of the future lease payments. Subsequent to initial recognition, the carrying amount of the lease liability is increased to reflect interest on the lease liability and reduced, without income statement impact, by the lease payments made. Lease liabilities are reported within financial liabilities, while interest expense is reported as part of net interest result. In the cash flow statement, both the repayment portion and the interest portion of lease payments are shown as cash outflows from financing activities.

The lease payments to be taken into account to measure the right-of-use asset and the lease liability comprise fixed payments, variable lease payments that depend on an index or an interest rate as well as amounts expected to be payable under residual value guarantees. If it is reasonably certain that a purchase or lease extension option will be exercised, the relevant payments are also included. Payments for periods for which the lessee has an option to terminate a lease unilaterally are only included in the lease payments if it is reasonably certain that the termination option will not be exercised. For the purposes of assessing options, the BMW Group takes account of all facts and circumstances that create an economic incentive to exercise or not to exercise the option.

IFRS 16 requires that lease payments are discounted as a general rule using the interest rate implicit in the lease. However, since the interest rate in leases entered into by the BMW Group cannot readily be determined, amounts are discounted on the basis of the incremental borrowing rate.

The incremental borrowing rate comprises the risk-free interest rate in the relevant currency for matching maturities plus a premium for the credit risk. Specific risks attached to an asset are generally not taken into account, given that collateral received in the context of alternative financing arrangements is not relevant within the BMW Group.

Determining which items are to be counted as lease payments – including the issue of the lease term underlying those payments – and which discount rate to apply involves using estimates and assumptions that may differ from actual outcomes.

As lessee, the BMW Group makes use of the application exemptions available for short-term leases and leases of low-value assets.

Group products recognised by BMW Group entities as **leased products** under operating leases are measured at manufacturing cost and all other leased products at acquisition cost, in each case including initial direct costs. All leased products are depreciated over the period of the lease using the straight-line method down to their expected residual value.

Where the recoverable amount of a lease exceeds the asset's carrying amount, changes in residual value expectations are recognised by adjusting scheduled depreciation prospectively over the remaining term of the lease. If the recoverable amount is lower than the asset's carrying amount, an impairment loss is recognised for the shortfall. A test is carried out at each balance sheet date to determine whether an impairment loss recognised in prior years no longer exists or has decreased. In such cases, the carrying amount of the asset is increased to the recoverable amount, at a maximum up to the amount of the asset's amortised cost.

Assumptions and estimations are required regarding future residual values, since these represent a significant part of future cash inflows. Relevant factors to be considered include the trend

in market prices and demand on the pre-owned automobile market. The expected change in the drive-system mix going forward, which is subject to regular analysis, is also taken into account. The BMW Group has developed and implemented methods and processes that enable sustainability aspects of residual value risks, particularly climate-related aspects, to be appropriately assessed and managed. A scenario-based approach is applied to quantify the impact of the transition towards zero-emissions mobility and factor in the technological progress of the products involved, resulting potentially in the need to adjust the estimated residual values of both internal combustion and electrified vehicles. However, the transition to new drive systems will stretch over a period of time. Under these circumstances, regulatory aspects, customer behaviour and the structure of the product range all have to be taken into account. To varying degrees, the aforementioned aspects will play a role in bringing about changes to the existing product portfolio over the coming years. The nature of these planned changes can already be anticipated today to some extent, highlighting potential but calculable risks for future operations. Disproportionate risks are only likely to arise in the event of unexpected regulatory changes that would also be to the detriment of customers. In addition to these various considerations, the vehicle portfolio subject to residual value risks is re-measured on a quarterly basis, allowing new aspects to be incorporated in the valuation at an early stage. In this case, valuations relevant for new business which are subject to the same turn of events would also be adjusted. The models used to determine residual value are also subject to regular review and can be supplemented where appropriate to include aspects relating to changes in the market.

Using this approach, different scenario analyses can be used to take into account upward or downward adjustments to estimated values. The assumptions are based on internally available historical data and current market data, as well as on data from external institutions. Furthermore, assumptions are regularly validated by comparison with external data. Certain types of contracts require a high degree of judgement when deciding whether

they give rise to operating leases or receivables from sales financing.

**Investments accounted for using the equity method** are measured – provided no impairment has been recognised – at cost of investment adjusted for the Group's share of earnings and changes in equity capital. If there is any indication that an investment is impaired, an impairment test is performed on the basis of the discounted cash flow method. An indicator exists, for example, in the event of a serious shortfall compared to budget, the loss of an active market or if funds are required to avoid insolvency.

With the exception of lease receivables, **financial assets** are measured on initial recognition at their fair value. Financial assets include, in particular, other investments, receivables from sales financing, finance receivables, trade receivables and cash and cash equivalents. As a general rule, initial recognition takes place as soon as the BMW Group becomes a party to a contract. In the case of so-called "regular way" purchases or sales of non-derivative financial assets, initial recognition takes place at the settlement date. Financial assets are derecognised when contractual cash flows attached to them have expired or are transferred and all significant risks and rewards have been passed on to the acquirer.

Depending on the business model and the structure of contractual cash flows, financial assets are classified as measured at amortised cost, at fair value through comprehensive income or at fair value through profit or loss. The category "measured at fair value through comprehensive income" at the BMW Group comprises mainly marketable securities and investment funds used for liquidity management purposes. In the BMW Group, selected marketable securities, shares in investment funds, money market funds and convertible bonds are measured at fair value through profit or loss, as their contractual cash flows do not solely represent payments of principal and interest.

The BMW Group does not make use of the option to measure equity instruments at fair value through other comprehensive income or debt instruments at fair value through profit or loss.

The market values of financial instruments measured at fair value are determined on the basis of market information available at the balance sheet date, such as quoted prices or using appropriate measurement methods, in particular the discounted cash flow method.

Items reported under **other investments** within the scope of IFRS 9 are measured at fair value through profit or loss. Investments in subsidiaries, joint arrangements and associated companies that are not material to the BMW Group are also included in other investments.

**Receivables from sales financing** are measured as a general rule at amortised cost using the effective interest rate method.

As part of its asset-backed securities (ABS) financing activities, the BMW Group transfers some of its receivables from sales financing – primarily retail customer and dealership financing receivables – to structured companies, which in turn securitise them and place them on the capital market as collateralised marketable securities.

The transferred receivables are not derecognised and therefore remain on the BMW Group's balance sheet. For this reason, receivables from sales financing fulfil the criteria of the "hold" business model.

Receivables from sales financing also include finance lease receivables which are measured at the amount of the net investment in the lease. This balance sheet line item also includes operating lease receivables at the end of the reporting period. The related vehicles are reported within the line item Leased products.

With the exception of receivables from operating leases and trade receivables, the BMW Group applies the general approach described in IFRS 9 to determine **impairment** of financial assets. Under the general approach, loss allowances are measured on initial recognition on the basis of the expected 12-month credit loss (stage 1). If the credit loss risk at the end of the reporting period has increased significantly since initial recognition, the impairment allowance is measured on the basis of lifetime expected credit losses (stage 2 – general approach). The assumption that the credit risk increases significantly for financial instruments that are more than 30 days past due is not applied. Instead, the change in default risk is measured based on a comparison of the default risk at the date of initial recognition with the default risk at the end of the reporting period. The default risk at the end of each reporting period is determined on the basis of credit checks, current key performance indicators and any overdue payments.

The BMW Group applies the simplified approach described in IFRS 9 to operating lease and trade receivables, whereby the amount of the loss allowance is measured subsequent to the initial recognition of the receivable on the basis of lifetime expected credit losses (stage 2 – simplified approach). For the purposes of allocating an item to stage 2, it is irrelevant whether the credit risk of the assets concerned has increased significantly since initial recognition.

As a general rule, the BMW Group assumes that a receivable is in default if it is more than 90 days overdue or if there are objective indications of insolvency, such as the opening of insolvency proceedings. Credit-impaired assets are identified as such on the basis of this definition of default. In the case of credit-impaired assets which had not been credit-impaired at the time they were acquired or originated, an impairment allowance is recognised at an amount equal to lifetime expected credit losses (stage 3). This is the case regardless of whether the general or simplified approach is applied. In the case of stage 3 assets, interest income is calculated on the asset's carrying amount less any impairment loss.

In addition, post-model adjustments are recorded if the risk is not fully covered by the standard models.

The BMW Group derecognises financial assets when it has no reasonable expectation of recovery. This may be the case, for instance, if the debtor is deemed not to have sufficient assets or other sources of income to service the debt.

Loss allowances relating to the balance sheet line item Receivables from sales financing are determined primarily on the basis of past experience with credit losses, current data on overdue receivables, rating classes and scoring information.

Forward-looking information (for instance forecasts of key economic performance indicators) is also taken into account if, based on past experience, such indicators show a substantive correlation to actual credit losses.

Loss allowances on trade receivables are determined primarily on the basis of information relating to overdue amounts. Furthermore, both positive and negative economic scenarios are used alongside the latest forecasts of key economic performance indicators when determining the level of valuation allowances. These scenarios are based on local analyses and take into account, for example, anticipated political and economic developments.

Input factors available on the market, such as ratings and probabilities of default, are used to calculate valuation allowances for cash and cash equivalents, financial assets, receivables from subsidiaries and receivables from companies in which an investment is held. In the case of marketable securities and investment funds, the BMW Group usually applies the option not to allocate financial assets with a low default risk to different stages. Accordingly, assets with an investment grade rating are always allocated to stage 1.

**Financial assets** include in particular marketable securities and shares in investment funds as well as derivative financial instruments.

**Derivative financial instruments** are used within the BMW Group for hedging purposes in order to reduce currency, interest rate, fair value and market price risks. Derivative financial instruments are recognised as of the trade date, measured at their fair value. Depending on their market value at measurement date, these financial instruments are reported in the balance sheet line items Financial assets or Financial liabilities.

Fair values are determined on the basis of valuation models. Observable market price, tenor and currency basis spreads are taken into account in the measurement of derivative financial instruments. Furthermore, the Group's own credit risk and that of counterparties is taken into account on the basis of credit default swap values for market contracts with matching terms.

The BMW Group applies the option to recognise the credit risks arising from the fair values of a group of derivative financial assets and liabilities on the basis of their total net amount. Portfolio-based valuation adjustments (credit valuation adjustments and debit valuation adjustments) to the individual derivative financial assets and financial liabilities are allocated using the relative fair value approach (net method).

Where hedge accounting is applied, changes in fair value of derivative financial instruments are presented as part of other financial result in the income statement or within other comprehensive income as a component of accumulated other equity, depending on whether the hedging relationship is classified as a fair value hedge or a cash flow hedge.

Fair value hedges are mainly used to hedge interest rate risks relating to financial liabilities. The currency basis is not designated as part of the hedging relationship in the case of cross currency interest rate hedges accounted for as fair value hedges. Accordingly, changes in the market value of such components are recorded as costs of hedging within accumulated other equity. Amounts accumulated in equity are reclassified to other financial result within the income statement over the term of the hedging relationship.

In addition, for selected fixed-interest assets, a portion of the interest rate risk is hedged on a portfolio basis in accordance with IAS 39. The designated hedged items (underlying transactions) are reported in the balance sheet as receivables from sales financing or financial liabilities. Interest rate risks are hedged on the basis of the present value of net cash flows relating to fixed income assets (on the asset side) less cash flows relating to variable-rate financing (on the liabilities side). The net cash flow determined in this way is hedged by purchasing corresponding interest rate swaps that have the effect of reducing the interest rate risk. Hedge relationships are terminated and redesignated on a monthly basis at the end of each reporting period, thereby taking account of the constantly changing content of each portfolio.

Fair value hedge ineffectiveness is generally recognised in other financial result.

The time values of option transactions and the interest component – including the currency basis – of forward currency contracts are not designated as part of the hedging relationship in the case of currency hedges accounted for as cash flow hedges. Changes in the fair value of such components are recorded as costs of hedging on a separate line within accumulated other equity. Amounts recorded in accumulated other equity from currency hedges are reclassified to cost of sales when the related hedged item is recognised in profit or loss.

In the case of raw materials hedges that are accounted for as cash flow hedges, the hedging instruments are designated in full as part of the hedging relationship. Amounts recorded in accumulated other equity are included in the carrying amount of inventories on initial recognition.

Ineffectiveness arising on cash flow hedges is recognised directly in cost of sales, whereas the impact of hedging relationships terminated early is recognised in other operating income and expenses.

**Deferred income taxes** are recognised for all temporary differences between the tax and accounting bases of assets and liabilities, including differences arising on consolidation procedures, as well as on unused tax losses and unused tax credits, when it is probable that they can be utilised. As an exception to this, deferred tax assets and liabilities resulting from the implementation of the Organisation for Economic Co-operation and Development (OECD) Pillar Two model rules are neither recognised nor disclosed.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

The recoverability of deferred tax assets is assessed at each balance sheet date on the basis of planned taxable income in future financial years. If with a probability of more than 50% future tax benefits will not be realised, either in part or in total, a valuation allowance is recognised on the deferred tax assets. The calculation of deferred tax assets requires assumptions to be made with regard to the level of future taxable income and the timing of recovery of deferred tax assets. These assumptions take account of forecast operating results, announced legislative changes in connection with climate change and the impact on earnings of

the reversal of taxable temporary differences. Since future business developments cannot be predicted with certainty and to some extent cannot be influenced by the BMW Group, the measurement of deferred tax assets is subject to uncertainty.

Deferred tax liabilities on taxable temporary differences arising from investments in subsidiaries, branches and associated companies as well as interests in joint arrangements are not recognised if the Group is able to control the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future. This is particularly the case if it is intended that profits will not be distributed, but rather will be used to maintain the substance and expand the volume of business of the entities concerned.

**Current income taxes** are calculated within the BMW Group on the basis of tax legislation applicable in the relevant countries. To the extent that judgement was necessary to determine the treatment and amount of tax items presented in the financial statements, there is in principle a possibility that local tax authorities may take a different position.

As a general rule, each income tax treatment is considered independently when accounting for **uncertainties in income taxes**. If it is not considered probable that an income tax treatment will be accepted by the local tax authorities, the BMW Group uses the most likely amount of the tax treatment when determining taxable profit and the tax base.

**Inventories** of raw materials, supplies and goods for resale are stated at the lower of average acquisition cost and net realisable value.

Work in progress and finished goods are stated at the lower of manufacturing cost and net realisable value. Manufacturing cost comprises all costs which are directly attributable to the

manufacturing process as well as an appropriate proportion of production-related overheads. This includes production-related depreciation and amortisation and an appropriate proportion of administrative and social costs. Financing costs are not included in the acquisition or manufacturing cost of inventories.

Inventories also include vehicles held for sale in the financial services business, measured at their amortised cost or lower net realisable value.

**Cash and cash equivalents** comprise mainly cash on hand and cash at bank with an original term of up to three months. With the exception of money market funds, cash and cash equivalents are measured at amortised cost.

**Financial liabilities**, with the exception of lease liabilities, are measured on first-time recognition at their fair value. For these purposes, transaction costs are taken into account except in the case of financial liabilities allocated to the category "measured at fair value through profit or loss". Subsequent to initial recognition, liabilities are – with the exception of derivative financial instruments – measured at amortised cost using the effective interest method.

**Provisions for pensions** are measured using the projected unit credit method. Under this method, not only obligations relating to known vested benefits at the reporting date are recognised, but also the effect of future expected increases in pensions and salaries. The calculation is based on independent actuarial valuations which take into account the relevant biometric factors.

In the case of funded plans, the pension obligation is offset against plan assets measured at their fair value. If the plan assets exceed the pension obligation, the surplus is tested for recoverability. In the event that the BMW Group has a right of reimbursement or a right to reduce future contributions, it reports

an asset (within Other financial assets), measured on the basis of the present value of the future economic benefits attached to the plan assets. For funded plans, in cases where the obligation exceeds plan assets, a liability is recognised under pension provisions.

The calculation of the amount of the provision requires assumptions to be made with regard to discount rates, pension trends, employee fluctuation and the life expectancy of employees, among other things. Discount rates are determined by reference to market yields at the end of the reporting period on high-quality fixed-interest corporate bonds.

Net interest expense on the net defined benefit liability or net interest income on the net defined benefit assets are presented separately within the financial result. All other costs relating to allocations to pension provisions are allocated to costs by function in the income statement.

Past service cost arises where a BMW Group company introduces a defined benefit plan or changes the benefits payable under an existing plan. This cost is recognised immediately in the income statement. Similarly, gains and losses arising on the settlement of a defined benefit plan are recognised immediately in the income statement.

Remeasurement of the net liability can result from changes in the present value of the defined benefit obligation, the fair value of the plan assets or the asset ceiling. Remeasurement can result, amongst others, from changes in financial and demographic parameters, as well as changes following the portfolio development. Remeasurements are recognised immediately through other comprehensive income and ultimately in equity (within revenue reserves).

**Other provisions** are recognised when the BMW Group has a present legal or factual obligation towards a third party arising from past events, the settlement of which is probable and when the amount of the obligation can be reliably estimated. The current obligation is also recognised as a provision in the case of an onerous contract. An onerous contract is a contract for which the unavoidable expenditure necessary to fulfil the contractual obligation exceeds the economic benefits expected to be received from that contract. In principle, this cost-benefit analysis – which is often subject to judgement – is carried out at the level of the entire contract. Provisions with a remaining period of more than one year are measured at their net present value.

The measurement of provisions for **statutory and non-statutory warranty obligations (statutory, contractual and voluntary)** involves estimations. In addition to manufacturer warranties prescribed by law, the BMW Group offers various further standard (assurance-type) warranties depending on the product and sales market. No provisions are recognised for additionally offered service packages that are treated as separate performance obligations.

Provisions for statutory and non-statutory warranties are recognised at the point in time when control over the goods is transferred to the dealership or retail customer or when it is decided to introduce new warranty measures. With respect to the level of the provision, estimations are made in particular based on past experience of damage claims and processes. Future potential repair costs and price increases per product and market are also

taken into account. Provisions for warranties for all companies of the BMW Group are adjusted regularly to take account of new information, with the impact of any changes recognised in the income statement. Further information is provided in [note \[34\]](#). Similar estimates are also made in conjunction with the measurement of expected reimbursement claims.

The recognition and measurement of provisions for **litigation and liability risks** necessitate making assumptions in order to determine the probability of liability, the amount of claim and the duration of the legal dispute. The assumptions made, especially the assumption about the outcome of legal proceedings, are subject to a high degree of uncertainty. The appropriateness of assumptions is regularly reviewed, based on assessments undertaken both by management and external experts, such as lawyers. If new developments arise in the future that result in a different assessment, provisions are adjusted accordingly.

If the recognition criteria relevant for provisions are not fulfilled and the outflow of resources on fulfilment is not unlikely, the potential obligation is disclosed as a **contingent liability**.

**Related party disclosures** comprise information on associated companies, joint ventures and non-consolidated subsidiaries as well as individuals which have the ability to exercise a controlling or significant influence over the financial and operating policies of the BMW Group. This includes all persons in key positions of the Company, as well as their close family members or intermediary companies.

In the case of the BMW Group, this also applies to members of the Board of Management and the Supervisory Board. Details relating to these individuals and entities are provided in [note \[41\]](#) and in the list of investments disclosed in [note \[47\]](#).

**Share-based remuneration programmes** that provide for settlement in shares or a cash payment with a direct obligation to invest in shares of BMW AG ordinary shares are measured at their fair value at grant date. The related expense is recognised as personnel expense in the income statement over the vesting period and offset against capital reserves.

Share-based remuneration programmes expected to be settled in cash are revalued to their fair value at each balance sheet date between the grant date and the settlement date and on the settlement date itself. The expense is recognised as personnel expense in the income statement over the vesting period and presented in the balance sheet as a provision.

The share-based remuneration programme for Board of Management members and senior heads of department entitles BMW AG to elect whether to settle its commitments in cash or with BMW AG ordinary shares. Based on the decision to settle in cash, the share-based remuneration programmes for Board of Management members and senior heads of department are accounted for as cash-settled, share-based remuneration programmes. Further information on share-based remuneration programmes is provided in [note \[42\]](#).

## NOTES TO THE INCOME STATEMENT

### 07 Revenues

Revenues by activity comprise the following:

in € million	2025	2024
Sales of products and related goods	94,207	103,984
Sales of products previously leased to customers	14,507	14,356
Income from lease instalments	13,475	12,523
Interest income on credit financing and finance leases	5,780	6,092
Revenues from service contracts, telematics and roadside assistance	3,893	3,822
Other income	1,591	1,603
<b>Revenues</b>	<b>133,453</b>	<b>142,380</b>

Revenues recognised from contracts with customers in accordance with IFRS 15 totalled € 113,793 million (2024: € 123,386 million), spread across the first, second and fifth categories of the above table and proportionately to other income.

Revenues by segment are shown in the explanatory comments on segment information provided in [note \[46\]](#).

Revenues from the sale of products and related goods are generated primarily in the Automotive segment and, to a lesser extent, in the Motorcycles segment. Revenues from the sales of products previously leased to customers, income from lease instalments and interest income on credit financing and finance leases are allocated to the Financial Services segment. Revenues from service contracts, telematics and roadside assistance are attributable mainly to the Automotive and Financial Services segments, and, to a lesser extent, to the Motorcycles segment. Other income relates mainly to the Automotive segment and the Financial Services segment. This figure includes insurance premiums relating to insurance contracts amounting to € 82 million (2024: € 89 million).

The major part of revenues expected to arise from the Group's order book at the end of the reporting period relates to the sale of vehicles. Revenues resulting from those sales will be recognised in the next financial year. The services included in vehicle sale contracts that will be recognised as revenues in subsequent years represent an insignificant portion of expected revenues. Accordingly, use has been made of the practical expedient contained in IFRS 15, permitting an entity not to disclose information on a quantitative basis due to the short-term nature of items and the lack of informational value of such disclosures.

Interest income on credit financing and finance leases includes interest calculated on the basis of the effective interest method totalling € 4,478 million (2024: € 4,684 million). This interest income is not reported separately in the income statement as it is not significant compared to total Group revenues.

### 08 Cost of sales

Cost of sales comprises:

in € million	2025	2024
Manufacturing costs	68,571	75,680
Cost of sales relating to financial services business	32,414	30,277
thereof interest expense relating to financial services business	5,196	4,902
Research and development expenses	6,848	7,642
Expenses for service contracts, telematics and roadside assistance	2,933	2,885
Warranty expenditure	972	1,964
Other cost of sales	1,120	1,037
<b>Cost of sales</b>	<b>112,858</b>	<b>119,485</b>

Manufacturing costs are reduced by public-sector subsidies in the form of reduced taxes on assets and reduced consumption-based taxes amounting to € 104 million (2024: € 111 million).

Impairment losses recognised in the income statement in connection with receivables from sales financing amounted to € 145 million (2024: € 352 million). In view of the fact that the impairment losses are of minor importance compared to total Group cost of sales, they have not been disclosed separately in the income statement.

Research and development expenses were as follows:

in € million	2025	2024
Research and development expenditure	8,319	9,078
New expenditure for capitalised development costs	-3,427	-3,525
Amortisation	1,956	2,089
<b>Research and development expenses</b>	<b>6,848</b>	<b>7,642</b>

## 09 Selling and administrative expenses

in € million	2025	2024
Selling expenses	5,690	6,135
Administrative expenses	4,916	5,161
<b>Selling and administrative expenses</b>	<b>10,606</b>	<b>11,296</b>

Selling and administrative expenses primarily include expenses for IT, marketing and communications, and personnel.

## 10 Other operating income and expenses

Other operating income and expenses comprise the following items:

in € million	2025	2024
Exchange gains	782	757
Income from the reversal of provisions	150	235
Income from the reversal of impairment allowances and write-downs	16	18
Gains on the disposal of assets	13	26
Sundry operating income	595	375
<b>Other operating income</b>	<b>1,556</b>	<b>1,411</b>
Exchange losses	-547	-510
Expense for additions to provisions	-276	-228
Expense for impairment allowances and write-downs	-10	-35
Loss on the disposal of assets	-49	-141
Sundry operating expenses	-477	-587
<b>Other operating expenses</b>	<b>-1,359</b>	<b>-1,501</b>
<b>Other operating income and expenses</b>	<b>197</b>	<b>-90</b>

In 2025, the total gain from currency hedging transactions included in exchange gains and losses amounted to € 133 million (2024: € 233 million), mainly reflecting the early termination of renminbi hedging transactions.

Income from the reversal of provisions includes income arising on the reassessment of risks from legal disputes. The expense for additions to provisions includes litigation and other legal risks.

Income from the reversal of and expenses for the recognition of impairment allowances and write-downs relate mainly to impairment allowances on receivables.

Impairment losses recognised on receivables from contracts with customers amounted to € 10 million (2024: € 35 million).

## 11 Net interest result

Net interest result comprises the following:

in € million	2025	2024
Other interest and similar income	490	653
thereof from subsidiaries	31	35
Net interest income on the net defined benefit liability for pension plans	12	2
<b>Interest and similar income</b>	<b>502</b>	<b>655</b>
Net interest impact on other long-term provisions	-283	-330
Net interest expense on the net defined benefit liability for pension plans	-10	-11
Other interest and similar expenses	-269	-232
thereof to subsidiaries	-3	-4
<b>Interest and similar expenses</b>	<b>-562</b>	<b>-573</b>
<b>Net interest result</b>	<b>-60</b>	<b>82</b>

## 12 Other financial result

in € million	2025	2024
Income from investments in subsidiaries and participations	148	99
thereof from subsidiaries	38	24
Expenses from investments in subsidiaries and participations	- 177	- 248
thereof from subsidiaries	- 2	- 6
<b>Result on investments</b>	<b>- 29</b>	<b>- 149</b>
Income (+) and expenses (-) from financial instruments	101	- 457
<b>Sundry other financial result</b>	<b>101</b>	<b>- 457</b>
<b>Other financial result</b>	<b>72</b>	<b>- 606</b>

In addition to the result on investments, the other financial result includes income and expenses arising on the measurement of stand-alone derivatives and fair value hedge relationships, as well as income and expenses from the measurement and sale of marketable securities and shares in investment funds.

The positive sundry other financial result was attributable in particular to the favourable fair value development of currency hedging transactions.

## 13 Income taxes

Taxes on income of the BMW Group can be classified according to their origin as follows:

in € million	2025	2024
Current tax expense	1,403	3,844
Deferred tax expense (+) / deferred tax income (-)	1,382	- 551
thereof relating to temporary differences	1,646	- 532
thereof relating to tax loss carryforwards and tax credits	- 264	- 19
<b>Income taxes</b>	<b>2,785</b>	<b>3,293</b>

The tax expense was reduced by € 11 million (2024: € 16 million) as a result of utilising tax loss carryforwards, for which deferred assets had not previously been recognised and in conjunction with previously unrecognised tax credits and temporary differences.

The change in the valuation allowance on deferred tax assets relating to tax losses available for carryforward and temporary differences resulted in a tax expense of € 1 million (2024: income of € 42 million).

The BMW Group falls within the scope of the OECD Pillar Two model rules aimed at ensuring a global minimum taxation rate of 15%. The income tax expense resulting from the application of the OECD Pillar Two model rules amounted to € 1 million (2024: € 9 million) in the financial year 2025. The BMW Group applies the exemption relating to the recognition of deferred tax assets and liabilities in connection with Pillar Two.

Deferred taxes are determined on the basis of tax rates which are currently applicable or expected to apply in the relevant national jurisdictions when the amounts are recovered. After taking account of an average municipal trade tax multiplier rate (Hebesatz) of 428% (2024: 429%), the underlying income tax rate for Germany was as follows:

in %	2025	2024
Corporate tax rate	15.0	15.0
Solidarity surcharge	5.5	5.5
Corporate tax rate including solidarity surcharge	15.8	15.8
Municipal trade tax rate	15.0	15.0
<b>German income tax rate</b>	<b>30.8</b>	<b>30.8</b>

Deferred taxes for non-German entities are calculated on the basis of the relevant country-specific tax rates. These ranged in the financial year 2025 between 9.0% and 40.0% (2024: between 9.0% and 40.0%).

The difference between the expected tax expense based on the underlying tax rate for Germany and actual tax expense is explained in the following reconciliation:

in € million	2025	2024
Profit before tax	10,236	10,971
Tax rate applicable in Germany	30.8%	30.8%
<b>Expected tax expense</b>	<b>3,153</b>	<b>3,379</b>
Variances due to different tax rates	- 472	- 472
Effects from tax rate changes	- 268	- 25
Tax increases (+) / tax reductions (-) due to:		
Tax-exempt income	- 134	- 159
Non-deductible expenses	436	487
Equity accounted	- 7	4
Current tax expense (+) / benefit (-) for prior years	- 1,043	- 16
Other variances	1,120	95
<b>Actual tax expense</b>	<b>2,785</b>	<b>3,293</b>
Effective tax rate	27.2%	30.0%

The effects from tax rate changes were mainly due to the re-measurement of deferred taxes of the Group's German entities as a result of the Law for an Immediate Tax-Based Investment Programme to Strengthen Germany as a Business Location. The tax income from the re-measurement relates mainly to capitalised development costs and pension provisions. Further information on the tax reform in Germany is provided in [note \[3\]](#).

Current tax benefit relating to previous years was mainly due to the exercise of a tax option by the US companies in their 2024 tax return, with a compensating deferred tax expense relating to previous years.

The deferred tax expense relating to previous years included in other variances amounted to € 1,137 million (2024: €106 million).

The allocation of deferred tax assets and liabilities to balance sheet line items at 31 December is shown in the following table:

in € million	Deferred tax assets		Deferred tax liabilities	
	2025	2024	2025	2024
Intangible assets	22	21	5,019	4,866
Property, plant and equipment	131	183	1,500	1,985
Leased products	375	405	3,572	2,622
Other investments	3	6	3	-
Sundry other assets	1,036	1,938	2,558	3,152
Tax loss carryforwards and unused tax credits	435	178	-	-
Capital losses	458	484	-	-
Provisions	4,462	5,090	90	9
Liabilities	3,974	4,584	931	836
Eliminations	4,346	4,348	2,824	2,463
	<b>15,242</b>	<b>17,237</b>	<b>16,497</b>	<b>15,933</b>
Valuation allowances on tax loss carryforwards and temporary differences	- 192	- 197	-	-
Valuation allowances on capital losses	- 458	- 484	-	-
Netting	- 12,387	- 13,312	- 12,387	- 13,312
<b>Deferred taxes</b>	<b>2,205</b>	<b>3,244</b>	<b>4,110</b>	<b>2,621</b>
Net	-	623	- 1,905	-

Tax loss carryforwards relating to Germany and foreign operations amounted to € 1,498 million (2024: € 575 million). This includes tax losses available for carryforward amounting to € 300 million (2024: € 321 million), on which a valuation allowance of € 99 million (2024: € 106 million) was recognised on the related deferred tax asset. Of these loss carryforwards, € 235 million (2024: € 264 million) can be used indefinitely, while € 38 million (2024: € 35 million) expires after one to three years and € 27 million (2024: € 22 million) after more than three years.

A net surplus of deferred tax assets over deferred tax liabilities amounting to € 471 million (2024: € 97 million) is reported for entities that have suffered tax losses in the financial year 2025 or the preceding year. The basis for the recognition of deferred taxes is the BMW Group business model or management's assessment that there is material evidence that the entities will generate future taxable profit, against which deductible temporary differences can be offset.

Capital losses available for carryforward in the UK which do not relate to ongoing operations changed due to currency factors to a total of € 1,833 million (2024: € 1,937 million). As in previous years, deferred tax assets recognised on these tax losses amounting to € 458 million (2024: € 484 million) were fully written down since they can only be utilised against future capital gains.

Deferred tax assets and deferred tax liabilities are netted for each relevant tax entity if they relate to the same tax authority.

The change in deferred taxes relating to amounts recognised with income effect or without income effect is shown in the following reconciliation:

in € million	2025	2024
Deferred taxes at 1 January (assets (+) / liabilities (-))	623	- 366
Deferred tax expense (-) / income (+) recognised through income statement	- 1,382	551
Change in deferred taxes recognised directly in equity	- 1,065	392
thereof relating to fair value gains and losses on financial instruments and marketable securities recognised directly in equity	- 931	440
thereof relating to the remeasurements of net liabilities for defined benefit pension plans	- 100	- 70
thereof from currency translation	- 34	22
Exchange rate impact and other changes	- 81	46
<b>Deferred taxes at 31 December (assets (+) / liabilities (-))</b>	<b>- 1,905</b>	<b>623</b>

No deferred taxes are recognised on taxable temporary differences arising from investments in subsidiaries, associated companies and joint ventures if the BMW Group is able to determine the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future, in particular in view of the fact that there is no intention to distribute the profits, but rather to use them to maintain substance and reinvest in the companies concerned. Temporary differences of this kind, for which no deferred taxes were recognised, amounted to € 42,055 million (2024: € 39,647 million). No computation was made of the potential impact of income taxes on the grounds of proportionality.

Deferred tax liabilities on expected dividends amounted to € 96 million (2024: € 131 million) and related primarily to dividends from foreign subsidiaries.

The tax returns of BMW Group entities are checked regularly by German and foreign tax authorities. Taking account of numerous factors – including interpretations, commentaries and legal decisions relating to the various tax jurisdictions as well as past experience – adequate provision has been made, to the extent identifiable and probable, for potential future tax obligations.

## 14 Earnings per share

		2025	2024
Net profit attributable to the shareholders of BMW AG	€ million	7,294.2	7,290.0
thereof profit attributable to ordinary share	€ million	6,648.5	6,629.6
thereof profit attributable to preferred share	€ million	645.7	660.4
Average number of ordinary shares in circulation	number	559,313,364	570,599,065
Average number of preferred shares in circulation	number	54,225,635	56,741,178
<b>Basic/diluted earnings per ordinary share</b>	€	<b>11.89</b>	<b>11.62</b>
<b>Basic/diluted earnings per preferred share</b>	€	<b>11.91</b>	<b>11.64</b>
<b>Dividend per ordinary share</b>	€	<b>4.40*</b>	<b>4.30</b>
<b>Dividend per preferred share</b>	€	<b>4.42*</b>	<b>4.32</b>

\* Proposal by the Board of Management.

As in the previous year, diluted earnings per share correspond to basic earnings per share.

## 15 Personnel expenses

The income statement includes personnel expenses as follows:

in € million	2025	2024
Wages and salaries	12,800	12,394
Pension and welfare expenses	1,520	1,480
Social insurance expenses	1,352	1,248
<b>Personnel expenses</b>	<b>15,672</b>	<b>15,122</b>

Personnel expenses include € 132 million (2024: € 54 million) of costs relating to workforce measures.

The total pension expense for defined contribution plans of the BMW Group amounted to € 213 million (2024: € 189 million). Employer contributions paid to state pension insurance schemes totalled € 896 million (2024: € 859 million).

The average number of employees during the year was:

	2025	2024
<b>Average number of employees</b>	<b>156,305</b>	<b>157,110</b>
Automotive	143,691	144,605
Motorcycles	4,122	4,043
Financial Services	8,397	8,367
Other	95	95

Of the average number of employees, 973 (2024: 996) are attributable to one proportionately consolidated entity within the Automotive segment.

## 16 Leases

### a As lessee

In terms of accounting for leases as a lessee, the following expenses are included in the income statement:

in € million	2025	2024
Expenses for leases of low-value assets and short-term leases	77	79
Expenses relating to variable lease payments not included in the measurement of lease liabilities	12	16
Interest expense arising on the measurement of lease liabilities	66	66

Most of the expenses for leases of low-value assets and short-term leases relate to low-value assets.

The BMW Group is party to leases at the end of the reporting period which have not yet commenced. These leases are expected to give rise to future cash outflows amounting to € 138 million (2024: € 144 million).

In addition, fixed and variable payment obligations arise from long-term supply contracts for battery cells (which have not yet commenced) as well as from long-term energy supply contracts (power purchase agreements). Based on the current interpretation, these arrangements include a lease component in accordance with IFRS 16. The fixed payment obligations arising from these contracts in accordance with IFRS 16 amounted to € 734 million (2024: € 705 million). The payment obligations arising from the long-term supply contracts will become due at the start of delivery from the financial year 2026 onwards.

Cash outflows for leases in the financial year 2025 amounted to € 639 million (2024: € 677 million). In addition, cash outflows for right-of-use assets paid in advance amounted to € 101 million (2024: € 309 million).

Information on right-of-use assets, lease liabilities as well as further explanatory comments are provided in [note \[6\]](#), [note \[20\]](#), [note \[22\]](#) and [note \[36\]](#).

#### b As lessor

in € million	2025	2024
Income from variable lease payments for operating leases	129	141
Income from variable lease payments for finance leases	14	8
Financial income on the net investment in finance leases	1,325	1,324
Selling profit on the sale of vehicles leased to retail customers under finance leases	1,387	1,650

Variable lease payments are based on distance driven. The agreements have, in part, extension and purchase options.

#### 17 Fee expense for the Group auditor

The fee expense pursuant to § 314 (1) no. 9 HGB recognised in the financial year 2025 for the Group auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Munich branch (PwC GmbH), and its international network of audit firms amounted to € 24 million (2024: € 22 million) and consists of the following:

in € million	PwC International		thereof PwC GmbH	
	2025	2024	2025	2024
Audit of financial statements	21	20	6	6
Other attestation services	2	2	2	2
Tax advisory services	-	-	-	-
Other services	1	-	1	-
<b>Fee expense</b>	<b>24</b>	<b>22</b>	<b>9</b>	<b>8</b>

Work performed during the financial year 2025 by the Group auditor for BMW AG and subsidiaries under its control relates to the audit of the financial statements, other attestation services as well as other services. The audit of financial statements comprises mainly the audit of the Group Financial Statements and the separate financial statements of BMW AG and subsidiaries, and all work related thereto, including the review of the Interim Group Financial Statements. Other attestation services include mainly project-related audits, comfort letters and statutorily prescribed, contractually agreed or voluntarily commissioned attestation work. Other services relate to transaction-related advisory projects.

#### 18 Government grants and government assistance

Income from asset-related and performance-related grants, amounting to € 73 million (2024: € 78 million\*) and € 352 million (2024: € 274 million) respectively, was recognised in the income statement in 2025.

These amounts relate mainly to public sector grants aimed at the promotion of regional structures as well as to subsidies received for plant expansions and development.

\* Prior year figure adjusted.

## NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

### 19 Disclosures relating to the statement of comprehensive income

Other comprehensive income for the period after tax comprises the following:

in € million	2025	2024
Remeasurement of the net liability for defined benefit pension plans	149	302
Income taxes	- 128	- 50
<b>Items not expected to be reclassified to the income statement in the future</b>	<b>21</b>	<b>252</b>
<b>Marketable securities (at fair value through other comprehensive income)</b>	<b>17</b>	<b>2</b>
thereof gains/losses arising in the period under report	18	12
thereof reclassifications to the income statement	- 1	- 10
<b>Derivative financial instruments</b>	<b>2,995</b>	<b>- 3,306</b>
thereof gains/losses arising in the period under report	3,818	- 1,571
thereof reclassifications to the income statement	- 823	- 1,735
<b>Costs of hedging</b>	<b>- 174</b>	<b>919</b>
thereof gains/losses arising in the period under report	- 295	72
thereof reclassifications to the income statement	121	847
<b>Other comprehensive income from equity accounted investments</b>	<b>1</b>	<b>7</b>
<b>Income taxes</b>	<b>- 844</b>	<b>678</b>
<b>Currency translation foreign operations</b>	<b>- 2,436</b>	<b>1,108</b>
<b>Items that can be reclassified to the income statement in the future</b>	<b>- 441</b>	<b>- 592</b>
<b>Other comprehensive income for the period after tax</b>	<b>- 420</b>	<b>- 340</b>

Income taxes on components of other comprehensive income are as follows:

in € million	2025			2024		
	Before tax	Income taxes	After tax	Before tax	Income taxes	After tax
Remeasurement of the net liability for defined benefit pension plans	149	- 128	21	302	- 50	252
Marketable securities (at fair value through other comprehensive income)	17	- 4	13	2	- 1	1
Derivative financial instruments	2,995	- 894	2,101	- 3,306	941	- 2,365
Costs of hedging	- 174	54	- 120	919	- 262	657
Other comprehensive income from equity accounted investments	1	-	1	7	-	7
Currency translation foreign operations	- 2,436	-	- 2,436	1,108	-	1,108
<b>Other comprehensive income</b>	<b>552</b>	<b>- 972</b>	<b>- 420</b>	<b>- 968</b>	<b>628</b>	<b>- 340</b>

Other comprehensive income from equity accounted investments amounted to € 1 million (2024: € 7 million) and is reported in the Group Statement of Changes in Equity within currency translation differences.

The hedging effects of derivative financial instruments that are subsequently recycled to the acquisition cost of inventories are not included in other comprehensive income after tax.

# NOTES TO THE BALANCE SHEET

## 20 Analysis of changes in Group tangible, intangible and investment assets 2025

in € million	Acquisition and manufacturing cost						Depreciation and amortisation						Carrying amount		
	1.1.2025	Translation differences	Additions	Reclassifications	Disposals	31.12.2025	1.1.2025	Translation differences	Current year	Reclassifications	Value adjustments <sup>1</sup>	Disposals	31.12.2025	31.12.2025	31.12.2024
Development costs	21,468	-	3,427	-	667	24,228	7,688	-	1,956	-	-	667	8,977	15,251	13,780
Goodwill	1,529	- 89	-	-	-	1,440	-	-	-	-	-	-	-	1,440	1,529
Other intangible assets	9,608	- 653	62	-	83	8,934	4,697	- 313	1,348	-	-	22	5,710	3,224	4,911
<b>Intangible assets</b>	<b>32,605</b>	<b>- 742</b>	<b>3,489</b>	<b>-</b>	<b>750</b>	<b>34,602</b>	<b>12,385</b>	<b>- 313</b>	<b>3,304</b>	<b>-</b>	<b>-</b>	<b>689</b>	<b>14,687</b>	<b>19,915</b>	<b>20,220</b>
Land, titles to land, buildings, including buildings on third party land	24,890	- 886	859	1,395	262	25,996	9,689	- 279	1,079	-	-	211	10,278	15,718	15,201
thereof right-of-use assets from leases	4,910	- 186	446	-	163	5,007	2,050	- 69	452	-	-	133	2,300	2,707	2,860
Plant and machinery	48,597	- 1,236	2,096	2,705	1,531	50,631	32,583	- 821	3,882	-	-	1,493	34,151	16,480	16,014
thereof right-of-use assets from leases	2,136	- 6	155	3	25	2,263	817	- 2	411	-	-	25	1,201	1,062	1,319
Other facilities, factory and office equipment	3,836	- 129	364	94	280	3,885	2,364	- 72	427	-	-	275	2,444	1,441	1,472
thereof right-of-use assets from leases	209	- 17	32	-	30	194	87	- 7	46	-	-	28	98	96	122
Advance payments made and construction in progress	6,894	- 291	3,855 <sup>2</sup>	- 4,194	-	6,264	-	-	-	-	-	-	-	6,264 <sup>3</sup>	6,894
<b>Property, plant and equipment</b>	<b>84,217</b>	<b>- 2,542</b>	<b>7,174</b>	<b>-</b>	<b>2,073</b>	<b>86,776</b>	<b>44,636</b>	<b>- 1,172</b>	<b>5,388</b>	<b>-</b>	<b>-</b>	<b>1,979</b>	<b>46,873</b>	<b>39,903</b>	<b>39,581</b>
<b>Leased products</b>	<b>58,329</b>	<b>- 2,734</b>	<b>26,455</b>	<b>-</b>	<b>18,870</b>	<b>63,180</b>	<b>9,491</b>	<b>- 414</b>	<b>6,527</b>	<b>-</b>	<b>-</b>	<b>5,448</b>	<b>10,156</b>	<b>53,024</b>	<b>48,838</b>
<b>Investments accounted for using the equity method</b>	<b>793</b>	<b>- 8</b>	<b>111</b>	<b>-</b>	<b>103</b>	<b>793</b>	<b>240</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>-</b>	<b>267</b>	<b>526</b>	<b>553</b>
Investments in non-consolidated subsidiaries	339	- 17	12	-	4	330	97	- 5	1	-	2	-	95	235	242
Participations	1,190	- 45	46	-	26	1,165	333	30	-	-	29	- 117	509	656	857
<b>Other investments</b>	<b>1,529</b>	<b>- 62</b>	<b>58</b>	<b>-</b>	<b>30</b>	<b>1,495</b>	<b>430</b>	<b>25</b>	<b>1</b>	<b>-</b>	<b>31</b>	<b>- 117</b>	<b>604</b>	<b>891</b>	<b>1,099</b>

<sup>1</sup> Thereof expense amounting to € 58 million recognised in profit or loss.

<sup>2</sup> Including advance payments for right-of-use assets amounting to € 41 million.

<sup>3</sup> Including assets under construction amounting to € 5,561 million.

## Analysis of changes in Group tangible, intangible and investment assets 2024

in € million	Acquisition and manufacturing cost						Depreciation and amortisation						Carrying amount		
	1.1.2024	Translation differences	Additions	Reclassifications	Disposals	31.12.2024	1.1.2024	Translation differences	Current year	Reclassifications	Value adjustments <sup>1</sup>	Disposals	31.12.2024	31.12.2024	31.12.2023
Development costs	23,028	–	3,525	–	5,085	21,468	10,684	–	2,089	–	–	5,085	7,688	13,780	12,344
Goodwill	1,487	42	–	–	–	1,529	–	–	–	–	–	–	–	1,529	1,487
Other intangible assets	9,461	315	83	–	251	9,608	3,270	128	1,431	–	–	132	4,697	4,911	6,191
<b>Intangible assets</b>	<b>33,976</b>	<b>357</b>	<b>3,608</b>	<b>–</b>	<b>5,336</b>	<b>32,605</b>	<b>13,954</b>	<b>128</b>	<b>3,520</b>	<b>–</b>	<b>–</b>	<b>5,217</b>	<b>12,385</b>	<b>20,220</b>	<b>20,022</b>
Land, titles to land, buildings, including buildings on third party land	21,957	388	1,066	1,664	185	24,890	8,709	131	999	–	–	150	9,689	15,201	13,248
thereof right-of-use assets from leases	4,449	58	497	1	95	4,910	1,659	12	457	–	–	78	2,050	2,860	2,790
Plant and machinery	46,425	679	2,856	1,828	3,191	48,597	31,496	464	3,723	–7	–	3,093	32,583	16,014	14,929
thereof right-of-use assets from leases	1,717	4	300	167	52	2,136	444	1	395	–	–	23	817	1,319	1,273
Other facilities, factory and office equipment	3,519	49	506	105	343	3,836	2,248	27	408	7	–	326	2,364	1,472	1,271
thereof right-of-use assets from leases	156	7	79	–	33	209	67	2	46	–	–	28	87	122	89
Advance payments made and construction in progress	5,818	142	4,545 <sup>2</sup>	–3,597	14	6,894	–	–	–	–	–	–	–	6,894 <sup>3</sup>	5,818
<b>Property, plant and equipment</b>	<b>77,719</b>	<b>1,258</b>	<b>8,973</b>	<b>–</b>	<b>3,733</b>	<b>84,217</b>	<b>42,453</b>	<b>622</b>	<b>5,130</b>	<b>–</b>	<b>–</b>	<b>3,569</b>	<b>44,636</b>	<b>39,581</b>	<b>35,266</b>
<b>Leased products</b>	<b>52,948</b>	<b>967</b>	<b>24,171</b>	<b>–</b>	<b>19,757</b>	<b>58,329</b>	<b>9,830</b>	<b>128</b>	<b>5,978</b>	<b>–</b>	<b>–</b>	<b>6,445</b>	<b>9,491</b>	<b>48,838</b>	<b>43,118</b>
<b>Investments accounted for using the equity method</b>	<b>683</b>	<b>3</b>	<b>105</b>	<b>–</b>	<b>–2</b>	<b>793</b>	<b>240</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>240</b>	<b>553</b>	<b>443</b>
Investments in non-consolidated subsidiaries	323	10	10	–	4	339	89	3	–	–	6	1	97	242	234
Participations	1,152	25	31	–	18	1,190	189	–20	–	–	163	–1	333	857	963
<b>Other investments</b>	<b>1,475</b>	<b>35</b>	<b>41</b>	<b>–</b>	<b>22</b>	<b>1,529</b>	<b>278</b>	<b>–17</b>	<b>–</b>	<b>–</b>	<b>169</b>	<b>–</b>	<b>430</b>	<b>1,099</b>	<b>1,197</b>

<sup>1</sup> Thereof expense amounting to € 169 million recognised in profit or loss.

<sup>2</sup> Including advance payments for right-of-use assets amounting to € 38 million.

<sup>3</sup> Including assets under construction amounting to € 5,963 million.

## 21 Intangible assets

Intangible assets mainly comprise capitalised development costs relating to vehicle, module and architecture projects.

Intangible assets also include goodwill of € 33 million (2024: € 33 million) allocated to the Automotive excluding BMW Brilliance cash-generating unit (CGU) and goodwill of € 1,060 million (2024: € 1,149 million) allocated to the BMW Brilliance CGU. Goodwill amounting to € 347 million (2024: € 347 million) related to the Financial Services CGU.

Other intangible assets mainly comprise rights reacquired in conjunction with a business acquisition as well as subsidies for tool costs, licences, purchased development projects, software and purchased customer bases. Furthermore, brand-name rights amounting to € 96 million (2024: € 98 million) are recognised as assets. These are allocated to the Automotive segment and are not subject to scheduled amortisation since their useful life is deemed to be indefinite. In some cases, the brand-name rights are subject to a limited right of ownership.

In addition, emissions certificates and similar rights from programmes to reduce CO<sub>2</sub>e emissions with a carrying amount of € 6 million (2024: € 74 million) are included in other intangible assets.

As in the previous year, there was no requirement to recognise impairment losses or reversals of impairment losses on intangible assets in 2025.

As in the previous year, no financing costs were recognised as a cost component of intangible assets in 2025.

In 2025, government grants totalling € 3 million (2024: € 3 million) were deducted from the acquisition cost of intangible assets. These grants include public sector funds aimed at promoting development.

## 22 Property, plant and equipment (including right-of-use assets arising from leasing)

No impairment losses were recognised in 2025, as in the previous year.

As in the previous year, no financing costs were recognised as a cost component of property, plant and equipment in 2025.

Right-of-use assets arising from leases of land and buildings relate primarily to logistics and office premises and, to a lesser extent, to selling and production premises. In order to secure these premises and, in the interests of flexibility, the property rental agreements concerned often contain extension and termination options.

In 2025, government grants totalling € 130 million (2024: € 195 million) were deducted from the acquisition cost of property, plant and equipment. These amounts relate mainly to public sector grants aimed at the promotion of regional structures as well as to subsidies received for plant expansions.

The regular review of the useful lives of items of property, plant and equipment subject to systematic depreciation takes into account the assumptions contained in the long-term corporate plan, and hence the progressive expansion of electric mobility as well as the associated short- and medium-term impact on the product portfolio. The review of useful lives did not lead to any material adjustments in the financial year 2025.

## 23 Leased products

Minimum lease payments of non-cancellable operating leases fall due as follows:

in € million	31.12.2025	31.12.2024
within one year	11,566	11,011
between one and two years	8,459	8,127
between two and three years	5,014	4,659
between three and four years	2,281	2,105
between four and five years	433	439
later than five years	62	72
<b>Minimum lease payments</b>	<b>27,815</b>	<b>26,413</b>

Impairment losses amounting to € 465 million (2024: € 533 million) were recognised on leased products in 2025 as a consequence of changes in residual value expectations. Income from the reversal of impairment losses amounted to € 290 million (2024: € 292 million).

In 2025, public sector grants totalling € 261 million (2024: € 355 million) were deducted from the acquisition cost of leased products. These amounts relate mainly to investment tax credits in the form of tax credits for electric vehicles. It is expected that the investment tax credits can be utilised. The actual utilisation of investment tax credits will, however, depend on the extent to which they can be offset against income tax liabilities and is therefore subject to a degree of uncertainty.

## 24 Investments accounted for using the equity method

Investments accounted for using the equity method comprise interests in the joint ventures YOUR NOW Holding GmbH, Munich (YOUR NOW), and Beijing Ionchi New Energy Technology Ltd., Beijing (IONCHI), as well as interests in the associated companies IONITY Holding GmbH & Co. KG, Munich (IONITY), IONNA LLC, Torrance (IONNA), Solid Power Inc., Wilmington, Delaware (Solid Power), and THERE Holding B.V., Rijswijk (THERE).

### YOUR NOW

Together with the Mercedes-Benz Group, the BMW Group offers mobility services via the YOUR NOW joint venture. In July 2025, YOUR NOW sold Intelligent Apps GmbH (FREE NOW) – and with it the taxi business in Europe – to Lyft, Inc.

The at-equity profit relating to YOUR NOW for the financial year 2025 amounted to € 61 million (2024: at-equity loss of € 14 million), mainly reflecting the impact of the sale of FREE NOW.

### IONCHI

The BMW Group and the Mercedes-Benz Group jointly founded the company IONCHI in China in 2024 with the aim of developing charging infrastructure there. The BMW Group holds a 50% interest in the entity, which is accounted for as a joint venture using the equity method.

The at-equity loss relating to IONCHI amounted to € 18 million (2024: at-equity loss of € 9 million). In addition, an impairment loss was recognised on the investment.

### IONITY

The BMW Group operates the entity IONITY in collaboration with the Mercedes-Benz Group, the Ford Motor Company, the Volkswagen Group and the Hyundai Motor Group. IONITY's business model envisages the construction and operation of high-performance charging stations for battery-powered vehicles in Europe.

In the financial year 2022, the status of the former joint venture changed to that of an associated company following the entry of GRP III HPC Lux S.à.r.l. (BlackRock) as the largest shareholder. The BMW Group has significant influence as it is represented on IONITY's Supervisory Board.

The at-equity loss relating to IONITY amounted to € 11 million (2024: at-equity profit of € 11 million). The previous year included remeasurement effects arising in conjunction with the transaction with BlackRock.

### IONNA

The BMW Group, together with the Mercedes-Benz Group, the Stellantis Group, the Honda Group, the Hyundai Motor Group, the General Motors Company Group and the Toyota Motor Corporation, operates the company IONNA in the USA with the aim of developing a charging network in North America. The BMW Group has significant influence as it is represented on IONNA's Board of Directors.

The at-equity loss relating to IONNA amounted to € 4 million (2024: at-equity loss of € 3 million).

### Solid Power

The BMW Group holds shares in Solid Power, an industry-leading manufacturer of solid-state batteries for electric vehicles. Joint development partnerships are in place with Solid Power with a view to securing the supply of solid-state batteries for future generations of electric vehicles. The BMW Group has significant influence as it is represented on Solid Power's Board of Directors.

The at-equity loss relating to Solid Power for the financial year 2025 amounted to € 5 million (2024: at-equity profit of € 4 million). Reversals of impairment losses were recognised on the investment in both financial years.

in € million	2025	2024
<b>DISCLOSURES RELATING TO THE INCOME STATEMENT</b>		
Profit/loss after tax	- 59	- 61
thereof from continuing operations	- 59	- 61
Other comprehensive income	1	1
<b>Total comprehensive income</b>	<b>- 58</b>	<b>- 60</b>

### THERE

Together with AUDI AG, the Mercedes-Benz Group and other companies, the BMW Group holds shares in THERE. HERE International B.V. (HERE) is an associated company of THERE. HERE's digital maps are laying the foundations for the next generation of mobility and location-based services, providing the basis for new assistance systems and, ultimately, fully automated driving.

The at-equity profit relating to THERE for the financial year 2025 amounted to € 15 million (2024: at-equity loss of € 3 million).

Financial information relating to equity-accounted investments is summarised in the following tables (from a 100% perspective):

in € million	YOUR NOW		IONCHI		IONITY		IONNA		THERE	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>DISCLOSURES RELATING TO THE BALANCE SHEET</b>										
Non-current assets	45	60	127	94	844	750	174	22	1,165	1,104
Current assets	117	93	112	171	93	147	90	78	2	2
thereof cash and cash equivalents	94	56	97	168	30	87	84	78	2	1
Equity	61	66	136	166	651	725	206	90	1,013	959
Non-current financial liabilities, provisions and liabilities	49	23	87	80	229	109	39	3	154	146
Current financial liabilities, provisions and liabilities	52	64	16	19	57	63	19	7	-	1
<b>RECONCILIATION OF AGGREGATED FINANCIAL INFORMATION</b>										
Assets	162	153	239	265	937	897	264	100	1,167	1,106
Provisions and liabilities	101	87	103	99	286	172	58	10	154	147
Net assets	61	66	136	166	651	725	206	90	1,013	959
Group's interest in net assets	30	33	68	83	98	110	29	13	310	293
Carrying amount	30	33	34	83	98	110	13	13	313	296
<b>DISCLOSURES RELATING TO THE INCOME STATEMENT</b>										
Revenues	92	200	8	1	218	158	2	-	-	-
Scheduled depreciation	3	7	19	-	90	71	2	-	-	-
Profit/loss before financial result	131	-12	-33	-20	-62	-59	-34	-22	-	-1
Interest income	3	2	2	2	-	-	5	4	21	21
Interest expense	1	-	5	-	10	2	-	-	8	8
Income taxes	2	-	-	-	3	1	-	-	3	3
Profit/loss after tax	123	-30	-36	-18	-75	-62	-29	-18	52	-11
thereof from continuing operations	92	-30	-36	-18	-75	-62	-29	-18	52	-11
thereof from discontinued operations	31	-	-	-	-	-	-	-	-	-
Other comprehensive income	2	19	-	-	2	-	-	-	-1	-6
Total comprehensive income	125	-11	-36	-18	-73	-62	-29	-18	51	-17

## 25 Receivables from sales financing

Receivables from sales financing comprise the following:

in € million	31.12.2025	31.12.2024
Credit financing for retail customers and dealerships*	67,030	70,121
Finance lease receivables	23,009	23,597
<b>Receivables from sales financing</b>	<b>90,039</b>	<b>93,718</b>

\* Including operating leases.

As part of its ABS financing activities, the BMW Group transfers some of its receivables from sales financing – primarily retail customer and dealership financing receivables – to structured companies, which in turn securitise them and place them on the capital market as collateralised securities.

For the purposes of ABS financing, only the senior tranches of the issued securities are sold to external investors. Subordinated tranches are retained by the BMW Group. Furthermore, the BMW Group retains the exposure to interest rate risk in many transactions for which it concludes corresponding interest rate derivatives. The risk of delayed payments by debtors is reduced in the majority of ABS financing agreements by cash reserves financed by the BMW Group. Due to the risks remaining with the BMW Group, the ABS financing arrangements did not result in the derecognition of the securitised financial assets.

The carrying amount of receivables from sales financing transferred but not derecognised at 31 December 2025 stood at € 16,366 million (2024: € 15,758 million). The fair value of those receivables at that date was € 17,347 million (2024: € 16,038 million).

The carrying amount of the corresponding liabilities from asset-backed financing transactions at 31 December 2025 stood at € 13,318 million (2024: € 12,580 million). The fair value of these liabilities at that date was € 13,451 million (2024: € 12,735 million).

Impairment allowances on receivables from sales financing in accordance with IFRS 9, which only arise within the Financial Services segment, developed as follows:

in € million	Stage 1	Stage 2		Stage 3	Total
		General	Simplified		
<b>Impairment allowances at 1 January 2025</b>	<b>542</b>	<b>991</b>	<b>30</b>	<b>762</b>	<b>2,325</b>
Reclassification to Stage 1	4	- 40	-	- 1	- 37
Reclassification to Stage 2	- 27	240	-	- 47	166
Reclassification to Stage 3	- 5	- 88	- 2	289	194
Derecognition and origination of receivables	36	- 70	- 1	- 24	- 59
Write-off of receivables	-	- 36	- 1	- 188	- 225
Changes in risk parameters	- 17	-	-	16	- 1
Other changes	-	- 219	-	101	- 118
<b>Impairment allowances at 31 December 2025</b>	<b>533</b>	<b>778</b>	<b>26</b>	<b>908</b>	<b>2,245</b>

in € million	Stage 1	Stage 2		Stage 3	Total
		General	Simplified		
<b>Impairment allowances at 1 January 2024</b>	<b>581</b>	<b>929</b>	<b>36</b>	<b>643</b>	<b>2,189</b>
Reclassification to Stage 1	7	- 75	-	- 3	- 71
Reclassification to Stage 2	- 23	253	-	- 43	187
Reclassification to Stage 3	- 5	- 72	- 2	302	223
Derecognition and origination of receivables	43	14	1	- 9	49
Write-off of receivables	- 1	- 30	- 1	- 184	- 216
Changes in risk parameters	- 9	7	-	9	7
Other changes	- 51	- 35	- 4	47	- 43
<b>Impairment allowances at 31 December 2024</b>	<b>542</b>	<b>991</b>	<b>30</b>	<b>762</b>	<b>2,325</b>

In order to take into account the impact of the weaker macroeconomic environment on its retail and dealership business, risk allowances are recognised by the Group for expected credit losses that are not fully reflected in the standard models (post-model adjustments). The level of the risk allowance is reviewed regularly and has been reduced slightly compared to the previous year across the countries concerned, as some of the weaker overall economic development is now also taken into account in the standard models.

Impairment allowances include € 154 million (2024: € 133 million) on credit-impaired receivables relating to finance leases.

The estimated fair value of vehicles held as collateral for credit-impaired receivables at the end of the reporting period totalled € 671 million (2024: € 656 million). The carrying amount of assets held as collateral and taken back as a result of payment default amounted to € 62 million (2024: € 83 million).

Finance leases are analysed as follows:

in € million	31.12.2025	31.12.2024
due within one year	7,207	7,579
due between one and two years	6,886	7,168
due between two and three years	6,289	6,152
due between three and four years	4,707	4,987
due between four and five years	977	938
due later than five years	35	36
<b>Gross investment in finance leases</b>	<b>26,101</b>	<b>26,860</b>
due within one year	6,247	6,546
due between one and two years	6,131	6,376
due between two and three years	5,771	5,604
due between three and four years	4,420	4,670
due between four and five years	884	835
due later than five years	31	32
<b>Net investment in finance leases without loss allowances</b>	<b>23,484</b>	<b>24,063</b>
<b>Unrealised interest income</b>	<b>2,617</b>	<b>2,797</b>
<b>Loss allowances</b>	<b>475</b>	<b>466</b>
<b>Net investment in finance leases</b>	<b>23,009</b>	<b>23,597</b>

## 26 Financial assets

Financial assets comprise:

in € million	31.12.2025	31.12.2024
Marketable securities and investment funds	696	1,470
Derivative instruments	4,091	1,497
Loans to third parties	34	22
Other	207	410
<b>Financial assets</b>	<b>5,028</b>	<b>3,399</b>
thereof non-current	2,568	834
thereof current	2,460	2,565

## 27 Income tax assets

Income tax assets totalling € 1,849 million (2024: € 1,316 million) include claims amounting to € 360 million (2024: € 26 million), which are expected to be settled after more than one year. Claims may be settled earlier than this depending on the timing of the underlying proceedings.

## 28 Other assets

Other assets comprise:

in € million	31.12.2025	31.12.2024
Collateral assets	853	892
Receivables from subsidiaries	672	684
Deposits	76	98
Receivables from companies in which an investment is held	52	55
<b>Other assets (financial instruments)*</b>	<b>1,653</b>	<b>1,729</b>
Return right assets for future leased products*	1,965	2,000
Other taxes	1,620	1,686
Advance payments	864	1,168
Expected reimbursement claims	850	818
Prepaid expenses	673	555
<b>Other assets (non-financial instruments)*</b>	<b>5,972</b>	<b>6,227</b>
Sundry other assets	1,881	1,300
<b>Other assets</b>	<b>9,506</b>	<b>9,256</b>
thereof non-current	1,688	1,827
thereof current	7,818	7,429

\* Presentation adjusted compared to previous year.

Collateral assets comprise mainly customary collateral (banking deposits) arising on the sale of asset-backed financing instruments.

Sundry other assets include claims for customs refunds due from the USA which represent the main reason for the change in this line item compared with the previous year.

## 29 Inventories

Inventories comprise the following:

in € million	31.12.2025	31.12.2024
Finished goods and goods for resale	14,855	16,851
Work in progress, unbilled contracts	2,663	3,130
Raw materials and supplies	2,724	3,310
Vehicles held for sale in the financial services business	1,039	1,096
<b>Inventories</b>	<b>21,281</b>	<b>24,387</b>

Out of the total amount recognised for inventories at 31 December 2025, inventories measured at net realisable value amounted to € 3,119 million (2024: € 2,537 million). Write-downs to net realisable value in the financial year 2025 amounted to € 558 million (2024: € 522 million), while reversals of write-downs amounted to € 6 million (2024: € 15 million).

The expense recorded in conjunction with inventories during the financial year 2025 amounted to € 70,337 million (2024: € 75,333 million).

At 31 December 2025, the carrying amounts of inventories expected to be realised after more than 12 months amount to € 59 million (2024: € 54 million).

## 30 Trade receivables

Trade receivables comprise the following:

in € million	31.12.2025	31.12.2024
Gross carrying amount	3,034	2,917
Allowances for impairment of Stage 2 – simplified approach	- 19	- 11
Allowances for impairment of Stage 3	- 69	- 72
<b>Net carrying amount</b>	<b>2,946</b>	<b>2,834</b>
thereof non-current	6	3
thereof current	2,940	2,831

Impairment allowances on trade receivables in accordance with IFRS 9 developed as follows:

in € million	2025	2024
Balance at 1 January	83	70
Allocated	14	22
Reversed	- 7	- 6
Utilised	- 1	- 3
Exchange rate impact and other changes	- 1	-
<b>Balance at 31 December</b>	<b>88</b>	<b>83</b>

In the case of trade receivables, collateral is generally held in the form of vehicle documents and bank guarantees so that the risk of bad debt loss is very limited.

Expenses for impairment losses and income from the reversal of impairment losses are not significant for the BMW Group and are therefore not reported separately in the income statement.

## 31 Equity

### Number of shares issued

	Preferred share		Ordinary share	
	2025	2024	2025	2024
Shares in circulation at 1 January	55,827,264	57,977,516	566,432,055	575,577,304
Less: shares repurchased and withdrawn from circulation	2,925,072	2,150,252	12,795,282	9,145,249
Plus: shares repurchased and reissued for Employee Share Programme	-	-	589,320	-
<b>Shares in circulation at 31 December</b>	<b>52,902,192</b>	<b>55,827,264</b>	<b>554,226,093</b>	<b>566,432,055</b>
Treasury shares	1,773,313	3,093,144	6,908,833	13,363,612
<b>Number of shares issued at 31 December</b>	<b>54,675,505</b>	<b>58,920,408</b>	<b>561,134,926</b>	<b>588,940,916</b>

Based on the authorisation granted by the Annual General Meeting on 11 May 2022, the Board of Management of BMW AG resolved on and with effect from 24 June 2025 to redeem the 18,660,741 ordinary shares and 4,244,903 preferred shares – each with a nominal value of € 1 – that had been acquired by BMW AG as part of the second share buyback programme, thereby reducing the Company's share capital by € 22,905,644. This corresponds to around 3.59% of share capital prior to the redemption of the shares and the reduction of issued share capital.

Following the reduction, BMW AG's issued share capital amounts to € 615,810,431, divided into 561,134,926 ordinary shares, each with a par value of € 1, and 54,675,505 non-voting preferred shares, each with a par value of € 1. All of the Company's shares are issued to bearer. Preferred shares bear an additional dividend of € 0.02 per share. The reduction amount of € 22,905,644 was reclassified to capital reserves.

#### Capital reserves

Capital reserves include mainly premiums arising from the issue of shares, and totalled € 2,479 million (2024: € 2,456 million).

#### Revenue reserves

Revenue reserves include the non-distributed earnings of companies consolidated in the Group Financial Statements. In

addition, remeasurements of the net liability for defined benefit pension plans (and related income taxes) that are recognised through other comprehensive income are also presented in revenue reserves.

The Board of Management and the Supervisory Board propose that the unappropriated profit of BMW AG for the financial year 2025 amounting to € 2,672,422,497.84 be utilised to pay a dividend of € 4.42 for each preferred share entitled to receive a dividend, and a dividend of € 4.40 for each ordinary share entitled to receive a dividend, and that the remaining amount be transferred to revenue reserves. Based on the number of shares at 31 December 2025 entitled to receive a dividend, the proposed distribution represents a total payout of € 2,672 million.

The proposal for the appropriation of profit takes into account the 6,908,833 ordinary shares and the 1,773,313 preferred shares held directly or indirectly by BMW AG as treasury shares at 31 December 2025. In accordance with § 71b of the German Stock Corporation Act (AktG), these shares are not entitled to receive a dividend.

The number of shares entitled to receive a dividend may change prior to the Annual General Meeting. In this case, based on an unchanged distribution per ordinary and preferred share entitled to receive a dividend, a correspondingly amended resolution

concerning the appropriation of profit will be submitted to the Annual General Meeting.

The proposed distribution was not recognised as a liability in the Group Financial Statements.

#### Accumulated other equity

Accumulated other equity comprises amounts recognised through other comprehensive income resulting from the translation of the financial statements of foreign subsidiaries, changes in the fair value of derivative financial instruments and marketable securities, the cost of hedging measures as well as income taxes relating to those items.

#### Treasury shares

At the Annual General Meeting of BMW AG held on 11 May 2022, the shareholders authorised the Board of Management to acquire treasury shares (ordinary and/or preferred shares) via the stock exchange until 10 May 2027 up to a maximum of 10% of the share capital in place at the date of the resolution, or – if lower – the share capital in place at the date of the respective exercise of the authorisation. The Board of Management was authorised, without further resolution by the Annual General Meeting, to redeem treasury shares, to use them for the purposes of an employee share programme or, in connection with business combinations or acquisitions, with the approval of the Supervisory Board, to offer them in exchange for non-cash contributions.

In conjunction with this authorisation, on 3 May 2023 the Board of Management approved a second share buyback programme via the stock exchange. The second share buyback programme was started in July 2023 and completed on 3 April 2025. Under this programme, a total of 18,660,741 ordinary shares were bought back via the stock exchange up to 3 April 2025 at a total acquisition price of € 1,650 million and an average price of € 88.42 per share. The repurchased ordinary shares correspond to € 18,660,741 or 2.92% of share capital prior to the redemption of the shares and the reduction of share capital.

Up to 3 April 2025, a total of 4,244,903 preferred shares were bought back via the stock exchange under the second share

buyback programme at a total acquisition price of € 350 million and an average price of € 82.45 per share. The repurchased preferred shares correspond to € 4,244,903 or 0.66% of share capital prior to the redemption of the shares and the reduction of share capital.

At the Annual General Meeting of BMW AG held on 14 May 2025, the shareholders again authorised the Board of Management to acquire treasury shares (ordinary and/or preferred 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 lower – the share capital in place at the date of the respective exercise of the authorisation. The Board of Management was authorised, without further resolution by the Annual General Meeting, to redeem treasury shares, to use them for the purposes of an employee share programme or, in connection with business combinations or acquisitions, with the approval of the Supervisory Board, to offer them in exchange for non-cash contributions. This buyback authorisation remains valid until 13 May 2030 and replaces the authorisation to acquire treasury shares granted on 11 May 2022.

In conjunction with this authorisation, on 20 May 2025, the Board of Management approved a third share buyback programme via the stock exchange. Under this programme, ordinary shares with a volume of up to € 1,650 million and preferred shares with a volume of up to € 350 million will be acquired. The third share buyback programme started on 21 May 2025 and will be completed by 30 April 2027 at the latest. The share buyback programme primarily serves the purpose of redeeming shares with a corresponding reduction in share capital. In addition, it is also to be used for the transfer of shares to employees of BMW AG or a Group company in conjunction with an employee share programme.

Up to 31 December 2025, 7,498,153 ordinary shares had been bought back on the stock exchange as part of the first tranche of the third buyback programme at a total acquisition price of € 615 million and an average price of € 82.02 per share. The repurchased ordinary shares correspond to € 7,498,153 or 1.22% of BMW AG's share capital. Of these, 6,908,833 ordinary shares

are held by BMW AG as treasury shares at the end of the reporting period. These ordinary shares correspond to € 6,908,833 or 1.12% of BMW AG's share capital.

Up to 31 December 2025, 1,773,313 preferred shares had been bought back on the stock exchange as part of the first tranche of the third buyback programme at a total acquisition price of €135 million and an average price of €76.13 per share. The repurchased preferred shares correspond to €1,773,313, or 0.29% of BMW AG's share capital. The shares concerned are held by BMW AG as treasury shares at the end of the reporting period.

On 26 September 2025, the Board of Management approved an employee share programme with a subscription period running from 21 October to 6 November 2025, enabling employees to participate directly in the Company. Based on the applications received from eligible employees, 589,320 treasury ordinary shares with a nominal value of € 589,320 were sold to employees at a preferential price of € 67.99 per share. This corresponds to 0.10% of BMW AG's share capital. For the purpose of the employee share programme, treasury ordinary shares previously purchased on the stock exchange in conjunction with the third share buyback programme were utilised.

On 16 December 2025, the Board of Management resolved to propose to the Annual General Meeting of BMW AG to be held on 13 May 2026 as well as to a separate Special Meeting of the Preferred Shareholders to be held on the same day that all preferred shares be converted into ordinary shares at a ratio of 1:1. It is planned to carry out this conversion by way of an amendment to the Articles of Incorporation without any additional payment obligation on the part of the preferred shareholders.

#### Capital management disclosures

The BMW Group's objectives with regard to capital management are to safeguard over the long-term the Group's ability to continue as a going concern and to provide an adequate return to shareholders.

The capital structure is managed in order to meet needs arising from changes in economic conditions and the risks of the underlying assets. The BMW Group is not subject to any unified external minimum equity capital requirements. Within the Financial Services segment, however, there are a number of individual entities which are subject to equity capital requirements of relevant regulatory banking authorities.

In order to manage its capital structure, the BMW Group uses various instruments, including the amount of dividends paid to shareholders and share buybacks. Moreover, the BMW Group actively manages debt capital, carrying out funding activities with a target debt structure in mind.

A key aspect in the selection of financial instruments is the objective to achieve matching maturities for the Group's financing requirements. In order to reduce non-systematic risk, the BMW Group uses a variety of financial instruments available on the world's capital markets to achieve diversification.

The capital structure at the end of the reporting period was as follows:

in € million	31.12.2025	31.12.2024
Equity attributable to shareholders of BMW AG	95,697	92,315
Proportion of total capital	46.4%	45.3%
Non-current financial liabilities	68,159	66,770
Current financial liabilities	42,310	44,491
Total financial liabilities	110,469	111,261
Proportion of total capital	53.6%	54.7%
<b>Total capital</b>	<b>206,166</b>	<b>203,576</b>

Equity attributable to shareholders of BMW AG increased during the financial year by 3.7%, primarily reflecting the increase in revenue reserves.

### 32 Non-controlling interests

The 25% non-controlling interests of other shareholders in the subsidiary BMW Brilliance represent a significant item in the BMW Group's balance sheet.

Total comprehensive income of the BMW Group allocated to the other shareholders of BMW Brilliance amounted to € 29 million (2024: € 376 million). A dividend of € 510 million (2024: € 984 million) was distributed to these shareholders during the financial year under report. At 31 December 2025, non-controlling interests in BMW Brilliance amounted to € 1,934 million (2024: € 2,415 million).

Financial information relating to BMW Brilliance is summarised in the following table (from a 100% perspective). The values include the scheduled depreciation and amortisation of the purchase price allocation.

in € million	2025	2024
<b>DISCLOSURES RELATING TO THE INCOME STATEMENT</b>		
Revenues	20,499	26,453
Profit after tax	270	1,413
Total comprehensive income	- 481	1,613
<b>DISCLOSURES RELATING TO THE BALANCE SHEET</b>		
Non-current assets	13,386	15,826
Current assets	5,365	7,151
Non-current provisions and liabilities	2,392	3,314
Current provisions and liabilities	6,852	8,254
<b>DISCLOSURES RELATING TO THE CASH FLOW STATEMENT</b>		
Total cash inflows/outflows	- 1,427	- 1,555

### 33 Pension provisions

In the case of defined benefit plans, the BMW Group is required to pay the benefits it has granted to present and past employees. Defined benefit plans may be covered by provisions or pension assets. In Germany, pension obligations of the BMW Group are entirely covered by assets transferred to BMW Trust e.V., Munich (BMW Trust), in conjunction with a Contractual Trust Arrangement (CTA) (funded plan). In addition, funded plans also exist in the UK as well as in the USA, Switzerland, Belgium and Japan. In the meantime, all of the main defined benefit plans have been closed for new entrants and replaced by defined contribution plans.

The assumptions stated below, which depend on the economic situation in the relevant country, are used to measure the defined benefit obligation of each pension plan. The following weighted average values have been used for Germany, the UK and other countries:

	Germany		United Kingdom		Other	
in %	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Discount rate	4.04	3.36	5.57	5.48	6.27	6.13
Pension level trend	2.02	2.01	2.14	2.28	-	-
Weighted duration of all pension obligations in years	11.7	13.0	11.3	12.1	12.0	12.2

The following mortality tables are applied in countries in which the BMW Group has significant defined benefit plans:

Germany	Mortality Table 2018 G issued by Prof. K. Heubeck (with invalidity rates reduced by 70%)
United Kingdom	S4PA Tables and CMI_2024 model with improvement factor of 1.25%

Based on the measurement principles contained in IAS 19, the following balance sheet carrying amounts apply to the Group's pension plans:

in € million	Germany		United Kingdom		Other		Total	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Present value of defined benefit obligations	13,194	13,255	4,465	4,847	810	892	18,469	18,994
Fair value of plan assets	13,314	13,391	5,124	5,560	694	752	19,132	19,703
Effect of limiting net defined benefit asset to asset ceiling	-	-	709	766	16	5	725	771
<b>Carrying amounts</b>	<b>- 120</b>	<b>- 136</b>	<b>50</b>	<b>53</b>	<b>132</b>	<b>145</b>	<b>62</b>	<b>62</b>
thereof pension provisions	-	3	69	72	134	147	203	222
thereof assets	- 120	- 139	- 19	- 19	- 2	- 2	- 141	- 160

The most significant of the BMW Group's pension plans are described below.

#### Germany

Employer-funded as well as employee-funded benefit plans exist in Germany. In addition to retirement benefits, pension benefits also include disability and surviving dependants' benefits. The level of ongoing pension payments is adjusted in accordance with § 16 of the Company Pensions Act (Betriebsrentengesetz).

Two employer-funded pension plans are in place that are based on defined contributions for which the level of benefits depends on developments on the capital markets. Benefits granted by the two plans are funded by a combination of the payment of fixed monthly contributions by the Company, a deferred remuneration option for employees and a matching contribution by the Company. Further contributions are made on the basis of the BMW Group's performance. A further plan is in place that is funded entirely out of deferred remuneration. Due to the minimum interest rate guaranteed by the BMW Group, these plans are all classified as defined benefit plans in accordance with IAS 19. In addition to the above plans, an employer-funded, defined benefit pension

plan with lifelong pension benefits remains in place which is now closed to new entrants. The pension benefit is calculated by multiplying a fixed amount by the number of completed years of service. Only employees who did not agree to a one-time option to switch to the defined contribution system in 2021 and 2022 will receive future increases in entitlements under this plan.

The assets of the German pension plans are invested by BMW Trust (a German association) in accordance with a CTA. The representative bodies of the association are the Board of Directors and the Members' General Meeting. BMW Trust currently has seven members and three members of the Board of Directors elected by the Members' General Meeting. The Board of Directors is responsible for investments, drawing up and deciding on investment guidelines as well as monitoring compliance with those guidelines. The members of the association can be employees, employee representatives, senior executives and members of the Board of Management of BMW AG. An ordinary Members' General Meeting takes place once every calendar year, and deals with a range of matters, including receiving and approving the association's annual report, ratifying the activities of the Board of Directors and adopting changes to the association's statutes.

#### UK

Defined benefit plans exist in the UK which are closed for all plan participants. Vested benefits remain in place. New benefits are covered by contributions made to a defined contribution plan.

The defined benefit pension plans are administered by BMW Pension Trustees Limited, Farnborough, and BMW (UK) Trustees Limited, Farnborough, both trustee companies which act independently of the BMW Group. BMW (UK) Trustees Limited is represented by ten trustees and BMW Pension Trustees Limited by five trustees. A minimum of one-third of the trustees must be elected by plan participants. The trustees represent the interests of plan participants and decide on investment strategies. Funding contributions to the funds are determined in agreement with the BMW Group.

The change in the net defined benefit liability for pension plans can be derived as follows:

in € million	Defined benefit obligation	Plan assets	Total	Effect of limitation of the net defined benefit asset to the asset ceiling	Net defined benefit liability
1 January 2025	18,994	- 19,703	- 709	771	62
<b>EXPENSE/INCOME</b>					
Current service cost	364	-	364	-	364
Interest expense (+)/income (-)	727	- 769	- 42	40	- 2
Past service cost	49	-	49	-	49
<b>REMEASUREMENTS</b>					
Gains (-) or losses (+) on plan assets, excluding amounts included in interest income	-	669	669	-	669
Gains (-) or losses (+) arising from changes in financial assumptions	- 797	-	- 797	-	- 797
Gains (-) or losses (+) arising from changes in demographic assumptions	- 166	-	- 166	-	- 166
Gains (-) or losses (+) arising from experience adjustments	304	-	304	-	304
Changes in the limitation of the net defined benefit asset to the asset ceiling	-	-	-	- 45	- 45
Transfers to fund	-	- 366	- 366	-	- 366
Employee contributions	112	- 112	-	-	-
Pensions and other benefits paid	- 787	787	-	-	-
Translation differences and other changes	- 331	362	31	- 41	- 10
<b>31 December 2025</b>	<b>18,469</b>	<b>- 19,132</b>	<b>- 663</b>	<b>725</b>	<b>62</b>
thereof pension provisions					203
thereof assets					- 141

## Notes to the Group Financial Statements

in € million	Defined benefit obligation	Plan assets	Total	Effect of limitation of the net defined benefit asset to the asset ceiling	Net defined benefit liability
1 January 2024	18,918	- 19,347	- 429	799	370
<b>EXPENSE/INCOME</b>					
Current service cost	382	-	382	-	382
Interest expense (+)/income (-)	677	- 711	- 34	43	9
Past service cost	41	-	41	-	41
<b>REMEASUREMENTS</b>					
Gains (-) or losses (+) on plan assets, excluding amounts included in interest income	-	407	407	-	407
Gains (-) or losses (+) arising from changes in financial assumptions	- 906	-	- 906	-	- 906
Gains (-) or losses (+) arising from changes in demographic assumptions	- 48	-	- 48	-	- 48
Gains (-) or losses (+) arising from experience adjustments	277	-	277	-	277
Changes in the limitation of the net defined benefit asset to the asset ceiling	-	-	-	- 112	- 112
Transfers to fund	-	- 362	- 362	-	- 362
Employee contributions	111	- 111	-	-	-
Pensions and other benefits paid	- 742	743	1	-	1
Translation differences and other changes	284	- 322	- 38	41	3
<b>31 December 2024</b>	<b>18,994</b>	<b>- 19,703</b>	<b>- 709</b>	<b>771</b>	<b>62</b>
thereof pension provisions					222
thereof assets					- 160

Due to the fact that there is no right of reimbursement or right to reduce future contributions, particularly to the fund of one pension plan in the UK, the amount of plan assets reported has been limited to the amount of the obligations.

Depending on the cash flow profile and risk structure of the pension obligations involved, plan assets relating to defined benefit plans are invested in a diversified portfolio.

Plan assets in Germany, the UK and other countries comprised the following:

in € million	Germany		United Kingdom		Other		Total	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Equity instruments	4,421	3,527	-	-	68	50	4,489	3,577
Debt instruments	5,765	6,479	3,416	3,592	50	58	9,231	10,129
thereof investment grade	5,270	5,789	3,416	3,592	50	58	8,736	9,439
thereof non-investment grade	495	690	-	-	-	-	495	690
Real estate funds	37	56	-	-	28	31	65	87
Money market funds	-	-	66	77	38	30	104	107
Other	-	272	-	-	5	4	5	276
<b>Total with quoted market price</b>	<b>10,223</b>	<b>10,334</b>	<b>3,482</b>	<b>3,669</b>	<b>189</b>	<b>173</b>	<b>13,894</b>	<b>14,176</b>
Debt instruments	453	345	1,110	962	2	1	1,565	1,308
thereof investment grade	450	341	-	-	-	-	450	341
thereof mixed funds (funds without a rating)	3	4	1,110	962	1	-	1,114	966
thereof non-investment grade	-	-	-	-	1	1	1	1
Real estate	484	424	250	513	-	-	734	937
Cash and cash equivalents	120	142	-	-	-	-	120	142
Absolute return funds	308	409	2	2	-	-	310	411
Other	1,726	1,737	280	414	503	578	2,509	2,729
<b>Total without quoted market price</b>	<b>3,091</b>	<b>3,057</b>	<b>1,642</b>	<b>1,891</b>	<b>505</b>	<b>579</b>	<b>5,238</b>	<b>5,527</b>
<b>Total plan assets</b>	<b>13,314</b>	<b>13,391</b>	<b>5,124</b>	<b>5,560</b>	<b>694</b>	<b>752</b>	<b>19,132</b>	<b>19,703</b>

In the coming financial year, disbursements out of plan assets are expected to exceed the employer's contributions to plan assets by € 402 million. Plan assets of the BMW Group include own transferable financial instruments amounting to € 5 million (2024: € 11 million).

The BMW Group is exposed to risks arising both from defined benefit plans and defined contribution plans with a minimum return guarantee. The discount rates used to calculate pension obligations are subject to market fluctuations and therefore influence the level of the obligations. Furthermore, changes in other actuarial parameters, such as expected rates of inflation, also have an impact on pension obligations. In order to reduce currency exposures, a substantial portion of plan assets is either invested in the same currency as the underlying plan or hedged by means of currency derivatives. As part of the internal reporting procedures and for internal management purposes, financial risks relating to the pension plans are reported using a value-at-risk approach by reference to the pension deficit. The investment strategy is also subject to regular review together with external consultants, with the aim of ensuring that investments are structured to match the timing of pension payments and the expected development of pension obligations. In this way, fluctuations in pension provisions recognised in the balance sheet are reduced.

The defined benefit obligation relates to current employees, pensioners and former employees with vested benefits as follows:

in %	Germany		United Kingdom		Other	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Current employees	61.1	59.6	-	-	56.6	56.7
Pensioners	32.7	34.1	67.3	66.2	35.7	35.7
Former employees with vested benefits	6.2	6.3	32.7	33.8	7.7	7.6
<b>Defined benefit obligation</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The sensitivity analysis provided below shows the extent to which changes in individual factors – independently of each other – could influence the defined benefit obligation at the end of the reporting period.

It is only possible to aggregate sensitivities to a limited extent. Since the change in obligation follows a non-linear pattern,

estimates made on the basis of the specified sensitivities are only possible with this restriction. The calculation of sensitivities using ranges other than those specified could result in a disproportional change in the defined benefit obligation.

In the UK, the sensitivity analysis for the pension level trend also takes account of restrictions due to caps and floors.

		Change in defined benefit obligation			
		31.12.2025		31.12.2024	
		in € million	in %	in € million	in %
Discount rate	increase of 0.75%	- 1,034	- 5.6	- 1,238	- 6.5
	decrease of 0.75%	1,209	6.5	1,455	7.7
Pension level trend	increase of 0.25%	242	1.3	299	1.6
	decrease of 0.25%	- 233	- 1.3	- 285	- 1.5
Average life expectancy	increase of 1 year	405	2.2	445	2.3
	decrease of 1 year	- 408	- 2.2	- 446	- 2.3

### 34 Other provisions

Other provisions changed during the year as follows:

in € million	1.1.2025	Additions due to changes in consolidated companies	Translation differences	Additions	Reversal of discounting	Utilised	Reversed	31.12.2025	thereof due within one year
Statutory and non-statutory warranty obligations, product guarantees	9,272	-	- 466	2,215	256	- 3,070	- 835	7,372	2,868
Obligations for personnel and social expenses	2,478	-	- 28	1,443	25	- 1,424	- 39	2,455	1,623
Bonus and price reductions	2,066	-	- 113	1,853	-	- 1,646	- 158	2,002	1,900
Other obligations	2,557	-	- 75	1,191	- 2	- 910	- 396	2,365	1,279
<b>Other provisions</b>	<b>16,373</b>	<b>-</b>	<b>- 682</b>	<b>6,702</b>	<b>279</b>	<b>- 7,050</b>	<b>- 1,428</b>	<b>14,194</b>	<b>7,670</b>

in € million	1.1.2024	Additions due to changes in consolidated companies	Translation differences	Additions	Reversal of discounting	Utilised	Reversed	31.12.2024	thereof due within one year
Statutory and non-statutory warranty obligations, product guarantees	9,650	-	217	3,007	287	- 3,217	- 672	9,272	3,595
Obligations for personnel and social expenses	2,964	-	15	1,464	44	- 1,763	- 246	2,478	1,664
Bonus and price reductions	1,677	-	30	1,822	-	- 1,276	- 187	2,066	1,914
Other obligations	2,746	4	28	1,407	17	- 999	- 646	2,557	1,370
<b>Other provisions</b>	<b>17,037</b>	<b>4</b>	<b>290</b>	<b>7,700</b>	<b>348</b>	<b>- 7,255</b>	<b>- 1,751</b>	<b>16,373</b>	<b>8,543</b>

Depending on when claims occur, it is possible that the BMW Group may be called upon to fulfil the warranty or obligations over the whole period of the warranty or guarantee. In the previous year, additions to warranty obligations were impacted by additions in connection with the supplied Integrated Braking System.

Expected reimbursement claims at 31 December 2025 amounted to € 850 million (2024: € 818 million) and are disclosed within other assets (see [note \[28\]](#)).

Provisions for obligations for personnel and social expenses comprise mainly obligations relating to performance-related remuneration components, workforce measures as well as pre-

retirement part-time working arrangements and long-service awards.

The provisions for other obligations cover numerous specific risks and uncertain obligations, in particular for litigation and liability risks as well as risks relating to the order backlog. Other obligations include provisions for industry-wide compensation programmes in connection with certain commission models in the United Kingdom.

A provision is always based on the best possible estimate at the end of the reporting period. As a consequence of updated external findings or regulatory decisions, a significant deviation may arise between the estimated and actual amount.

### 35 Income tax liabilities

Current income tax liabilities totalling € 864 million (2024: € 1,131 million) include € 108 million (2024: € 170 million) which are expected to be settled after more than 12 months. Liabilities may be settled earlier than this depending on the timing of the underlying proceedings.

### 36 Financial liabilities

Financial liabilities of the BMW Group comprise the following:

in € million	31.12.2025				31.12.2024			
	Maturity within one year	Maturity between one and five years	Maturity later than five years	Total	Maturity within one year	Maturity between one and five years	Maturity later than five years	Total
Bonds	11,274	29,303	11,258	51,835	9,338	28,418	10,790	48,546
Asset-backed financing transactions	7,205	14,429	126	21,760	7,977	13,620	-	21,597
Liabilities from customer deposits (banking)	12,807	5,141	4	17,952	14,446	4,987	6	19,439
Liabilities to banks	5,041	2,960	785	8,786	5,711	2,171	808	8,690
Lease liabilities	499	1,367	626	2,492	520	1,399	634	2,553
Derivative instruments	1,190	1,476	457	3,123	1,566	2,825	816	5,207
Commercial paper	3,477	-	-	3,477	4,118	-	-	4,118
Other	817	227	-	1,044	815	102	194	1,111
<b>Financial liabilities</b>	<b>42,310</b>	<b>54,903</b>	<b>13,256</b>	<b>110,469</b>	<b>44,491</b>	<b>53,522</b>	<b>13,248</b>	<b>111,261</b>

Planned future cash outflows from variable lease payments, which are not taken into account in the measurement of lease liabilities, are expected to amount to € 170 million (2024: € 39 million).

Similarly, potential future cash outflows amounting to € 1,760 million (2024: € 1,703 million) (undiscounted) have not been taken into account in the measurement of lease liabilities as it is not reasonably certain that the leases will be renewed (or not terminated). These cash outflows relate to periods of up to 88 years (2024: up to 89 years).

Liabilities related to financing activities can be reconciled as follows:

in € million	1.1.2025	Cash inflows/outflows	Changes due to exchange rate factors	Basis adjustments from hedge accounting	Other changes	31.12.2025
Bonds	48,546	5,438	- 3,241	1,104	- 12	51,835
Asset-backed financing transactions	21,597	1,516	- 1,362	-	9	21,760
Liabilities from customer deposits (banking)	19,439	- 634	- 871	- 5	23	17,952
Liabilities to banks	8,690	613	- 513	- 3	- 1	8,786
Lease liabilities	2,553	- 484	- 90	-	513	2,492
Commercial paper	4,118	- 400	- 238	-	- 3	3,477
Financial liabilities towards companies in which an investment is held	2	-	-	-	- 2	-
Other (excluding interest payable)	400	- 58	- 33	- 10	2	301
<b>Liabilities relating to financing activities</b>	<b>105,345</b>	<b>5,991</b>	<b>- 6,348</b>	<b>1,086</b>	<b>529</b>	<b>106,603</b>

in € million	1.1.2024	Cash inflows/outflows	Changes due to exchange rate factors	Basis adjustments from hedge accounting	Other changes	31.12.2024
Bonds	39,808	6,985	1,485	328	- 60	48,546
Asset-backed financing transactions	20,085	1,021	483	-	8	21,597
Liabilities from customer deposits (banking)	18,016	937	464	4	18	19,439
Liabilities to banks	5,824	2,713	107	46	-	8,690
Lease liabilities	2,539	- 516	31	2	497	2,553
Commercial paper	3,292	693	131	-	2	4,118
Financial liabilities towards companies in which an investment is held	-	2	-	-	-	2
Other (excluding interest payable)	493	- 55	- 34	- 5	1	400
<b>Liabilities relating to financing activities</b>	<b>90,057</b>	<b>11,780</b>	<b>2,667</b>	<b>375</b>	<b>466</b>	<b>105,345</b>

The total amount of interest payments received and interest payments made is comprised primarily of interest received and interest paid in the Group Cash Flow Statement as well as the cash-relevant portion of the interest income shown in Revenues (see [note \[7\]](#)) and interest expense in Cost of sales respectively (see [note \[8\]](#)).

Bonds comprise the following:

Issuer	Interest	Issue volume in relevant currency (ISO Code)	Weighted average maturity period (in years)	Weighted average nominal interest rate (in %)
BMW Finance N.V.	variable	EUR 2,300 million	1.9	2.6
	fixed	EUR 13,750 million	7.8	1.8
	fixed	HKD 1,670 million	6.2	3.5
	fixed	USD 500 million	10.0	2.9
	fixed	AUD 273 million	10.0	3.2
BMW US Capital, LLC	variable	USD 3,600 million	2.3	5.1
	variable	EUR 500 million	2.0	2.6
	fixed	USD 19,250 million	6.7	4.2
BMW International Investment B.V.	fixed	EUR 2,500 million	7.9	2.8
	variable	SEK 1,750 million	2.0	2.8
	variable	EUR 1,200 million	2.0	2.8
	variable	AUD 100 million	2.0	4.1
	fixed	EUR 5,950 million	6.1	3.3
	fixed	NOK 2,500 million	9.4	4.0
	fixed	GBP 1,400 million	4.6	5.0
BMW China Capital B.V.	fixed	CHF 765 million	6.6	1.1
	fixed	SEK 500 million	3.0	2.6
	fixed	CNY 14,500 million	2.3	2.4
BMW Canada Inc.	fixed	CAD 2,050 million	3.2	4.0
BMW Japan Finance Corp.	fixed	JPY 20,000 million	3.0	0.8

Commercial paper comprises the following:

Issuer	Issue volume in relevant currency (ISO-Code)	Weighted average maturity period (in days)	Weighted average nominal interest rate (in %)
BMW US Capital, LLC	USD 2,290 million	17	3.7
BMW Finance N.V.	EUR 1,530 million	23	2.2

### 37 Other liabilities

Other liabilities comprise the following items:

in € million	31.12.2025	31.12.2024
Bonuses and sales aides	4,273	5,113
Refund liabilities for future leased products	2,694	2,803
Payables for supplier development contracts	1,291	1,079
Deposits received	1,123	1,239
Payables to subsidiaries	432	336
Payables to other companies in which an investment is held	19	21
<b>Other liabilities (financial instruments)</b>	<b>9,832</b>	<b>10,591</b>
Contract liabilities	8,506	8,644
Deferred income	3,448	3,568
Other taxes	1,930	1,409
Other advance payments received for orders	172	115
Social security	145	145
<b>Other liabilities (non-financial instruments)</b>	<b>14,201</b>	<b>13,881</b>
Sundry	1,700	2,523
<b>Other liabilities</b>	<b>25,733</b>	<b>26,995</b>

Liabilities arising from supplier development contracts include development costs incurred during the series development phase. In the financial year 2025 these liabilities were mainly attributable to new vehicle models, in particular the NEUE KLASSE, as well as expenses in connection with the further electrification of the vehicle fleet.

Contract liabilities relate to obligations for service and repair work as well as telematics services and roadside assistance agreed to be part of the sale of a vehicle (in some cases multiple-component arrangements). An amount of € 4,409 million (2024: € 3,932 million) was released from contract liabilities in the financial year and recognised as revenues from contracts with customers.

Deferred income includes down payments received on leases with customers as well as deferred grants.

Grants comprise mainly public sector funds to promote regional structures and which have been invested in the production plants in Brazil, China, Germany, Mexico, Austria and South Africa amongst others. The grants are partly subject to holding periods for the assets concerned of up to five years and/or minimum employment figures or minimum production figures. Grants and subsidies awarded before 31 December 2022 are released to income over the useful life of the assets to which they relate.

Other taxes include liabilities for customs duties arising in the USA which represent the main reason for the change in this line item compared with the previous year.

Other non-financial liabilities also include insurance liabilities for the remaining contractual terms of contracts accounted for in accordance with IFRS 17 amounting to € 326 million (2024: € 331 million).

The figure reported in the line item Sundry for the previous financial year included amounts that, with effect from the financial year 2025, are now reported as trade payables.

### 38 Trade payables

Trade payables mainly have a remaining term of up to one year.

## OTHER DISCLOSURES

### 39 Contingent liabilities and other financial commitments

#### Contingent liabilities

The following contingent liabilities existed at the balance sheet date:

in € million	31.12.2025	31.12.2024
Taxes and customs duties	1,331	1,701
Litigation	153	299
Guarantees	83	52
Investment subsidies	55	55
<b>Contingent liabilities</b>	<b>1,622</b>	<b>2,107</b>

The BMW Group determines its best estimate of contingent liabilities on the basis of the information available at the date of preparation of the Group Financial Statements. This assessment may change over time and is adjusted regularly on the basis of new information and circumstances. A part of the risks is covered by insurance.

Since March 2019, the Chinese State Administration for Market Regulation (SAMR) is conducting an antitrust proceeding against BMW AG. In July 2024, the Brazilian antitrust authority launched an antitrust proceeding against BMW AG and provided its preliminary statement of objections. The investigations each relate to largely the same facts which were the subject of a proceeding which was concluded by the European Commission in 2021 (see [note \[10\]](#) to the BMW Group Financial Statements for the financial year 2021 included in the BMW Group Report 2021). Possible risks for the BMW Group in connection with the antitrust proceedings in China and Brazil cannot be currently foreseen, neither in terms of their outcome nor the amounts involved. In relation to these allegations two individual customers' lawsuits have been pending in South Korea since June 2018. In addition, claimants in a group litigation in England and Wales have brought damages claims based on the European Commission's

decision. Further civil lawsuits based on the allegations are possible going forward. Further disclosures pursuant to IAS 37.86 cannot be provided at present.

Beginning in 2014, regulatory authorities have ordered the BMW Group to recall various vehicle models in conjunction with airbags supplied by the Takata group of companies. Provision for the costs involved has been recognised within warranty provisions. In addition to the risks already covered by warranty provisions, it cannot be ruled out that further vehicles of the BMW Group will be affected by future recall actions. Further disclosures pursuant to IAS 37.86 cannot be provided at present.

In May 2023, the National Highway Traffic Safety Administration (NHTSA), an agency of the US federal government, requested a recall of airbags in the USA that are equipped with airbag inflators produced by ARC Automotive. In the second half of 2024, the NHTSA announced that it will continue its investigation before deciding how to proceed and whether to issue a final decision. This situation remains unchanged compared to the fiscal year 2024. Implications thereof for the BMW Group as well as implications from class action lawsuits, which have been brought in this context against the BMW Group in the USA and Canada, cannot be estimated at present. Further disclosures pursuant to IAS 37.86 cannot be provided at present.

In April 2025, the European Commission (EC) and the UK Competition and Markets Authority (CMA) concluded, with infringement decisions, their antitrust proceedings against car manufacturers and industry associations relating to the recycling of end-of-life vehicles. The authorities had previously reached corresponding settlements with the parties involved. The competition authorities found that car manufacturers (i) coordinated the remuneration to be paid to dismantlers for the provision of their services and (ii) agreed that issues related to end-of-life vehicles should be dealt with in a non-competitive way. BMW AG was fined € 25 million in the proceedings brought by the EC. In the

CMA proceedings, BMW AG and BMW (UK) Ltd., Farnborough were fined GBP 11 million. In December 2023, the South Korean anti-trust authority (Korean Fair Trade Commission, KFTC) conducted an inspection at the premises of several car manufacturers, including BMW Korea and opened formal proceedings in March 2024. In this context, the KFTC submitted requests for information to BMW Korea in July 2025 and to BMW AG in October 2025, which were answered in a timely manner. In June 2024, the Chinese Antitrust Authority sent BMW AG a request for information, which was answered within the set deadline. The investigation by the South Korean antitrust authority and the request for information by the Chinese Antitrust Authority have the same background as the investigations of the European Commission and the UK Competition and Markets Authority. Due to the relatively early stage of these investigations, it is also not possible to provide further information in this regard. Further disclosures pursuant to IAS 37.86 cannot be provided at present.

Following a request for legal assistance from the Korean authorities in 2020 in connection with leaks in exhaust gas recirculation modules in BMW Group vehicles, the Munich public prosecutor's office initiated an investigation and searched BMW Group offices in Munich and Steyr in June 2022. The proceedings were finally concluded in March 2024 and BMW Group agreed to pay a fine. To the extent that aspects of this matter are under review by authorities, the BMW Group continues to cooperate. Potential risks for the BMW Group cannot be quantified at the present time. Further disclosures pursuant to IAS 37.86 cannot be provided at present.

In several judgements, the European Court of Justice has ruled on emission control systems in diesel vehicles and has significantly tightened requirements pertaining to the justification of these systems. As a result of these judgements by the European Court of Justice, the interpretation of regulatory requirements for emission control systems is still evolving. This is reflected, amongst other things, by the fact that established administrative

practices of type approval authorities are being questioned from numerous sides. This development led to a reassessment of civil proceedings pending due to the emissions performance of BMW and MINI diesel vehicles. According to the previous established case law of German national courts, damage claims could only be asserted on the basis of intentional damage inflicted in a manner offending common decency. In its judgements from 2023 linked to proceedings against other manufacturers and taking into account the case law of the European Court of Justice, the German Federal Court of Justice ruled that a manufacturer can also be held liable for negligent breach of EU homologation standards and on the basis of a far-reaching reversal of the burden of proof to the detriment of the manufacturer. Continuous effort and complexity of the defence in individual cases, new court proceedings, increased legal risks and financial expenditure are still to be expected. Further disclosures pursuant to IAS 37.86 cannot be provided at present.

In addition, the Kraftfahrt-Bundesamt (KBA) determined in February 2024 that two functionalities of the emission control system of the BMW vehicle model X3 with 2.0 litre diesel engine (EU5), built between September 2010 and March 2014, do not comply with legal requirements. The KBA views these functionalities as prohibited defeat devices. The BMW Group has filed a timely objection against this decision. Corrective measures have been coordinated with the responsible type approval authorities and are currently being carried out.

Furthermore, the BMW Group is conducting an internal investigation, supported by external legal advisers and technical experts, considering all relevant legal and factual aspects, to determine whether and to what extent functionalities of the emission control systems of this and other past diesel vehicle models comply with legal requirements and is in dialogue with responsible authorities in this regard. In this context, the Munich public prosecutor's office has opened an investigation against unknown ("Ermittlungsverfahren gegen Unbekannt") in July 2024 and

conducted searches. Also, against the background of the development in case law referred to above, it is possible that these and further authorities, including type approval and law enforcement authorities, and courts find fault with functionalities of the emission control systems or deem them as non-compliant with legal requirements. The investigation is complex and will still take some time to complete. At this stage, it is not possible to make any disclosures pursuant to IAS 37.86 with regard to the results of the aforesaid investigation and the internal investigation and possible measures to be taken as well as possible effects, including administrative and court proceedings, and any financial risks that may be related thereto.

Furthermore, several BMW Group entities have been facing a number of diesel emissions-related court claims in England and Wales since November 2021 as well as in Scotland since March 2023. In November 2023, the High Court approved a group litigation regarding the proceeding in England and Wales. In addition to the BMW Group, several other OEMs are facing similar proceedings in the same court. In March 2024, the court selected the proceedings against five OEMs as lead proceedings; BMW Group is not among them. In Scotland, the court also approved the combination of relevant claims in group proceedings. In both proceedings, the sued BMW Group entities filed their statements of defence in 2024. In addition, in November 2025 the consumer protection organization Stichting Car Claim filed a class action in the Netherlands against several BMW Group entities, equally relating to diesel emissions. Given that proceedings are still at an early stage, the probability, amount or timing of any liability cannot be determined at present. Further disclosures pursuant to IAS 37.86 cannot be provided at present.

In the United Kingdom, motor finance customers are filing complaints and civil lawsuits regarding commissions paid to motor dealers, inter alia against BMW Financial Services (GB) Ltd., Farnborough (BMW FS UK). In three cases not involving

BMW FS UK but brought against other lenders, the UK Court of Appeal (CoA) handed down a single judgement on 25 October 2024. The CoA concluded that motor dealers owe both a disinterested duty and an ad hoc fiduciary duty to their customers (as borrowers) and therefore are obligated to disclose the amount and nature of any commission payments received and obtain informed customer consent for such payments. The CoA concluded in one case that there was an "unfair relationship" between the customer and the lender. On 1 August 2025, the UK Supreme Court rejected the CoA's findings on fiduciary duties but upheld the unfair relationship claim, emphasizing that claims of unfairness depend on the specific facts of each case. The UK Supreme Court provided a non-exhaustive list of factors to consider when determining unfairness, one of which is commission payments not being disclosed to the customer. On 7 October 2025, the Financial Conduct Authority (FCA) released a comprehensive consultation paper outlining an industry-wide compensation scheme for motor finance customers, inviting consumers, lenders and associations to comment thereon. This consultation covered not only discretionary commission arrangements for which the BMW Group had already recognised risk provisions, but also other commission arrangements, in particular where commissions were not disclosed, spanning a period from April 2007 to November 2024. This could significantly expand the scope of a redress scheme. BMW FS UK took part in the consultation, which ended on 12 December 2025 after an extension. BMW FS UK emphasised its position that the proposed redress scheme could lead to payments that may far exceed the potential harm.

The FCA announced that it would publish the final scheme rules in March 2026. Due to the revised risk assessment regarding the non-disclosure of commission payments, risk provisions were recognised within other provisions after the conclusion of the consultation phase, see [note \[34\]](#).

#### Other financial commitments

In addition to liabilities, provisions and contingent liabilities, the following commitments exist for the BMW Group at the end of the reporting period:

in € million	31.12.2025	31.12.2024
Purchase commitments for property, plant and equipment	6,006	8,001
Purchase commitments for intangible assets	2,612	2,980
Obligations for irrevocable loan commitments	532	363

#### 40 Financial instruments

The carrying amounts of financial instruments are assigned to IFRS 9 categories in the following table:

in € million	31.12.2025				31.12.2024			
	At amortised cost	At fair value through other comprehensive income	At fair value through profit or loss	Not allocated to an IFRS 9 category	At amortised cost	At fair value through other comprehensive income	At fair value through profit or loss	Not allocated to an IFRS 9 category
<b>ASSETS</b>								
Other investments	-	-	594	297	-	-	802	297
Receivables from sales financing	66,384	-	-	23,655	69,523	-	-	24,195
Financial assets								
Derivative instruments								
Cash Flow Hedges	-	-	-	2,430	-	-	-	518
Fair Value Hedges	-	-	-	746	-	-	-	273
Other derivative instruments	-	-	915	-	-	-	706	-
Marketable securities and investment funds	-	466	230	-	-	1,366	104	-
Loans to third parties	21	-	13	-	19	-	3	-
Other	66	-	-	141	250	-	-	160
Cash and cash equivalents	17,664	-	1,190	-	17,214	-	2,073	-
Trade receivables	2,946	-	-	-	2,834	-	-	-
Other assets								
Receivables from subsidiaries	672	-	-	-	684	-	-	-
Receivables from companies in which an investment is held	52	-	-	-	55	-	-	-
Collateral assets	853	-	-	-	892	-	-	-
Remaining other assets	1,558	-	-	6,371	1,270	-	-	6,355
<b>Total</b>	<b>90,216</b>	<b>466</b>	<b>2,942</b>	<b>33,640</b>	<b>92,741</b>	<b>1,366</b>	<b>3,688</b>	<b>31,798</b>

## Notes to the Group Financial Statements

in € million	31.12.2025				31.12.2024			
	At amortised cost	At fair value through other comprehensive income	At fair value through profit or loss	Not allocated to an IFRS 9 category	At amortised cost	At fair value through other comprehensive income	At fair value through profit or loss	Not allocated to an IFRS 9 category
<b>LIABILITIES</b>								
Financial liabilities								
Bonds	51,835	-	-	-	48,546	-	-	-
Liabilities to banks	8,786	-	-	-	8,690	-	-	-
Liabilities from customer deposits (banking)	17,952	-	-	-	19,439	-	-	-
Commercial paper	3,477	-	-	-	4,118	-	-	-
Asset-backed financing transactions	21,760	-	-	-	21,597	-	-	-
Derivative instruments								
Cash Flow Hedges	-	-	-	685	-	-	-	1,978
Fair Value Hedges	-	-	-	1,209	-	-	-	1,953
Other derivative instruments	-	-	1,229	-	-	-	1,276	-
Lease liabilities	-	-	-	2,492	-	-	-	2,553
Other	1,044	-	-	-	1,111	-	-	-
Trade payables	12,488	-	-	-	14,126	-	-	-
Other liabilities								
Payables to subsidiaries	432	-	-	-	336	-	-	-
Payables to other companies in which an investment is held	19	-	-	-	21	-	-	-
Remaining other liabilities	7,798	-	-	17,484	9,023	-	-	17,615
<b>Total</b>	<b>125,591</b>	<b>-</b>	<b>1,229</b>	<b>21,870</b>	<b>127,007</b>	<b>-</b>	<b>1,276</b>	<b>24,099</b>

### Disclosures relating to financial instruments measured at amortised cost

The following table shows the fair values and carrying amounts of financial assets and liabilities that are measured at amortised cost and whose carrying amounts differ from their fair value.

in € million	31.12.2025		31.12.2024	
	Fair value	Carrying amount	Fair value	Carrying amount
Receivables from sales financing - credit financing	69,096	66,384	72,672	69,523
Receivables from sales financing - finance and operating leases	25,224	23,655	25,599	24,195
<b>Financial liabilities</b>				
Bonds	52,243	51,835	49,977	48,546
Asset-backed financing transactions	21,669	21,760	22,220	21,597
Liabilities from customer deposits (banking)	17,784	17,952	19,149	19,439
Liabilities to banks	8,829	8,786	8,791	8,690

Fair values are determined as a general rule using the discounted cash flow method, taking into account the risk of default. The expected future cash flows are discounted on the basis of up-to-date interest-rate curves observable on the market.

In the case of receivables from sales financing, the default risk is determined taking into account the customer-specific credit risk. In view of the fact that these allowances are calculated in part on the basis of internal information, receivables from sales financing are allocated to Level 3 in the level hierarchy in accordance with IFRS 13.

In the case of financial liabilities, the BMW Group's own default risk is taken into account either on the basis of credit default swaps available on the market or on the basis of a company-specific issuer curve derived from bonds that have been issued by the Group and are traded on the market. This results in an allocation to Level 2.

For all other financial instruments not listed here that are measured at amortised cost, the carrying amount corresponds to the fair value. For this reason, they are not presented separately.

**Disclosures relating to financial instruments measured at fair value**

The carrying amounts of financial instruments measured at fair value are allocated to the measurement levels pursuant to IFRS 13 as below:

in € million	31.12.2025			31.12.2024		
	Level hierarchy in accordance with IFRS 13			Level hierarchy in accordance with IFRS 13		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Marketable securities and investment funds	423	273	-	1,138	332	-
Other investments	148	-	446	91	-	711
Cash equivalents	1,190	-	-	2,073	-	-
Loans to third parties	-	-	13	-	-	3
Derivative instruments (assets)						
Interest rate risks	-	443	-	-	276	-
Currency risks	-	1,202	-	-	525	-
Combined interest rate/currency risks	-	939	-	-	435	-
Raw material market price risks	-	1,491	-	-	197	-
Other risks	-	-	16	-	-	64
Derivative instruments (liabilities)						
Interest rate risks	-	1,788	-	-	2,336	-
Currency risks	-	610	-	-	889	-
Combined interest rate/currency risks	-	320	-	-	594	-
Raw material market price risks	-	405	-	-	1,388	-

As a general rule, any transfers between fair-value hierarchy levels are made at the end of the relevant reporting period.

As at 31 December 2025, investments with a fair value of € 79 million were reclassified from Level 3 to Level 1, as observable market prices were available for the first time for the measurement of the equity instruments concerned. No reclassifications within the level hierarchy took place in the previous year.

Financial instruments measured at fair value using input factors not based on observable market prices are allocated to Level 3. The fair values of these financial instruments are shown in the following table:

in € million	Fair value 31.12.2025	Fair value 31.12.2024
Unquoted equity instruments	446	711
Convertible bonds	13	3
Options on unquoted equity instruments	16	64

Financial instruments allocated to Level 3 relate mainly to investments in a private-equity fund. The valuation of unlisted equity instruments is determined primarily using the market-based approach. In particular, the financing rounds that take place within the private equity sector (generally every 12–24 months) represent a significant input factor for these purposes. In addition, the investment advisor provides the external fund manager with relevant, investment-specific information on an ongoing basis (at least quarterly). The latter subsequently assesses the underlying individual companies in accordance with the guidelines for International Private Equity and Venture Capital Valuations (IPEV).

As part of the process of analysing valuations, the external fund manager reviews the investment-specific milestones, including an analysis of financial, technical and liquidity-specific performance indicators, among others. Based on this analysis, it is considered whether the price of the most recent financing round is acceptable as a reasonable market valuation, in particular for early-stage or growth-phase investments. Key performance indicators used for the purpose of milestone analysis are dependent on the business model underlying the investment. Typical technical key performance indicators relate to licenses and patents held, the stage of technology development such as evidence of feasibility and prototypes, market entries, customer and user growth and appointments to key management positions. Key financial performance indicators used are revenues, EBITDA and the corresponding growth rate and/or development of specific contribution margins. Key liquidity-specific performance

indicators are cash on hand, cash burn rates and prospects for future financing rounds.

Since the pricing from the financing rounds is considered to be the decisive input factor for the valuation, increases and decreases in valuation give rise to a similar change in the equity instrument that is recognised in the income statement.

In addition, equity instruments that are held outside the private equity fund are measured using the income approach. This involves discounting cash flows on the basis of current business cases using the weighted average cost of capital to determine the fair value of the financial instrument. Changes in fair values determined in connection with adjustments to significant input factors are not material for the BMW Group.

The convertible bonds that have been classified to Level 3 are primarily used as instruments in advance of future financing rounds relating to private equity investments. Valuations are therefore performed in accordance with the IPEV guidelines.

Mandatory conversions are usually structured in such a way that the number of shares to be received depends on the future share price. Due to the generally short maturities, the instruments are subject to only insignificant fluctuations in value. Irrespective of this fact, impairment tests are performed at regular intervals.

The fair value of the options that the BMW AG holds in shares of investee companies is measured taking into account the respective conditions under which the options were granted. The comments provided on the income-based approach used to measure equity instruments held outside the private equity fund apply analogously for the purposes of determining the relevant share price that is taken into account when measuring the fair value of the options. The exercise price for share options arising in conjunction with the private equity fund is generally low, verging towards zero. Consequently, financing rounds have a direct impact on the fair value of the options. In this respect, the valuation of options and assessment of their impact on sensitivity is similar to the approach taken to unquoted equity instruments, as described above.

The balance sheet carrying amount of Level 3 financial instruments developed as follows:

in € million	Unquoted equity instruments	Convertible bonds	Options on unquoted equity instruments	Financial instruments Level 3
1 January 2025	711	3	64	778
Additions	34	11	-	45
Disposals	- 142	-	- 51	- 193
Gains (+)/losses (-) recognised in the income statement	- 7	-	4	- 3
Currency translation differences	- 71	- 1	- 1	- 73
Level transfer	- 79	-	-	- 79
<b>31 December 2025</b>	<b>446</b>	<b>13</b>	<b>16</b>	<b>475</b>

in € million	Unquoted equity instruments	Convertible bonds	Options on unquoted equity instruments	Financial instruments Level 3
1 January 2024	765	1	58	824
Additions	27	9	-	36
Disposals	- 11	-	-	- 11
Gains (+)/losses (-) recognised in the income statement	- 113	- 7	5	- 115
Currency translation differences	43	-	1	44
Level transfer	-	-	-	-
<b>31 December 2024</b>	<b>711</b>	<b>3</b>	<b>64</b>	<b>778</b>

Gains and losses recognised in the income statement are reported within the line item Other financial result and included a net negative amount of € 132 million (2024: net negative amount of € 115 million) relating to unrealised items.

### Offsetting of financial instruments

Derivative financial instruments of the BMW Group are subject to legally enforceable master netting agreements or similar contracts. However, receivables and payables relating to derivative financial instruments are not netted due to non-fulfilment of the stipulated criteria. Offsetting would have the following impact on the carrying amounts of derivatives:

in € million	31.12.2025		31.12.2024	
	Assets	Liabilities	Assets	Liabilities
Balance sheet amount as reported	4,091	3,123	1,497	5,207
Gross amount of derivatives which can be offset in case of insolvency	- 1,446	- 1,446	- 957	- 957
Cash collateral	- 185	- 6	- 233	- 19
Net amount after offsetting	2,460	1,671	307	4,231

Non-derivative financial assets and liabilities are only offset if a legally enforceable right currently exists and it is actually intended to offset the relevant amounts. No financial assets and liabilities have been netted in the BMW Group due to the fact that the necessary requirements for netting have not been met.

### Gains and losses on financial instruments

The following table shows the net gains and losses arising on financial instruments in accordance with IFRS 9:

in € million	2025	2024
Financial assets measured at fair value through other comprehensive income	17	2
Financial instruments measured at fair value through profit or loss	161	- 122
Financial assets measured at amortised cost	- 143	- 349
Financial liabilities measured at amortised cost	- 323	- 71

Net gains and losses arising on financial instruments measured at fair value through other comprehensive income mainly relate to changes in the fair value of marketable securities. Further details are provided in [note \[19\]](#). Total interest income arising on financial assets measured at fair value through other comprehensive income amounted to € 28 million (2024: € 67 million) and total interest expense to € 0 million (2024: € 0 million).

Net gains and losses arising on financial instruments measured at fair value through profit and loss mainly include results from the fair value measurement of stand-alone derivatives, marketable securities and shares in investment funds, as well as other financial assets.

Net gains and losses arising on financial assets measured at amortised cost include mainly exchange rate gains/losses and impairment losses/reversals.

Net gains and losses arising on financial liabilities measured at amortised cost comprise mainly exchange rate gains/losses.

Financial instruments measured at amortised cost are sometimes subject to carrying amount adjustments that are recognised through profit or loss as part of the application of hedge accounting. These carrying amount changes are largely neutralised by the offsetting changes in fair value arising on hedging transactions and for this reason are not reported in the figures for net gains and losses.

Total interest income arising on financial assets measured at amortised cost relates mainly to the interest income earned on credit financing and reported within revenues. Total interest expenses arising on financial instruments measured at amortised cost amounted to € 3,334 million (2024: € 3,270 million).

### Credit risk

The BMW Group is exposed to counterparty credit risks if contractual partners, for example a retail customer or a dealership, are unable or only partially able to meet their contractual obligations. Information on the management of credit risk for receivables from financial services is provided in the Combined Management Report (sections [Outlook](#) and [Risks and Opportunities](#)).

Notwithstanding the existence of collateral accepted, the carrying amount of financial assets (with the exception of derivative financial instruments) generally represents the maximum credit risk. In addition, the credit risk is increased by additional unutilised loan commitments in the dealership financing line of business. Total dealership financing credit risk at the end of the reporting period therefore amounted to € 35,386 million (2024: € 36,059 million).

In the case of all relationships underlying non-derivative financial instruments, in order to minimise the credit risk and depending on the nature and amount of exposure, collateral is required, credit information and references obtained or historical data based on the existing business relationship, in particular payment behaviour, reviewed.

In the case of trade receivables, customers are regularly assessed with regard to their credit risk. Depending on contractual status, necessary measures, such as dunning procedures, are initiated in good time.

The credit risk relating to cash deposits and derivative financial instruments is minimised by the fact that the Group only enters into such contracts with parties of first-class credit standing.

Within the financial services business, items financed for retail customers and dealerships (such as vehicles, facilities and property) serve as first-ranking collateral with a recoverable value. Security is also put up by customers in the form of collateral asset pledges, asset assignment and first-ranking mortgages, supplemented where appropriate by warranties and guarantees. Items previously held as collateral that are subsequently acquired relate mainly to vehicles. As a rule, these assets can be converted

into cash at short notice through the dealership organisation. Creditworthiness testing is an important aspect of the BMW Group's credit risk management. Every borrower's creditworthiness is tested for all credit financing and lease contracts entered into by the BMW Group. In the case of retail customer financing, creditworthiness is assessed using validated scoring systems integrated in the purchasing process. Transitory climate-related risks are limited by the fact that customer financing can be restricted if the customer is exposed to risks prevalent in a particular industry, and could therefore have an impaired credit rating.

In the area of dealership financing, creditworthiness is assessed by means of ongoing credit monitoring and an internal rating system that takes account not only of the material credit standing of the borrower, but also of qualitative factors, such as past reliability in business relations. Part of the creditworthiness assessment for dealership and importer financing also involves a classification with regard to physical and transitory climate-related risks, as well as risks relating to social and governance factors.

The credit risk on trade receivables is assessed mainly on the basis of information relating to overdue amounts. The gross carrying amounts of these receivables are allocated in accordance with IFRS 9 to overdue ranges used for management purposes as follows:

in € million	31.12.2025	31.12.2024
Not overdue	2,550	2,543
1-30 days overdue	271	170
31-60 days overdue	62	63
61-90 days overdue	23	16
More than 90 days overdue	128	125
<b>Total</b>	<b>3,034</b>	<b>2,917</b>

Receivables from sales financing are allocated to internally defined rating categories based on credit risk. The classification into creditworthiness levels is based on default probabilities. The related gross carrying amounts in accordance with IFRS 9 are allocated as follows:

in € million	31.12.2025						31.12.2024					
	Stage 1	Stage 2		Stage 3	Total	Expected credit loss	Stage 1	Stage 2		Stage 3	Total	Expected credit loss
		General	Simplified				General	Simplified				
Gross carrying amount of financial assets with good credit ratings	76,462	2,115	508	-	79,085	391	75,482	2,038	501	-	78,021	330
Gross carrying amount of financial assets with medium credit ratings	5,570	4,532	24	-	10,126	661	10,206	3,721	25	-	13,952	760
Gross carrying amount of financial assets with poor credit ratings	64	1,504	23	1,482	3,073	1,193	88	2,590	22	1,370	4,070	1,235
<b>Total</b>	<b>82,096</b>	<b>8,151</b>	<b>555</b>	<b>1,482</b>	<b>92,284</b>	<b>2,245</b>	<b>85,776</b>	<b>8,349</b>	<b>548</b>	<b>1,370</b>	<b>96,043</b>	<b>2,325</b>

Further disclosures relating to credit risk – in particular with regard to the amounts of impairment losses recognised – are provided in the explanatory notes to the relevant categories of receivables in [note \[25\]](#) and [note \[30\]](#).

**Liquidity risk**

The following table shows the maturity structure of expected contractual cash flows (undiscounted) for financial liabilities:

in € million	31.12.2025				31.12.2024			
	Maturity within one year	Maturity between one and five years	Maturity later than five years	Total	Maturity within one year	Maturity between one and five years	Maturity later than five years	Total
<b>NON-DERIVATIVE FINANCIAL LIABILITIES</b>								
Bonds	12,885	32,811	12,792	58,488	10,800	31,872	12,412	55,084
Asset-backed financing transactions	7,878	15,448	-	23,326	8,526	14,057	-	22,583
Liabilities to banks	5,735	3,271	801	9,807	6,110	2,494	944	9,548
Liabilities from customer deposits (banking)	12,952	5,337	4	18,293	14,597	5,222	6	19,825
Trade payables	12,486	2	-	12,488	14,119	7	-	14,126
Lease liabilities	502	1,459	794	2,755	522	1,487	831	2,840
Commercial paper	3,483	-	-	3,483	4,133	-	-	4,133
Other financial liabilities	81	233	-	314	114	145	159	418
<b>DERIVATIVE FINANCIAL LIABILITIES</b>								
With gross settlement	1,065	645	21	1,731	1,122	1,475	271	2,868
Cash outflows	27,419	18,944	593	46,956	21,234	30,650	4,643	56,527
Cash inflows	- 26,354	- 18,299	- 572	- 45,225	- 20,112	- 29,175	- 4,372	- 53,659
With net settlement	1,012	1,226	134	2,372	1,494	2,520	184	4,198
Cash inflows / outflows	1,012	1,226	134	2,372	1,494	2,520	184	4,198
<b>Total financial liabilities</b>	<b>58,079</b>	<b>60,432</b>	<b>14,546</b>	<b>133,057</b>	<b>61,537</b>	<b>59,279</b>	<b>14,807</b>	<b>135,623</b>

The cash flows from non-derivative liabilities comprise principal repayments and the related interest. The amounts disclosed for derivative financial liabilities comprise only cash flows relating to derivatives that have a negative fair value at the balance sheet date. It should be noted that, due to the various yield curves used, an overall net positive cash flow may arise from inflows/outflows relating to derivative instruments with negative fair values.

At 31 December 2025, credit commitments available at short notice to dealerships which had not been called upon at the end

of the reporting period amounted to € 15,815 million (2024: € 14,803 million).

Solvency is assured at all times by managing and monitoring the liquidity situation on the basis of a rolling cash flow forecast.

The resulting funding requirements are covered by a variety of instruments placed on the world's financial markets, with the aim to minimise risk by matching maturities with financing requirements and in alignment with a dynamic target debt structure.

As a further reduction of risk, a syndicated credit line totalling € 8 billion (2024: € 8 billion) from a consortium of international banks is available to the BMW Group. Intra-group cash flow fluctuations are balanced out by the use of daily cash pooling arrangements. Further information is provided in the Combined Management Report.

**Market risks**

The principal market risks to which the BMW Group is exposed are currency risk, interest rate risk and raw materials market price risk.

Protection against such risks is provided in the first instance though natural hedging which arises when the values of non-derivative financial instruments have matching maturities and amounts (netting). Derivative financial instruments are used to reduce the risk remaining after netting.

Currency, interest rate and raw materials market price risks of the BMW Group are managed at a corporate level.

Further information is provided in the [Outlook](#) and [Risks and Opportunities](#) sections of the Combined Management Report.

**Currency risk**

As an enterprise with worldwide operations, the BMW Group conducts business in a variety of currencies, from which currency risks arise. In order to hedge currency risks, derivative financial instruments are in place at 31 December 2025, mostly in the form of forward currency contracts and currency swaps.

As part of the implementation of the risk management strategy, the extent to which risk exposures should be hedged is decided at regular intervals. The economic relationship between the hedged item and the hedging instrument is based essentially on the fact that they are denominated in the same currency and have the same maturities. Items are hedged on the basis of a constant ratio of one to one between hedging instrument and risk exposure.

Causes of hedge ineffectiveness are seen potentially only for counterparty credit risk. However, in view of the processes that have been established for credit risk management, ineffectiveness is not expected to arise.

The BMW Group measures currency risk using a cash-flow-at-risk model. The analysis of currency risk is based on forecast

foreign currency transactions which could result in exposures to surpluses of foreign currency cash inflows and cash outflows. At the end of the reporting period, the overall currency exposure – in each case for the following year and determined by aggregating the individual currency exposures based on their absolute amount – was as follows:

in € million	31.12.2025	31.12.2024
Currency exposure	31,963	34,979

Currency exposures include short positions amounting to € 4,100 million (2024: € 5,354 million).

The currency exposure is compared to all hedges that are in place. The net cash flow surplus represents an uncovered risk position. The cash-flow-at-risk approach involves showing the impact of potential exchange rate fluctuations on operating cash flows on the basis of probability distributions. Volatilities and correlations serve as the main input factors to determine the relevant probability distributions.

The potential negative impact on earnings is calculated at the reporting date for each currency for the following financial year on the basis of current market prices and exposures with a confidence level of 95%. The risk mitigating effect of correlations between the various currencies is taken into account when the risks are aggregated.

The following table shows the potential negative impact for the BMW Group for the following year resulting from unfavourable changes in exchange rates, measured on the basis of the cash-flow-at-risk approach.

in € million	31.12.2025	31.12.2024
Cash flow at risk	223	353

**Interest rate risk**

Interest rate risks arise when funds are borrowed and invested with differing fixed-rate periods or differing terms. At the BMW Group, all items subject to, or bearing, interest are exposed to interest rate risk and can therefore affect both the assets and liabilities side of the balance sheet.

The fair value of the Group's interest rate portfolios was as follows at the end of the reporting period:

in € million	31.12.2025	31.12.2024
Fair values of interest rate portfolios	68,443	68,725

Interest rate risk is managed through the use of interest rate derivatives. As part of the implementation of the risk management strategy, interest rate risks are monitored and managed at regular intervals. The interest rate contracts used for hedging purposes comprise mainly swaps, which, if hedge accounting is applied, are accounted for as fair value hedges. The economic relationship between the hedged item and the hedging instrument is based on the fact that the main parameters of the hedged item and the related hedging instrument (e.g. start date, term and currency), are the same. Items are hedged on the basis of a constant ratio of one to one between hedging instrument and risk exposure.

In view of the fact that own credit risk is excluded from the hedging relationship, ineffectiveness is expected to be low.

For selected fixed-interest assets, part of the interest rate risk is hedged on a portfolio basis. In this case, swaps are used as the hedging instrument. Hedge relationships are terminated and re-designated on a monthly basis at the end of each reporting period, thereby taking account of the constantly changing content of each portfolio.

The BMW Group applies a value-at-risk approach throughout the Group for internal reporting purposes and to manage interest rate risk.

This approach is based on a historical simulation in which the potential future fair value losses of the interest rate portfolios are compared across the Group with expected amounts on the basis of a holding period of 250 days and a confidence level of 99.98%. The risk mitigating effect of correlations between the various portfolios is taken into account when the risks are aggregated.

In the following table, the potential volumes of fair value fluctuations – measured on the basis of the value-at-risk approach – are compared with the expected value for the interest-rate-sensitive exposures of the BMW Group:

in € million	31.12.2025	31.12.2024
Value at risk	2,403	1,921

#### Raw materials price risk

The BMW Group is exposed to market price risks on raw materials. In order to hedge these risks, the Group mainly uses forward commodity contracts. As part of the implementation of the risk management strategy, the extent to which risk exposures should be hedged is decided at regular intervals and the corresponding hedging ratio defined. Items are hedged on the basis of a constant ratio of one to one between hedging instrument and risk exposure.

Causes of hedge ineffectiveness are seen potentially only for counterparty credit risk. However, in view of the processes that have been established for credit risk management, ineffectiveness is not expected to arise.

The economic relationship between the hedged item and the hedging instrument is based essentially on the fact that they have the same basis and term. The BMW Group designates only the commodity price index-linked raw materials surcharge, which is specified in the purchase contracts of vehicle components, as a hedged item. The proportion of the hedged risk component as a percentage of the total fair value depends on the specific types of vehicle component involved. Other price components contained in the contract are not designated as being part of the hedge relationship as no effective hedging instruments exist for these components.

The starting point for analysing raw materials price risk is to identify planned purchases of raw materials or components containing raw materials, the so-called "exposure". At each reporting date, the exposure for the following financial year amounted to:

in € million	31.12.2025	31.12.2024
Raw material price exposures	9,085	8,303

This exposure is compared to all commodity hedging transactions that are in place. The net cash flow surplus represents an uncovered risk position. The cash-flow-at-risk approach involves showing the impact of potential raw materials market price fluctuations on operating cash flows on the basis of probability distributions. Volatilities and correlations serve as input factors to assess the relevant probability distributions.

The potential negative impact on earnings is calculated at the reporting date for each raw materials category for the following financial year on the basis of current market prices and exposure with a confidence level of 95%. The risk mitigating effect of correlations between the various categories of raw materials is taken into account when the risks are aggregated.

The following table shows the potential negative impact for the BMW Group resulting from fluctuations in prices across all categories of raw materials, measured on the basis of the cash-flow-at-risk approach. The risk at each reporting date for the following financial year was as follows:

in € million	31.12.2025	31.12.2024
Cash flow at risk	865	880

**Disclosures on hedging measures**

The following disclosures on hedging measures include derivatives of fully consolidated companies that are designated as a hedging instrument. The amounts shown in the table are stated before deferred taxes and take account of additional effects arising from the application of the modified closing rate method.

The nominal amounts of hedging instruments were as follows:

	31.12.2025		
in € million	Maturity within one year	Maturity between one and five years	Maturity later than five years
Currency risks	18,187	22,200	–
Interest rate risks	6,482	17,697	8,656
Combined interest/currency risks	80	6,722	3,691
Raw material price risks	4,189	5,021	–
<b>Nominal amounts of hedging instruments</b>	<b>28,938</b>	<b>51,640</b>	<b>12,347</b>
	31.12.2024		
in € million	Maturity within one year	Maturity between one and five years	Maturity later than five years
Currency risks	15,804	18,452	283
Interest rate risks	7,299	18,614	8,232
Combined interest/currency risks	–	4,759	4,045
Raw material price risks	3,236	4,466	–
<b>Nominal amounts of hedging instruments</b>	<b>26,339</b>	<b>46,291</b>	<b>12,560</b>

The following table shows the average hedging rates of the financial instruments used by the BMW Group to hedge significant currency risk exposures:

Currency risks	31.12.2025	31.12.2024
EUR/CNY	7.81	7.37
EUR/GBP	0.89	0.89
EUR/KRW	1,594.23	1,453.03

The following table shows the average hedging rates of the financial instruments used by the BMW Group to hedge significant raw materials risk exposures:

Raw material price risks	31.12.2025	31.12.2024
Aluminium (EUR/t)	2,288	2,427
Copper (EUR/t)	7,897	8,201
Palladium (EUR/oz)	985	1,264

In light of the concentration on significant raw materials risk exposures and in contrast to the previous year, lithium is no longer included in the above table.

Information on average interest hedge rates is not provided, since interest rate derivatives designated as hedging instruments are used exclusively to hedge items in fair value hedges. The hedge rates therefore correspond in each case to the current market interest rate level.

Most of the hedges used in this context relate to variable yield curves relating to the euro, US dollar and British pound currency areas.

The following table provides information on the nominal amounts, carrying amounts and fair value changes of contracts designated as hedging instruments:

in € million	31.12.2025				31.12.2024			
	Nominal amounts	Carrying amounts		Change in fair value of designated components	Nominal amounts	Carrying amounts		Change in fair value of designated components
		Assets	Liabilities			Assets	Liabilities	
<b>Cash Flow Hedges</b>								
Currency risks	40,387	961	369	1,956	34,539	329	680	- 679
Raw material price risks	9,210	1,469	316	1,862	7,702	189	1,298	- 892
<b>Fair Value Hedges</b>								
Interest rate risks	53,708	271	1,103	392	54,325	183	1,650	582
Combined interest rate/currency risks	10,493	475	106	- 56	8,804	90	303	123

The following table shows key information on hedged items for each risk category as well as the balances of designated components within accumulated other equity:

in € million	31.12.2025					31.12.2024				
	Carrying amounts		Change in value of hedged items	Balances in accumulated other equity		Carrying amounts		Change in value of hedged items	Balances in accumulated other equity	
	Assets	Liabilities		Continuing hedge relationships	Terminated hedge relationships	Assets	Liabilities		Continuing hedge relationships	Terminated hedge relationships
<b>Cash Flow Hedges</b>										
Currency risks	-	-	- 1,956	825	-	-	-	679	- 188	-
Raw material price risks	-	-	- 1,862	1,153	-	-	-	892	- 1,162	-
<b>Fair Value Hedges</b>										
Interest rate risks	19,182	43,736	- 390	-	-	20,071	51,432	- 582	-	-
Combined interest rate/currency risks	-	23	59	-	-	-	31	- 120	-	-

The accumulated amount of hedge-related fair value adjustments is € 87 million (2024: negative amount of € 60 million) for assets and a negative amount of € 620 million (2024: negative amount of € 1,039 million) for liabilities.

Hedge relationships give rise to the following effects:

in € million	2025			2024		
	Change of designated components in other comprehensive income	Change in costs of hedging in other comprehensive income	Hedge ineffectiveness recognised in income statement	Change of designated components in other comprehensive income	Change in costs of hedging in other comprehensive income	Hedge ineffectiveness recognised in income statement
<b>Cash Flow Hedges</b>						
Currency risks	1,013	- 203	-	- 2,565	946	-
Raw material price risks	2,315	-	-	44	-	-
<b>Fair Value Hedges</b>						
Interest rate risks	-	-	2	-	-	-
Combined interest/currency risks	-	30	3	-	- 27	3

Designated components and costs of hedging within accumulated other equity changed as follows:

in € million	2025					2024				
	Currency risks		Combined interest / currency risk	Raw material price risk		Currency risks		Combined interest / currency risk	Raw material price risk	
	Designated component	Costs of hedging	Costs of hedging	Designated component	Costs of hedging	Designated component	Costs of hedging	Costs of hedging	Designated component	Costs of hedging
<b>Opening balance at 1 January</b>	- 188	- 72	- 29	- 1,162	-	2,377	- 1,018	- 2	- 1,206	-
Change in fair value during the reporting period	1,956	- 325	30	1,862	-	- 679	99	- 27	- 892	-
Reclassification to profit or loss										
for hedge relationships terminated as scheduled	- 813	125	-	-	-	- 1,458	656	-	-	-
for hedge relationships terminated early	- 130	- 3	-	120	-	- 428	191	-	151	-
Reclassification to acquisition costs for inventories	-	-	-	333	-	-	-	-	785	-
<b>Closing balance at 31 December</b>	<b>825</b>	<b>- 275</b>	<b>1</b>	<b>1,153</b>	<b>-</b>	<b>- 188</b>	<b>- 72</b>	<b>- 29</b>	<b>- 1,162</b>	<b>-</b>

The early termination of hedge relationships relating to currency and raw material price risks was primarily attributable to the challenging market situation in the Chinese sales market. If, due to a change in expectations, an adequate hedging relationship no longer exists with respect to a derivative currency or raw materials instrument, the hedge accounting relationship is discontinued with immediate effect. All amounts recognised through other comprehensive income up to this point in time are reclassified to the income statement.

#### 41 Related party relationships

The following individuals and entities are related parties in accordance with IAS 24:

- Stefan Quandt and Susanne Klatten, as well as companies they control and close members of their families
- The Board of Management and Supervisory Board of BMW AG as well as close members of their families
- Associated companies, joint ventures, non-consolidated subsidiaries, as well as BMW Trust e.V., BMW (UK) Trustees Limited and BMW Foundation Herbert Quandt, Munich

Transactions of the Group companies with related parties were carried out, without exception, in the normal course of business of each of the parties concerned and conducted at market conditions, i.e. conditions that are also granted to other third-party manufacturers.

No loans or advances were granted by entities of the BMW Group to members of the Board of Management and the Supervisory Board in the financial year 2025, nor were any contingent liabilities entered into on their behalf. During the year under report, members of the Board of Management and the Supervisory Board concluded contracts with BMW Group entities on customary market terms and conditions for the purchase of vehicles and the investment of cash deposits in the low single-digit million range. Furthermore, in the financial year 2025, customary market contracts for vehicle leasing were concluded between companies of the BMW Group and close members of the families of Supervisory Board members.

Stefan Quandt is a shareholder and Deputy Chairman of the Supervisory Board of BMW AG. He is also the sole shareholder and Chairman of the Supervisory Boards of DELTON Health AG, Bad Homburg v.d.H., and DELTON Technology SE, Bad Homburg v.d.H., as well as the sole shareholder of DELTON Logistics S.à r.l. Grevenmacher.

During the financial year 2025, DELTON Logistics S.à r.l. – via its subsidiaries – performed logistic-related services for the BMW Group. In addition, the DELTON companies held by Stefan Quandt acquired vehicles from the BMW Group by way of leasing.

Stefan Quandt is also the indirect majority shareholder of SOLARWATT GmbH, Dresden. Cooperation arrangements are in place between the BMW Group and SOLARWATT GmbH within the field of electric mobility. In the financial year 2024, SOLARWATT GmbH purchased battery cells and related components for home battery storage applications as part of a supply project. During the financial year 2025, SOLARWATT GmbH primarily purchased vehicles from the BMW Group by way of leasing as well as other services.

Susanne Klatten is a shareholder and member of the Supervisory Board of BMW AG and also the sole shareholder and Chairwoman of the Supervisory Board of UnternehmerTUM GmbH, Garching. In 2025, the BMW Group bought in services from UnternehmerTUM GmbH mainly in the form of consultancy services.

Due to the change in the indirect shareholding structure of ALTANA AG, Wesel, with effect from 1 July 2024 the latter no longer qualifies as a related party. For this reason, only the goods and services provided and received up to that date are reported.

Seen from the perspective of BMW Group entities, the volume of significant transactions with the aforementioned entities was as follows:

	Supplies and services performed		Supplies and services received		Receivables at 31 December		Payables at 31 December	
in € thousand	2025	2024	2025	2024	2025	2024	2025	2024
DELTON Health AG	1,946	1,993	-	-	8	3	-	-
DELTON Logistics S.à r.l.	640	689	9,472	9,642	2	22	662	1,188
SOLARWATT GmbH	802	32,680	7	146	-	-	-	50
UnternehmerTUM GmbH	-	-	3,114	3,294	-	-	40	66
ALTANA AG	-	1,125	-	-	-	-	-	-

In total, the following amounts of goods and services were supplied to or received from joint ventures and associated companies:

	Supplies and services performed		Supplies and services received		Receivables at 31 December		Payables at 31 December	
in € million	2025	2024	2025	2024	2025	2024	2025	2024
Joint ventures and associated companies	4	18	23	33	52	55	4	7

Business relationships with non-consolidated entities are small in scale.

BMW Trust e.V. administers assets on a trustee basis to secure obligations relating to pensions in Germany and is therefore a related party of the BMW Group in accordance with IAS 24. This entity has no assets of its own. It had no income or expenses during the period under report. BMW AG bears expenses on an immaterial scale and performs services for BMW Trust e.V. BMW (UK) Trustees Limited administers the BMW (UK) Operations Pension Scheme, Farnborough, in accordance with the trust deeds and regulations and is therefore a related party of the BMW Group in accordance with IAS 24. It invests the scheme's assets to generate income and capital growth so that both current and future pensions and other expenses and obligations can

be met. The BMW Group does not bear any expenses for the scheme and has no rights to its assets.

The BMW Foundation Herbert Quandt is an independent corporate foundation and, due to the BMW Group's significant influence, qualifies as a related party according to IAS 24. The BMW Group made donations to the BMW Foundation Herbert Quandt during the financial year 2025 totalling € 6.0 million (2024: € 5.9 million) for ongoing foundation work and other services. No other significant transactions arose.

## 42 Share-based remuneration

The BMW Group has three share-based programmes: one for eligible employees, one for eligible senior department heads and one for members of the Board of Management.

### Employee Share Programme

Within the scope of the Employee Share Programme in the financial year 2025, eligible BMW Group employees were granted shares of BMW AG ordinary shares on preferential terms (see [Note \[31\]](#) for information on the number and price of the shares of ordinary shares issued). At their discretion, participants in the programme were able to purchase packages of 20 ordinary shares (2024: 10, 20, 30, 40 or 50 ordinary shares) at a discount of € 15.00 (2024: € 16.00) on each share as compared to the stock exchange price (average closing price in Xetra trading in the period from 3 to 6 November 2025: € 82.99). Employees who are currently employed by BMW AG or a wholly owned subsidiary of BMW AG based in Germany were able to partake in the programme, insofar as the subsidiary's management had decided to participate. Employees were required to have been in their positions for at least one year without interruption at the time the programme was announced, and had to remain in their positions until the ordinary shares were transferred.

The ordinary shares acquired within the scope of the Employee Share Programme are subject to a vesting period of four years calculated from 1 January of the year in which the ordinary shares were acquired. These ordinary shares are eligible for dividends for the first time in the 2025 financial year.

A total of 589,320 ordinary shares were transferred to employees in the reporting year (2024: 1,352,000). These were treasury shares which had been repurchased on the stock exchange as part of the third buyback programme. BMW AG's Board of Management decides each year anew whether to continue the programme.

In the financial year ended 31 December 2025, the BMW Group recorded personnel expenses resulting from the Employee Share Programme relating to the difference between the market price and the discounted price for the ordinary shares purchased by employees totalling € 9 million (2024: € 18 million).

### Senior department head and Board of Management programme

Both the share-based remuneration programme for members of the Board of Management that was in effect in the reporting year and the share-based remuneration programme for eligible senior department heads serve to reward long-term entrepreneurial conduct with sustainable business management in mind.

Board of Management members and eligible senior department heads receive an earmarked cash amount (personal cash investment amount) that is, net of tax and deductions, to be invested in BMW AG ordinary shares. This personal cash investment amount varies based on the attainment of specific financial and non-financial targets in the previous financial year (vesting year).

Payment of the personal cash investment amount is made after the Annual General Meeting at which the Financial Statements are presented for the relevant financial year. The ordinary shares are purchased immediately after the personal cash investment amount has been paid out and are subject to a holding period of four years from the date of purchase. The return on capital employed (RoCE) component and the strategic focus target component each make up half of the target amount for the personal cash investment amount. For the RoCE component, an RoCE factor is determined based on the RoCE achieved in the Automotive segment for the grant year. For the strategic focus target component, a minimum of one strategic focus target was defined prior to the start of the financial year. Minimum, target and maximum values are defined and factors are assigned for the RoCE in the Automotive segment and for each strategic focus target. The relevant factors are determined after the end of the financial year based on the extent to which targets were achieved.

For financial years up to and including 2020, Board of Management members received an earmarked cash amount (investment component) corresponding to 45% of the gross amount of the bonus that, net of tax and deductions, they were obliged to invest in shares of the Company's ordinary shares. This amount was also subject to a four-year holding period and on expiry thereof the Board of Management members received one additional share of the Company's ordinary shares or the equivalent value in cash (matching component) for every three ordinary shares held, at BMW AG's discretion. The matching component was

removed when the remuneration system was amended in the 2021 financial year and was paid out for the last time in the 2025 financial year.

Up to and including financial year 2021, eligible senior department heads undertook to invest 26% of their earnings-related bonus in BMW AG ordinary shares and to hold the acquired shares for four years. For the investment obligation, BMW AG granted an amount corresponding to the entire investment amount as a net subsidy.

Participants receive one additional ordinary share or the equivalent value in cash for every three ordinary shares held once the four-year holding requirement has been fulfilled, at the Company's discretion.

The members of the Board of Management in office on the balance sheet date hold 144,806 ordinary shares of BMW with a holding obligation arising from share-based remuneration for financial years 2021 to 2024 (2024: 164,474).

The expenses and the corresponding allowance against the capital reserves for the personal cash investment amount of the eligible active Board of Management members and senior department heads amount to € 8,768,649 (2024: € 4,682,583).

The share-based remuneration component for senior heads of department is revalued at its fair value at each balance sheet date between the grant date and the settlement date and on the settlement date itself. This programme will run until 2026. The expense for such programmes is recognised in the income statement (as personnel expense) on a straight-line basis over the vesting period of the options and in the balance sheet as a provision.

The programme for senior department heads has not included a matching component since the financial year 2022.

The cash settlement of the share-based remuneration component is measured at fair value on the balance sheet date (closing price of BMW AG ordinary share in Xetra trading on 31 December 2025).

The total carrying amount of the provision for the share-based remuneration component for eligible senior department heads at the end of 2025 was € 2,594,764 (2024: € 2,783,721).

The total expense arising from the share-based remuneration component for eligible active and former Board of Management members and senior department heads amounted to € 643,008 in financial year (2024: income of € 65,186).

#### 43 Declaration with respect to the Corporate Governance Code

The Board of Management and the Supervisory Board of Bayerische Motoren Werke Aktiengesellschaft have issued the prescribed Declaration of Compliance with the recommendations of the "Government Commission on the German Corporate Governance Code" required by § 161 AktG. The declaration has been made permanently available on the Company's website [www.bmwgroup.com](http://www.bmwgroup.com).

#### 44 Remuneration for members of the Board of Management and the Supervisory Board

The expenses recorded in accordance with IFRS in the 2025 financial year for remuneration for the active members of the Board of Management and Supervisory Board are broken down as follows:

in € million	2025	2024
<b>Remuneration for the members of the Board of Management</b>		
Short-term benefits	23.2	19.1
Other long-term benefits	3.3	3.2
Benefits resulting from termination of the Board mandate	5.1	-
Share-based remuneration	-	-0.1
<b>Remuneration for the members of the Supervisory Board</b>		
Short-term benefits	6.0	5.8
<b>Total expense</b>	<b>37.6</b>	<b>28.0</b>

The remuneration for the active members of the Board of Management arising from share-based remuneration, in effect up to and including 2020, amounted to € 0.0 million (2024: income of € 0.1 million) due to the matching component being removed when the remuneration system was amended in the 2021 financial year. The provision for the share-based remuneration component amounted to € 0.0 million (2024: € 0.3 million) for the same reason.

The remuneration of former members of the Board of Management and their dependants amounted to € 16.0 million (2024: € 13.2 million). These amounts also include the remuneration in connection with Mr. Weber's departure, some of which has not yet been paid out.

Provisions have been recognised for pension obligations to active members of the Board of Management in accordance with IAS 19 in the amount of € 27.1 million (2024: € 22.7 million).

Provisions have been recognised for pension obligations to former members of the Board of Management and their dependants in accordance with IAS 19 in the amount of € 84.9 million (2024: € 93.3 million).

The remuneration system for members of the Supervisory Board does not include any share options, value appreciation rights comparable to share options or any other share-based remuneration components.

In accordance with the Articles of Incorporation, each member of the Supervisory Board of BMW AG who does not exercise any additional function relevant to remuneration receives fixed remuneration of € 200,000 p.a. in addition to the reimbursement of his or her reasonable expenses, plus an attendance fee of € 2,000 for every plenary meeting that the member has attended.

Members of the Supervisory Board who perform a function relevant to remuneration such as the Chairman or Deputy Chairman of the Supervisory Board or the chairmen or members of committees, provided these committees meet on at least three days in the financial year, receive higher remuneration on account of these additional requirements.

#### Overview of the remuneration of the Supervisory Board<sup>1</sup>

	Factor	Amount in € p.a. <sup>3</sup>
Member of the Supervisory Board	1.00	200,000
Chairman of the Supervisory Board	3.00	600,000
Deputy Chairman of the Supervisory Board	2.00	400,000
Chairman of the Audit Committee <sup>2</sup>	2.25	450,000
Chairman of another committee <sup>2</sup>	2.00	400,000
Member of the Audit Committee <sup>2</sup>	2.00	400,000
Member of another committee <sup>2</sup>	1.50	300,000

<sup>1</sup> If a Supervisory Board member performs more than one of the functions referred to above, their remuneration is measured only on the basis of the function that is remunerated with the highest amount.

<sup>2</sup> Provided that the committee has met on at least three days during the financial year.

<sup>3</sup> Plus an attendance fee of € 2,000 per plenary session.

BMW Group companies did not grant any loans to members of the Board of Management or the Supervisory Board in the 2025 financial year, nor did they enter into any contingent liabilities in their favour. In the reporting year, members of the Board of Management and the Supervisory Board concluded contracts with BMW Group companies for the purchase of vehicles, other services (including maintenance and repair work), vehicle leasing and cash deposits at arm's length conditions.

The remuneration of members of the Board of Management is structured as follows:

COMPONENT	Parameters/measurement base, applicable amounts
<b>FIXED REMUNERATION COMPONENTS</b>	
Base salary	<ul style="list-style-type: none"> <li>— € 0.97 million p.a. (first period of office = first remuneration level)</li> <li>— € 1.13 million p.a. (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 2.10 million p.a. (Chairman of the Board of Management)</li> </ul> Base salary is paid monthly on a pro rata basis
Fringe benefits	Contractual agreement, main points: non-cash benefits from use of Company vehicle, insurance premiums, employee discounts and contributions towards security systems
Compensation payments	The Supervisory Board may award payments to compensate for loss of salary from a previous employment relationship and/or to cover relocation costs in the case of new entrants
Retirement benefits	Defined contribution system with a guaranteed minimum interest rate Benefits based on amounts credited to individual savings accounts for contributions paid and interest earned, various forms of disbursement  Pension contribution p.a.: <ul style="list-style-type: none"> <li>— € 0.43 million (Member of the Board of Management)</li> <li>— € 0.75 million (Chairman of the Board of Management)</li> </ul>
Strategic relevance	— The base salary counteracts the temptation to take high risks in order to achieve short-term goals, and thus contributes to the long-term development of the Company
<b>VARIABLE REMUNERATION COMPONENTS</b>	
<b>Bonus</b>	
Bonus (sum of earnings component and performance component)	<ul style="list-style-type: none"> <li>— Target amount p.a. (at 100% target achievement):               <ul style="list-style-type: none"> <li>— € 1.00 million (first period of office = first remuneration level)</li> <li>— € 1.21 million (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 2.21 million (Chairman of the Board of Management)</li> </ul> </li> <li>— Capped at 180% of target amount</li> <li>— Payment as part of the first payroll run after the Annual General Meeting at which the financial statements are presented for the relevant vesting year</li> </ul>
Earnings component (at 100% target achievement corresponds to 70% of target amount)	<ul style="list-style-type: none"> <li>— Assessment period: one year</li> <li>— Base amount p.a. (70% of target bonus amount):               <ul style="list-style-type: none"> <li>— € 0.700 million (first period of office = first remuneration level)</li> <li>— € 0.847 million (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 1.547 million (Chairman of the Board of Management)</li> </ul> </li> <li>— Formula: 70% of target amount x earnings factor</li> <li>— Earnings factor is derived from an allocation matrix based on the metrics "profit attributable to shareholders of BMW AG" and "Group post-tax return on sales" in the vesting year               <ul style="list-style-type: none"> <li>— The earnings factor is 1.0 e.g. in case of a profit attributable to shareholders of BMW AG amounting to € 7.0 billion and a Group post-tax return on sales of 6.0%</li> <li>— The earnings factor is 1.5 e.g. in case of a profit attributable to shareholders of BMW AG amounting to € 8.6 billion and a Group post-tax return on sales of 7.7%</li> <li>— The earnings factor is 0 e.g. in case of a profit attributable to shareholders of BMW AG below € 4.0 billion and/or a Group post-tax return on sales of below 3.2%</li> </ul> </li> <li>— Earnings factor may not exceed 1.800</li> <li>— Cap on earnings component p.a.:               <ul style="list-style-type: none"> <li>— € 1.2600 million (first period of office = first remuneration level)</li> <li>— € 1.5246 million (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 2.7846 million (Chairman of the Board of Management)</li> </ul> </li> </ul>

COMPONENT	Parameters/measurement base, applicable amounts
<b>Bonus (continued)</b>	
Performance component (at 100% target achievement corresponds to 30% of target amount)	<ul style="list-style-type: none"> <li>— Assessment period: one year</li> <li>— Base amount p.a. (30% of target bonus amount): <ul style="list-style-type: none"> <li>— € 0.300 million (first period of office = first remuneration level)</li> <li>— € 0.363 million (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 0.663 million (Chairman of the Board of Management)</li> </ul> </li> <li>— Formula: 30% of target amount x performance factor</li> <li>— Non-financial criteria, expressed in terms of a performance factor, aimed at measuring the Board member's contribution to sustainable and long-term performance and future orientation of the Company</li> <li>— Relevant period is the vesting year; additional trend analysis over at least three financial years</li> <li>— Relevant criteria for the performance factor: <ul style="list-style-type: none"> <li>— Market position/growth</li> <li>— Customer focus/innovation</li> <li>— Environmental sustainability</li> <li>— Social sustainability and governance</li> </ul> </li> <li>— ESG: environmental, social and governance criteria account for at least 50% of the target value of the performance component</li> <li>— Metrics for environmental, social and governance (ESG) targets include Scope 1/2 and total Scope 3 CO<sub>2</sub>e emissions, and the share of women in management positions</li> <li>— Metrics for other non-financial criteria include sales volume, market segment shares and rankings in benchmarking studies</li> <li>— The Supervisory Board sets performance criteria, metrics, values and weightings</li> <li>— The performance factor is capped at 1.80</li> <li>— Annual cap on the annual performance component: <ul style="list-style-type: none"> <li>— € 0.5400 million (first period of office = first remuneration level)</li> <li>— € 0.6534 million (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 1.1934 million (Chairman of the Board of Management)</li> </ul> </li> </ul>
Strategic relevance	<ul style="list-style-type: none"> <li>— Earnings component of bonus rewards attainment of financial targets and is beneficial for earnings-related aspects of business strategy</li> <li>— Performance component of bonus provides incentive to pursue non-financial strategic targets and is therefore beneficial for the long-term development of the BMW Group</li> <li>— Allocating a minimum share of the performance component to ESG-related criteria drives the implementation of the sustainability strategy</li> </ul>
<b>Share-based remuneration</b>	
Personal cash investment amount	<ul style="list-style-type: none"> <li>— Requirement to invest an earmarked cash amount (personal cash investment amount), net of tax and deductions, in ordinary shares</li> <li>— Payment as part of the first payroll run after the Annual General Meeting at which the financial statements are presented for the relevant vesting year</li> <li>— Requirement to hold the acquired ordinary shares for at least four years, even if members leave the Board of Management</li> <li>— Assessment period of five years in total (one year for determining the personal cash investment amount, four years holding requirement)</li> </ul>
Calculation	<ul style="list-style-type: none"> <li>— Target amount p.a. (at 100% target achievement): <ul style="list-style-type: none"> <li>— € 1.290 million (first period of office = first remuneration level)</li> <li>— € 1.505 million (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 2.755 million (Chairman of the Board of Management)</li> </ul> </li> <li>— 50% of the target amount depends on RoCE achieved in the Automotive segment (RoCE component)</li> <li>— 50% of the target amount depends on the achievement of predefined strategic focus targets (strategic focus target component)</li> <li>— Capped at 180% of the target amount</li> <li>— Payment as part of the first payroll run after the Annual General Meeting at which the financial statements are presented for the relevant vesting year</li> </ul>

COMPONENT	Parameters/measurement base, applicable amounts
<b>Share-based remuneration (continued)</b>	
RoCE component (at 100% target achievement corresponds to 50% of target amount)	<ul style="list-style-type: none"> <li>— Target amount of RoCE component p.a. (50% of target amount for personal cash investment amount):               <ul style="list-style-type: none"> <li>— € 0.6450 million (first period of office = first remuneration level)</li> <li>— € 0.7525 million (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 1.3775 million (Chairman of the Board of Management)</li> </ul> </li> <li>— Formula: 50% of target amount x RoCE factor</li> <li>— RoCE factor is derived from the RoCE achieved in the Automotive segment for the vesting year</li> <li>— Minimum, target and maximum values for RoCE are defined by the Supervisory Board</li> <li>— RoCE factor may not exceed 1.80</li> <li>— Maximum amount of RoCE component p.a.:               <ul style="list-style-type: none"> <li>— € 1.1610 million (first period of office = first remuneration level)</li> <li>— € 1.3545 million (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 2.4795 million (Chairman of the Board of Management)</li> </ul> </li> </ul>
Strategic focus target component (at 100% target achievement corresponds to 50% of target amount)	<ul style="list-style-type: none"> <li>— Target amount of strategic focus target component p.a. (50% of target amount for personal cash investment amount):               <ul style="list-style-type: none"> <li>— € 0.6450 million (first period of office = first remuneration level)</li> <li>— € 0.7525 million (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 1.3775 million (Chairman of the Board of Management)</li> </ul> </li> <li>— At least one strategic focus target derived from the strategic plan</li> <li>— ESG share: strategic focus target component includes targets related to environmental, social and governance (ESG) criteria, which make up at least 20% of the target amount</li> <li>— Weightings and relevant criteria are assigned to strategic focus targets by the Supervisory Board</li> <li>— Formula in the event of two strategic focus targets with equal weighting p.a.:               <ul style="list-style-type: none"> <li>25% of target amount for personal cash investment amount x factor for strategic focus target 1 + 25% of target amount for personal cash investment amount x factor for strategic focus target 2</li> </ul> </li> <li>— Minimum, target and maximum values for strategic focus targets are defined by the Supervisory Board</li> <li>— Factor for each strategic focus target may not exceed 1.80</li> <li>— Maximum amount of strategic focus target component p.a.:               <ul style="list-style-type: none"> <li>— € 1.1610 million (first period of office = first remuneration level)</li> <li>— € 1.3545 million (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 2.4795 million (Chairman of the Board of Management)</li> </ul> </li> </ul>
Strategic relevance	<ul style="list-style-type: none"> <li>— 50% of the personal cash investment amount within the target structure depends on the RoCE in the Automotive segment and is therefore directly linked to a key target for the corporate strategy and reflects BMW AG's aspiration to generate a significant premium on the cost of capital</li> <li>— The remaining 50% of the personal cash investment amount encourages achievement of strategic focus targets and therefore contributes to business performance in key strategic areas</li> <li>— Allocating a minimum share of the strategic focus targets to ESG-related criteria drives the implementation of the sustainability strategy</li> <li>— The four-year holding period also applies to members who leave the Board of Management and provides additional motivation to support the Company's long-term development</li> </ul>
<b>Share ownership guidelines</b>	<ul style="list-style-type: none"> <li>Board of Management members must acquire and hold BMW ordinary shares until they leave the Board, in addition to meeting share-based compensation requirements</li> <li>— Members are obliged to acquire BMW ordinary shares with a value equivalent to 200% of base salary for the Chairman and 100% for Board members during a four-year development phase</li> <li>— Members may use shares acquired through share-based remuneration to satisfy this requirement</li> <li>— Share ownership guidelines do not affect the existing four-year holding obligation in connection with share-based remuneration, which remains in effect after a member leaves the Board</li> </ul>
Strategic relevance	<ul style="list-style-type: none"> <li>— Increases the Board of Management's focus on the performance of the business</li> <li>— Complements share-based remuneration and provides members with additional incentive to drive the Company's long-term performance</li> </ul>

COMPONENT	Parameters/measurement base, applicable amounts		
<b>Malus and clawback rules</b>			
Malus	— Agreement to withhold variable remuneration in the event of specified serious compliance violations or (provisionally) withholding amounts in the event of reasonable suspicions thereof — Amounts may also be withheld in principle after a member has left the Board of Management		
Clawback	— Agreement entitling the BMW Group to reclaim variable remuneration already paid out in the event of specified serious compliance violations, incorrect calculation bases or incorrect financial statements — Amounts may also be clawed back in principle after a member has left the Board of Management		
<b>Remuneration caps p.a./ maximum remuneration</b>			
	Bonus	Share-based remuneration (personal investment cash amount)	Maximum remuneration
Member of the Board of Management in the first period of office	€ 1.800 million	€ 2.322 million	€ 4.925 million
Member of the Board of Management in the second period of office from fourth year of mandate	€ 2.178 million	€ 2.709 million	€ 5.500 million
Chairman of the Board of Management	€ 3.978 million	€ 4.959 million	€ 9.850 million

#### 45 Events after the end of the reporting period

On 20 February 2026, the US Supreme Court ruled that the International Emergency Economic Powers Act (IEEPA) does not provide a legal basis for imposing tariffs and that import duties imposed on this basis are invalid due to lack of legal authority. As a result, the US administration introduced a temporary 10% import duty on the basis of Section 122 of the Trade Act of 1974.

In view of the fact that the BMW Group in the USA is primarily affected by Section 232 tariffs, the Supreme Court ruling and the temporary 10% import duty do not have a significant impact on the results of operations, financial position or net assets of the BMW Group.

Since 28 February, the situation in the Middle East has escalated significantly as a result of military conflicts. The escalation is increasing geopolitical tensions and leading to heightened uncertainty regarding further political and economic developments. Possible effects on supply chains, energy and commodity markets, international trade flows and thus on the results of operations, financial position or net assets of the BMW Group cannot be ruled out in the event of a prolonged conflict. The BMW Group is continuously monitoring and analysing the situation.

No other events have occurred after the balance sheet date with a particular significance for the results of operations, financial position or net assets of the BMW Group.

## SEGMENT INFORMATION

### 46 Explanatory notes to segment information Information on reportable segments

For the purposes of presenting segment information, the activities of the BMW Group are divided into operating segments in accordance with IFRS 8. The segmentation follows the internal management and reporting system and takes account of the organisational structure of the BMW Group based on the various products and services of the reportable segments.

The activities of the BMW Group are broken down into the operating segments Automotive, Motorcycles, Financial Services and Other Entities.

Within the Automotive segment, the BMW Group develops, manufactures, assembles and sells automobiles powered with all-electric drive systems, plug-in hybrid systems and highly efficient combustion engines, as well as spare parts, accessories and mobility services under the BMW, MINI and Rolls-Royce brands. BMW brand products are sold via the brand's network of branches as well as through independent authorised dealerships and independent import companies. MINI brand products are sold via the direct sales model operated by BMW AG and its subsidiaries as well as through dealerships, branches and import companies. Rolls-Royce brand products are sold via authorised dealerships, import companies and subsidiary companies.

Activities relating to the development, manufacture, assembly and sale of motorcycles as well as spare parts and accessories are reported in the Motorcycles segment.

Automobile and motorcycle leasing, retail and dealership financing, multi-brand fleet business, customer deposit business and insurance activities are the main activities allocated to the Financial Services segment.

Holding and Group financing companies are reported in the Other Entities segment. This segment also includes the operating company BAVARIA-LLOYD Reisebüro GmbH, Munich, which is not allocated to the other segments.

#### Internal management and reporting

Segment information is prepared as a general rule in conformity with the accounting policies adopted for preparing and presenting the Group Financial Statements. Exceptions to this general principle include the treatment of inter-segment warranties, the earnings impact of which is allocated to the respective segments on the basis used internally to manage the business. In addition, intragroup repurchase agreements between the Automotive and Financial Services segments pursuant to IFRS 15, impairment allowances on intragroup receivables and changes in the value of consolidated other investments pursuant to IFRS 9 are also excluded. Intragroup leasing arrangements are not reflected in the internal management and reporting system on an IFRS 16 basis and therefore, in accordance with IFRS 8, do not give rise to any changes in the presentation of segment information. Inter-segment receivables and payables, provisions, income, expenses and profits are eliminated upon consolidation. Inter-segment revenues are based on market prices. Centralised cost components are included in the respective segments, without resulting in cash flows.

The role of "chief operating decision maker" with respect to resource allocation and performance assessment of the reportable segment is embodied in the full Board of Management. For this purpose, different measures of segment performance as well as segment assets are taken into account in the operating segments.

The Automotive and Motorcycles segments are managed on the basis of RoCE. The relevant measure of segment results used is therefore profit before financial result. Capital employed is the corresponding measure of segment assets used to determine how to allocate resources. Capital employed is calculated as the sum of intangible assets, property, plant and equipment and net working capital, the latter comprising inventories as well as trade receivables less trade payables.

Further information is provided in the section "Managing operational performance at segment level" within the Combined Management Report.

The success of the Financial Services segment is measured on the basis of return on equity. Profit before tax therefore represents the relevant measure of segment earnings. The measure of segment assets in the Financial Services segment corresponds to net assets, defined as total assets less total liabilities.

The success of the Other Entities segment is assessed on the basis of profit or loss before tax. The corresponding measure of segment assets used to manage the Other Entities segment is total assets less asset-side income tax items and intragroup investments.

Segment information by operating segment is as follows:

in € million	Automotive		Motorcycles		Financial Services		Other Entities		Reconciliation to Group figures		Group	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenues	117,557	124,917	3,143	3,220	39,806	38,562	12	14	- 27,065	- 24,333	133,453	142,380
thereof external revenues	93,875	103,524	3,176	3,259	36,400	35,595	2	2	-	-	133,453	142,380
thereof inter-segment revenues	23,682	21,393	- 33	- 39	3,406	2,967	10	12	- 27,065	- 24,333	-	-
Cost of sales	- 103,206	- 107,729	- 2,687	- 2,721	- 35,260	- 34,183	-	-				
Selling and administrative expenses	- 8,431	- 9,357	- 269	- 296	- 1,909	- 1,675	- 43	- 41				
Other operating income	1,462	1,335	4	4	49	59	38	23				
Other operating expenses	- 1,123	- 1,273	- 13	- 9	- 275	- 252	- 7	- 21				
<b>Segment result Automotive and Motorcycles</b>	<b>6,259</b>	<b>7,893</b>	<b>178</b>	<b>198</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>				
Interest and similar income					12	10	4,474	4,593				
Interest and similar expenses					- 48	- 20	- 3,433	- 3,214				
Other financial result					26	37	46	- 517				
<b>Segment result Financial Services and Other Entities</b>					<b>2,401</b>	<b>2,538</b>	<b>1,087</b>	<b>837</b>				
<b>Result from equity accounted investments</b>	<b>38</b>	<b>- 14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38</b>	<b>- 14</b>
<b>Capital expenditure on non-current assets</b>	<b>10,494</b>	<b>12,371</b>	<b>146</b>	<b>183</b>	<b>33,837</b>	<b>31,478</b>	<b>-</b>	<b>-</b>	<b>- 7,358</b>	<b>- 7,280</b>	<b>37,119</b>	<b>36,752</b>
<b>Depreciation and amortisation on non-current assets</b>	<b>8,510</b>	<b>8,504</b>	<b>158</b>	<b>118</b>	<b>12,037</b>	<b>10,705</b>	<b>-</b>	<b>-</b>	<b>- 5,486</b>	<b>- 4,699</b>	<b>15,219</b>	<b>14,628</b>

in € million	Automotive		Motorcycles		Financial Services		Other Entities		Reconciliation to Group figures		Group	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Segment assets	69,481	70,804	1,331	1,298	16,444	16,954	112,591	108,181	66,120	70,495	265,967	267,732
Investments accounted for using the equity method	526	553	-	-	-	-	-	-	-	-	526	553

Write-downs on inventories to their net realisable value amounting to € 558 million (2024: € 522 million) were recognised by the Automotive segment in the financial year 2025. The reversal of impairment losses had a positive impact of € 6 million (2024: € 15 million) on the segment result of the Automotive segment.

The result of the Financial Services segment was negatively impacted by impairment losses totalling € 573 million (2024: € 607 million) recognised on leased products. Income from the reversal of impairment losses on leased products amounted to € 312 million (2024: € 311 million).

Revenues with other segments result mainly from the sale of vehicles, for which the Financial Services segment has concluded a financing or lease contract.

## Notes to the Group Financial Statements

The information disclosed for capital expenditure and depreciation and amortisation relates to non-current property, plant and equipment, intangible assets and leased products.

The total of the segment figures can be reconciled to the corresponding Group figures as follows:

in € million	2025	2024
<b>Reconciliation of segment result</b>		
Total for reportable segments	9,925	11,466
Financial result of Automotive segment	- 314	- 349
Financial result of Motorcycles segment	- 4	-
Elimination of inter-segment items	629	- 146
<b>Group profit before tax</b>	<b>10,236</b>	<b>10,971</b>
<b>Reconciliation of capital expenditure on non-current assets</b>		
Total for reportable segments	44,477	44,032
Elimination of inter-segment items	- 7,358	- 7,280
<b>Total Group capital expenditure on non-current assets</b>	<b>37,119</b>	<b>36,752</b>
<b>Reconciliation of depreciation and amortisation on non-current assets</b>		
Total for reportable segments	20,705	19,327
Elimination of inter-segment items	- 5,486	- 4,699
<b>Total Group depreciation and amortisation on non-current assets</b>	<b>15,219</b>	<b>14,628</b>

in € million	31.12.2025	31.12.2024
<b>Reconciliation of segment assets</b>		
Total for reportable segments	199,847	197,237
Financial and other assets - Automotive	64,772	61,208
Trade payables - Automotive	11,001	12,556
Financial and other assets - Motorcycles	46	56
Trade payables - Motorcycles	495	561
Total liabilities - Financial Services	148,343	147,929
Non-operating assets - Other Entities	24,209	23,442
Elimination of inter-segment items	- 182,746	- 175,257
<b>Total Group assets</b>	<b>265,967</b>	<b>267,732</b>

The reconciliation of segment figures to the corresponding total Group figures shows the inter-segment items. Eliminations of inter-segment items in the reconciliation to the Group profit before tax, capital expenditure and depreciation and amortisation mainly result from the sale of vehicles in the Automotive segment, which are subsequently accounted for as leased vehicles in the Financial Services segment. In the reconciliation of segment assets to Group assets, eliminations relate mainly to intragroup financing balances.

In the information by region, external sales are based on the location of the customer. The information disclosed for non-current assets relates to property, plant and equipment, intangible assets and leased products. Eliminations disclosed for non-current assets relate to leased products.

in € million	External revenues		Non-current assets	
	2025	2024	2025	2024
Europe	59,641	60,780	80,234	73,538
thereof Germany	18,487	19,845	50,211	47,051
Asia	38,550	46,558	14,387	16,819
thereof China	24,810	31,786	11,125	13,419
Americas	32,003	31,941	25,784	26,312
thereof USA	26,978	27,048	22,227	22,924
Other regions	3,259	3,101	398	381
Eliminations	-	-	- 7,961	- 8,411
<b>Group</b>	<b>133,453</b>	<b>142,380</b>	<b>112,842</b>	<b>108,639</b>

## LIST OF INVESTMENTS AT 31 DECEMBER 2025

### 47 List of investments at 31 December 2025

The list of investments of BMW AG pursuant to § 285 and § 313 HGB is presented below. Disclosures for equity and earnings and for investments are not made if they are of "minor significance" for the results of operations, financial position and net assets of BMW AG pursuant to § 286 (3) sentence 1 no. 1 HGB and § 313 (3) sentence 4 HGB. It is also shown in the list which subsidiaries apply the exemptions available in § 264 (3) and § 264b HGB with regard to the publication of annual financial statements and the drawing up of a management report and/or notes to the financial statements (footnotes 5 and 6). The Group Financial Statements of BMW AG serve as exempting consolidated financial statements for these companies.

### Affiliated companies (subsidiaries) of BMW AG at 31 December 2025

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
<b>DOMESTIC<sup>1</sup></b>			
BMW INTEC Beteiligungs GmbH, Munich <sup>3,6</sup>	11,559	-	100
BMW Beteiligungs GmbH & Co. KG, Munich <sup>6</sup>	6,141	1	100
BMW Bank GmbH, Munich <sup>3</sup>	2,075	-	100
BMW Finanz Verwaltungs GmbH, Munich	214	4	100
BMW Anlagen Verwaltungs GmbH, Munich <sup>3,6</sup>	179	-	100
BMW Vertriebszentren Verwaltungs GmbH, Munich	173	15	100
Alphabet International GmbH, Munich <sup>4,5,6</sup>	152	-	100
Parkhaus Oberwiesenfeld GmbH, Munich	132	12	100
BMW High Power Charging Beteiligungs GmbH, Munich <sup>4,6</sup>	103	-	100
Alphabet Fuhrparkmanagement GmbH, Munich <sup>4</sup>	-	-	100
Bavaria Wirtschaftsagentur GmbH, Munich <sup>3,5,6</sup>	-	-	100
BMW Fahrzeugtechnik GmbH, Eisenach <sup>3,5,6</sup>	-	-	100
BMW Fleet GmbH, Munich <sup>4,5,6</sup>	-	-	100
BMW Hams Hall Motoren GmbH, Munich <sup>4,5,6</sup>	-	-	100
BMW M GmbH Gesellschaft für individuelle Automobile, Munich <sup>3,5,6</sup>	-	-	100
BMW Vermögensverwaltungs GmbH, Munich	-	-	100
Bürohaus Petuelring GmbH, Munich	-	-	100
LARGUS Grundstücks-Verwaltungsgesellschaft mbH, Munich	-	-	100
Rolls-Royce Motor Cars GmbH, Munich <sup>4,5,6</sup>	-	-	100
BAVARIA-LLOYD Reisebüro GmbH, Munich	-	-	51

## Notes to the Group Financial Statements

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
<b>FOREIGN<sup>2</sup></b>			
<b>Europe</b>			
BMW Holding B.V., The Hague	33,930	3,915	100
BMW International Holding B.V., Rijswijk	17,124	3,458	100
BMW Österreich Holding GmbH, Steyr	4,879	379	100
BMW (Schweiz) AG, Dielsdorf	1,771	148	100
BMW España Finance S.L., Madrid	1,438	147	100
BMW Motoren GmbH, Steyr	1,264	185	100
BMW Financial Services (GB) Ltd., Farnborough	1,142	73	100
BMW (UK) Holdings Ltd., Farnborough	869	435	100
BMW Finance S.N.C., Montigny-le-Bretonneux <sup>11</sup>	705	62	100
BMW i Ventures SCS SICAV-RAIF, Senningerberg	544	- 8	100
BMW (UK) Manufacturing Ltd., Farnborough	533	75	100
BMW (UK) Ltd., Farnborough	454	141	100
OOO BMW Russland Trading, Moscow	353	17	100
Alphabet (GB) Ltd., Farnborough	318	24	100
Alphabet France Fleet Management S.A.S., Saint-Quentin-en-Yvelines	311	61	100
BMW Austria Leasing GmbH, Salzburg	280	15	100
BMW Finance N.V., The Hague	264	84	100
BMW France S.A., Montigny-le-Bretonneux	262	47	100
Rolls-Royce Motor Cars Ltd., Farnborough	231	94	100
BMW Italia S.p.A., San Donato Milanese	225	113	100
BMW Austria Bank GmbH, Salzburg	222	17	100
BMW Financial Services Nederland B.V., Breda	216	49	100
BMW Finanzdienstleistungen (Schweiz) AG, Dielsdorf	189	18	100
BMW Danmark A/S, Copenhagen	189	8	100
BMW Vertriebs GmbH, Salzburg	186	90	100
BMW International Investment B.V., The Hague	148	- 33	100
Bavaria Reinsurance Malta Ltd., Floriana	130	9	100
BMW Malta Ltd., Floriana	126	19	100
OOO BMW Bank, Moscow	123	9	100

## Notes to the Group Financial Statements

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
BMW Austria GmbH, Salzburg	103	35	100
BMW Manufacturing Hungary Kft., Debrecen	-	-	100
BMW Iberica S.A., Madrid	-	-	100
Alphabet Belgium Long Term Rental N.V., Aartselaar	-	-	100
Alphabet España Fleet Management S.A.U., Madrid	-	-	100
Alphabet Fuhrparkmanagement (Schweiz) AG, Dielsdorf	-	-	100
Alphabet Italia S.p.A., Trent	-	-	100
Alphabet Luxembourg S.A., Leudelange	-	-	100
Alphabet Polska Fleet Management Sp. z o.o., Warsaw	-	-	100
BiV Carry I SCS, Senningerberg <sup>10</sup>	-	-	100
BiV Carry II SCS, Senningerberg <sup>10</sup>	-	-	100
BMW Automotive (Ireland) Ltd., Dublin	-	-	100
BMW Belgium Luxembourg S.A./N.V., Bornem	-	-	100
BMW Bulgaria EOOD, Sofia	-	-	100
BMW Central Medical Trustees Ltd., Farnborough	-	-	100
BMW China Capital B.V., The Hague	-	-	100
BMW Czech Republic s.r.o., Prague	-	-	100
BMW Distribution S.A.S., Vélizy-Villacoublay	-	-	100
BMW Financial Services (Ireland) DAC, Dublin	-	-	100
BMW Financial Services Belgium S.A./N.V., Bornem	-	-	100
BMW Financial Services Denmark A/S, Copenhagen	-	-	100
BMW Financial Services Polska Sp. z o.o., Warsaw	-	-	100
BMW Financial Services Scandinavia AB, Sollentuna	-	-	100
BMW Hellas Trade of Cars A.E., Kifissia	-	-	100
BMW Hungary Kft., Vecsés	-	-	100
BMW Italia Retail S.r.l., Rome	-	-	100
BMW Nederland B.V., Rijswijk	-	-	100
BMW Norge AS, Fornebu	-	-	100
BMW Northern Europe AB, Stockholm	-	-	100
BMW Portugal Lda., Porto Salvo	-	-	100
BMW Renting (Portugal) Lda., Porto Salvo	-	-	100
BMW Romania S.R.L., Bucharest	-	-	100

## Notes to the Group Financial Statements

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
BMW Slovenia, distribucija motornih vozil, d.o.o., Ljubljana	-	-	100
BMW Slovenská republika s.r.o., Bratislava	-	-	100
Oy BMW Suomi AB, Helsinki	-	-	100
Park Lane Ltd., Farnborough	-	-	100
Riley Motors Ltd., Farnborough	-	-	100
Swindon Pressings Ltd., Farnborough	-	-	100
Triumph Motor Company Ltd., Farnborough	-	-	100
Bavarian Sky Europe S.A., Compartment Swiss Auto Lease A, Luxemburg <sup>9</sup>	-	-	0
Bavarian Sky S.A., Compartment A, Luxemburg <sup>9</sup>	-	-	0
Bavarian Sky S.A., Compartment German Auto Leases 8, Luxemburg <sup>9</sup>	-	-	0
Bavarian Sky S.A., Compartment German Auto Leases 9, Luxemburg <sup>9</sup>	-	-	0
Bavarian Sky S.A., Compartment German Auto Loans 11, Luxemburg <sup>9</sup>	-	-	0
Bavarian Sky S.A., Compartment German Auto Loans 12, Luxemburg <sup>9</sup>	-	-	0
Bavarian Sky S.A., Compartment German Auto Loans 13, Luxemburg <sup>9</sup>	-	-	0
Bavarian Sky S.A., Compartment German Auto Loans 14, Luxemburg <sup>9</sup>	-	-	0
Bavarian Sky S.A., Compartment German Auto Loans 2025-A, Luxemburg <sup>9</sup>	-	-	0
Bavarian Sky S.A., Luxemburg <sup>9</sup>	-	-	0
Bavarian Sky French Auto Leases 2024-A, Paris <sup>9</sup>	-	-	0
Bavarian Sky French Auto Leases 5, Paris <sup>9</sup>	-	-	0
Bavarian Sky UK 6 plc, London <sup>9</sup>	-	-	0
Bavarian Sky UK 7 plc, London <sup>9</sup>	-	-	0
Bavarian Sky UK A Ltd., London <sup>9</sup>	-	-	0
Bavarian Sky UK B Ltd., London <sup>9</sup>	-	-	0
Bavarian Sky UK C Ltd., London <sup>9</sup>	-	-	0
Bavarian Sky UK D Ltd., London <sup>9</sup>	-	-	0
<b>The Americas</b>			
BMW Manufacturing Co., LLC, Wilmington, Delaware	2,769	412	100
BMW Bank of North America, Salt Lake City, Utah	1,402	257	100
BMW of North America, LLC, Wilmington, Delaware	1,371	1,008	100
BMW Financial Services NA, LLC, Wilmington, Delaware	898	435	100
BMW (US) Holding Corp., Wilmington, Delaware	757	1,328	100
BMW Canada Inc., Richmond Hill, Ontario	632	204	100

## Notes to the Group Financial Statements

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
Financial Services Vehicle Trust, Wilmington, Delaware	600	63	100
BMW do Brasil Ltda., Araquari	581	80	100
BMW SLP, S.A. de C.V., Villa de Reyes	472	73	100
BMW US Capital, LLC, Wilmington, Delaware	208	- 4	100
BMW Financeira S.A. Credito, Financiamento e Investimento, São Paulo	104	13	100
BMW Acquisitions Ltda., São Paulo	-	-	100
BMW Auto Leasing LLC, Wilmington, Delaware	-	-	100
BMW Consolidation Services Co., LLC, Wilmington, Delaware	-	-	100
BMW de Argentina S.A., Buenos Aires	-	-	100
BMW de Mexico, S.A. de C.V., Mexico City	-	-	100
BMW Extended Service Corporation, Wilmington, Delaware	-	-	100
BMW Facility Partners, LLC, Wilmington, Delaware	-	-	100
BMW Financial Services de Mexico S.A. de C.V. SOFOM, Mexico City	-	-	100
BMW Floorplan Master Owner Trust, Wilmington, Delaware	-	-	100
BMW FS Funding Corporation, Wilmington, Delaware	-	-	100
BMW FS Receivables Corporation, Wilmington, Delaware	-	-	100
BMW FS Securities LLC, Wilmington, Delaware	-	-	100
BMW Insurance Agency, Inc., Wilmington, Delaware	-	-	100
BMW Leasing do Brasil, S.A., São Paulo	-	-	100
BMW Manufacturing Indústria de Motos da Amazônia Ltda., Manaus	-	-	100
BMW Manufacturing LP, Woodcliff Lake, New Jersey	-	-	100
BMW of Manhattan, Inc., Wilmington, Delaware	-	-	100
BMW Receivables 1 Inc., Richmond Hill, Ontario	-	-	100
BMW Receivables 2 Inc., Richmond Hill, Ontario	-	-	100
BMW Receivables Limited Partnership, Richmond Hill, Ontario	-	-	100
Rolls-Royce Motor Cars NA, LLC, Wilmington, Delaware	-	-	100
SB Acquisitions, LLC, Wilmington, Delaware	-	-	100
BMW 2024-A Lease Conduit, Wilmington, Delaware <sup>9</sup>	-	-	0
BMW Canada Auto Trust 2023-1, Richmond Hill, Ontario <sup>9</sup>	-	-	0
BMW Canada Auto Trust 2024-1, Richmond Hill, Ontario <sup>9</sup>	-	-	0
BMW Canada Auto Trust 2025-1, Richmond Hill, Ontario <sup>9</sup>	-	-	0
BMW Vehicle Lease Trust 2024-1, Wilmington, Delaware <sup>9</sup>	-	-	0

## Notes to the Group Financial Statements

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
BMW Vehicle Lease Trust 2024-2, Wilmington, Delaware <sup>9</sup>	-	-	0
BMW Vehicle Lease Trust 2025-1, Wilmington, Delaware <sup>9</sup>	-	-	0
BMW Vehicle Lease Trust 2025-2, Wilmington, Delaware <sup>9</sup>	-	-	0
BMW Vehicle Owner Trust 2022-A, Wilmington, Delaware <sup>9</sup>	-	-	0
BMW Vehicle Owner Trust 2023-A, Wilmington, Delaware <sup>9</sup>	-	-	0
BMW Vehicle Owner Trust 2024-A, Wilmington, Delaware <sup>9</sup>	-	-	0
BMW Vehicle Owner Trust 2025-A, Wilmington, Delaware <sup>9</sup>	-	-	0
BMWCA 2023-A SMBC, Richmond Hill, Ontario <sup>9</sup>	-	-	0
<b>Africa</b>			
BMW (South Africa) (Pty) Ltd., Pretoria	766	123	100
BMW Financial Services (South Africa) (Pty) Ltd., Midrand	215	17	100
SuperDrive Investments (RF) Ltd., Cape Town <sup>9</sup>	-	-	0
<b>Asia</b>			
BMW Brilliance Automotive Ltd., Shenyang	5,498	1,214	75
BMW Automotive Finance (China) Co., Ltd., Beijing	2,171	78	100
BMW Financial Services Korea Co., Ltd., Seoul	810	67	100
BMW China Investment Ltd., Beijing	671	33	100
BMW Japan Finance Corp., Tokyo	356	64	100
Herald International Financial Leasing Co., Ltd., Tianjin	314	- 14	100
BMW Japan Corp., Tokyo	265	99	100
BMW Leasing (Thailand) Co., Ltd., Bangkok	236	20	100
BMW Korea Co., Ltd., Seoul	197	46	100
BMW China Automotive Trading Ltd., Beijing	141	112	100
BMW India Financial Services Private Ltd., Gurugram	112	14	100
BMW (Thailand) Co., Ltd., Bangkok	-	-	100
BMW Asia Pacific Capital Pte. Ltd., Singapore	-	-	100
BMW Asia Pte. Ltd., Singapore	-	-	100
BMW Asia Technology Centre Sdn Bhd, Kuala Lumpur	-	-	100
BMW China Services Ltd., Beijing	-	-	100
BMW Credit (Malaysia) Sdn Bhd, Kuala Lumpur	-	-	100
BMW Holding Malaysia Sdn Bhd, Kuala Lumpur	-	-	100
BMW India Private Ltd., Gurugram	-	-	100

## Notes to the Group Financial Statements

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
BMW Lease (Malaysia) Sdn Bhd, Kuala Lumpur	-	-	100
BMW Manufacturing (Thailand) Co., Ltd., Rayong	-	-	100
BMW Tokyo Corp., Tokyo	-	-	100
PT BMW Indonesia, Jakarta	-	-	100
BMW Malaysia Sdn Bhd, Kuala Lumpur	-	-	51
2021-09 MUFG Syndicated Deal, Tokyo <sup>9</sup>	-	-	0
2022-09 MUFG Syndicated Deal, Tokyo <sup>9</sup>	-	-	0
2023-03 MUFG Conduit Deal, Tokyo <sup>9</sup>	-	-	0
2023-09 SMBC Syndicated Deal, Tokyo <sup>9</sup>	-	-	0
2024-06 MUFG Conduit Deal, Tokyo <sup>9</sup>	-	-	0
2025-3 SMBC Deal, Tokyo <sup>9</sup>	-	-	0
2025-9 SMBC Syndicated Deal, Tokyo <sup>9</sup>	-	-	0
Bavarian Sky China 2023-1, Beijing <sup>9</sup>	-	-	0
Bavarian Sky China 2024-1, Beijing <sup>9</sup>	-	-	0
Bavarian Sky China 2025-1, Beijing <sup>9</sup>	-	-	0
Bavarian Sky China Leasing 2025-1, Tianjin <sup>9</sup>	-	-	0
Bavarian Sky Korea 8th Asset Securitization Speciality Company (2024), Seoul <sup>9</sup>	-	-	0
Bavarian Sky Korea 9th Asset Securitization Speciality Company (2025), Seoul <sup>9</sup>	-	-	0
Bavarian Sky Korea 2022-A Asset Securitization Speciality Company (2022), Seoul <sup>9</sup>	-	-	0
Bavarian Sky Korea 2023-A Asset Securitization Speciality Company (2023), Seoul <sup>9</sup>	-	-	0
Bavarian Sky Korea 2024-A Asset Securitization Speciality Company (2024), Seoul <sup>9</sup>	-	-	0
Bavarian Sky Korea 2025-A Asset Securitization Speciality Company (2025), Seoul <sup>9</sup>	-	-	0
<b>Oceania</b>			
BMW Australia Finance Ltd., Mulgrave	171	18	100
BMW Australia Ltd., Melbourne	136	37	100
BMW Financial Services New Zealand Ltd., Auckland	-	-	100
BMW Melbourne Pty. Ltd., Melbourne	-	-	100
BMW New Zealand Ltd., Auckland	-	-	100
BMW Sydney Pty. Ltd., Sydney	-	-	100
Bavarian Sky Australia Trust A, Mulgrave <sup>9</sup>	-	-	0
BMW Australia Trust 2011-2, Mulgrave <sup>9</sup>	-	-	0

**BMW AG's non-consolidated companies at 31 December 2025**

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
<b>DOMESTIC<sup>7</sup></b>			
Automag GmbH, Munich	-	-	100
BMW Car IT GmbH, Munich <sup>4</sup>	-	-	100
BMW i Ventures GmbH, Munich	-	-	100
<b>FOREIGN<sup>7</sup></b>			
<b>Europe</b>			
Alphabet Insurance Services Polska Sp. z o.o., Warsaw	-	-	100
BMW (GB) Ltd., Farnborough	-	-	100
BMW (UK) Pensions Services Ltd., Farnborough	-	-	100
BMW Car Club Ltd., Farnborough	-	-	100
BMW Drivers Club Ltd., Farnborough	-	-	100
BMW Financial Services Czech Republic s.r.o., Prague	-	-	100
BMW Financial Services Slovakia s.r.o., Bratislava	-	-	100
BMW Group Benefit Trust Ltd., Farnborough	-	-	100
BMW Hellas Leasing Single Member Private Company, Kifissia	-	-	100
BMW Mobility Development Center s.r.o., Prague	-	-	100
BMW Motorsport Ltd., Farnborough	-	-	100
BMW Poland sp. z o.o., Warsaw	-	-	100
OOO KA Automotive, Kaliningrad	-	-	100
John Cooper Garages Ltd., Farnborough	-	-	100
John Cooper Works Ltd., Farnborough	-	-	100
OOO BMW Leasing, Moscow	-	-	100
BMW TechWorks Romania S.R.L., Cluj-Napoca	-	-	50
<b>The Americas</b>			
217-07 Northern Boulevard Corporation, Wilmington, Delaware	-	-	100
BMW Experience Centre Inc., Richmond Hill, Ontario	-	-	100
BMW i Ventures, Inc., Wilmington, Delaware	-	-	100
BMW i Ventures, LLC, Wilmington, Delaware	-	-	100
BMW Mobility Services, LLC, Wilmington, Delaware	-	-	100
BMW Operations Corp., Wilmington, Delaware	-	-	100

## Notes to the Group Financial Statements

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
BMW Shared Services, LLC, Wilmington, Delaware	-	-	100
BMW Technology Corporation, Wilmington, Delaware	-	-	100
Designworks/USA, Inc., Newbury Park, California	-	-	100
MINI Business Innovation, LLC, Wilmington, Delaware	-	-	100
<b>Africa</b>			
BMW Automobile Distributors (Pty) Ltd., Midrand	-	-	100
BPF Midrand Property Holdings (Pty) Ltd., Midrand	-	-	100
<b>Asia</b>			
BMW (China) Insurance Brokers Co., Ltd., Beijing	-	-	100
BMW Finance (United Arab Emirates) FZE, Dubai	-	-	100
BMW Financial Services Singapore Pte Ltd., Singapore	-	-	100
BMW Hong Kong Services Ltd., Hong Kong	-	-	100
BMW India Foundation, Gurugram	-	-	100
BMW India Leasing Private Limited, Gurugram	-	-	100
BMW Insurance Broker (Thailand) Co., Ltd., Bangkok	-	-	100
BMW Insurance Services Korea Co. Ltd., Seoul	-	-	100
BMW Middle East Retail Competency Centre DWC-LLC, Dubai	-	-	100
BMW Parts Manufacturing (Thailand) Co., Ltd., Rayong Province	-	-	100
BMW Technology Office Israel Ltd., Tel Aviv	-	-	100
Herald Hezhong (Beijing) Automotive Trading Co., Ltd., Beijing	-	-	100
Ling Yue Digital Information Technology Co., Ltd., Beijing	-	-	100
BMW (Nanjing) Information Technology Co., Ltd., Nanjing	-	-	100
BMW Philippines Corp., Manila	-	-	70
BMW Financial Services Hong Kong Ltd., Hong Kong	-	-	51
BMW ArcherMind Information Technology Co., Ltd., Nanjing	-	-	50
BMW TechWorks India Private Ltd., Pune	-	-	50

**BMW AG's associated companies, joint ventures and joint operations at 31 December 2025**

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
<b>Joint ventures - equity accounted</b>			
<b>DOMESTIC</b>			
YOUR NOW Holding GmbH, Munich <sup>8</sup>	61	123	50
<b>FOREIGN</b>			
Beijing Ionchi New Energy Technology Ltd., Beijing <sup>8</sup>	136	- 36	50
<b>Associated companies - equity accounted</b>			
<b>DOMESTIC</b>			
IONITY Holding GmbH & Co. KG, Munich <sup>8</sup>	651	- 75	15
<b>FOREIGN</b>			
THERE Holding B.V., Rijswijk <sup>8</sup>	1,013	52	31
IONNA LLC, Torrance <sup>8</sup>	206	- 29	14
Solid Power, Inc., Wilmington, Delaware	-	-	5
<b>Joint operations - proportionately consolidated entities</b>			
<b>FOREIGN</b>			
Spotlight Automotive Ltd., Zhangjiagang <sup>8</sup>	142	35	50
<b>Not equity accounted or proportionately consolidated entities</b>			
<b>DOMESTIC<sup>7</sup></b>			
Encory GmbH, Unterschleissheim	-	-	50
The Retail Performance Company GmbH, Munich	-	-	50
PDB - Partnership for Dummy Technology and Biomechanics GbR, Gaimersheim <sup>11</sup>	-	-	20
<b>FOREIGN<sup>7</sup></b>			
BMW AVTOTOR Holding B.V., Amsterdam	-	-	50
Critical TechWorks S.A., Porto	-	-	50
BMW Albatha Finance PSC, Dubai	-	-	40
BMW Albatha Leasing, LLC, Dubai	-	-	40
ChargeScape, LLC, Wilmington, Delaware	-	-	25
Bavarian & Co Co., Ltd., Incheon	-	-	20

**BMW AG's participations at 31 December 2025**

Companies	Equity in € million	Profit/loss in € million	Capital investment in %
<b>DOMESTIC<sup>7</sup></b>			
IVM Industrie-Verband Motorrad GmbH & Co. Dienstleistungs KG, Essen	-	-	28
SGL Carbon SE, Wiesbaden	-	-	18
Hubject GmbH, Berlin	-	-	16
Joblinge gemeinnützige AG Leipzig, Leipzig	-	-	16
Joblinge gemeinnützige AG Berlin, Berlin	-	-	10
Racer Benchmark Group GmbH, Landsberg am Lech	-	-	8
Joblinge gemeinnützige AG München, Munich	-	-	6
Deutsches Forschungszentrum für Künstliche Intelligenz GmbH, Kaiserslautern	-	-	5
GSB Sonderabfall-Entsorgung Bayern GmbH, Baar-Ebenhausen	-	-	3
<b>FOREIGN<sup>7</sup></b>			
Shenyang Automotive Industry Investment Fund Partnership (Limited Partnership), Shenyang	-	-	28
Northvolt AB, Stockholm	-	-	3

<sup>1</sup> The amounts shown for domestic affiliated companies correspond to the annual financial statements drawn up in accordance with German accounting rules (HGB).

<sup>2</sup> The amounts shown for foreign affiliated companies correspond to the annual financial statements drawn up in accordance with uniform IFRS rules. Equity and earnings not denominated in euros are translated into euros using the closing exchange rate at the balance sheet date.

<sup>3</sup> Profit and Loss Transfer Agreement with BMW AG.

<sup>4</sup> Profit and Loss Transfer Agreement with a subsidiary of BMW AG.

<sup>5</sup> Exemption from drawing up a management report applied in accordance with § 264 (3) and § 264b HGB.

<sup>6</sup> Exemption from publishing financial statements applied in accordance with § 264 (3) and § 264b HGB.

<sup>7</sup> These entities are neither consolidated nor accounted for using the equity method due to their overall immateriality for the Group Financial Statements.

<sup>8</sup> The amounts shown for entities accounted for using the equity method and for proportionally consolidated entities correspond to the annual financial statements drawn up in accordance with uniform IFRS rules. Equity not denominated in euros is translated into euros using the closing exchange rate at the balance sheet date, earnings are translated using the average rate.

<sup>9</sup> Control on basis of economic dependence.

<sup>10</sup> 100% share capital holding due to commercial rounding (99.98%).

<sup>11</sup> BMW AG is the shareholder with unlimited liability.

Munich, 9 March 2026

**Bayerische Motoren Werke**  
Aktiengesellschaft

The Board of Management

Oliver Zipse

Jochen Goller

Ilka Horstmeier

Dr Nicolai Martin

Walter Mertl

Dr-Ing Milan Nedeljković

Dr-Ing Joachim Post

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# 04

# RESPONSIBILITY STATEMENT AND AUDITOR'S REPORT

# RESPONSIBILITY STATEMENT BY THE COMPANY'S LEGAL REPRESENTATIVES

Statement pursuant to § 117 No.1 of the German Securities Trading Act (WpHG) in conjunction with § 297 (2) sentence 4 and § 315 (1) sentence 5 of the German Commercial Code (HGB)

"To the best of our knowledge, and in accordance with the applicable reporting principles, the Group Financial Statements give a true and fair view of the assets, liabilities, financial position and results of operations of the Group, and the Group Management Report includes a fair review of the development and performance of the business and position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group."

Munich, 9 March 2026

## **Bayerische Motoren Werke**

Aktiengesellschaft

The Board of Management

Oliver Zipse

Jochen Goller

Ilka Horstmeier

Dr Nicolai Martin

Walter Mertl

Dr-Ing Milan Nedeljković

Dr-Ing Joachim Post

# INDEPENDENT AUDITOR'S REPORT

## To Bayerische Motoren Werke Aktiengesellschaft, Munich

### Report on the audit of the consolidated financial statements and of the group management report

#### Audit Opinions

We have audited the consolidated financial statements of Bayerische Motoren Werke Aktiengesellschaft, Munich, and its subsidiaries (the Group), which comprise the BALANCE SHEET FOR GROUP as at 31 December 2025, and the INCOME STATEMENT FOR GROUP, the STATEMENT OF COMPREHENSIVE INCOME FOR GROUP, the STATEMENT OF CHANGES IN EQUITY FOR GROUP and the CASH FLOW STATEMENT FOR GROUP for the financial year from 1 January to 31 December 2025 and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of Bayerische Motoren Werke Aktiengesellschaft, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2025, and of its financial performance for the financial year from 1 January to 31 December 2025 and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

#### Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide

a basis for our audit opinions on the consolidated financial statements and on the group management report.

### Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1. January to 31. December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

#### 1/ Measurement of leased products

#### 2/ Valuation of receivables from sales financing

#### 3/ Valuation of provisions for statutory and non-statutory warranty obligations as well as product guarantees

Our presentation of these key audit matters has been structured in each case as follows:

1/ Matter and issue

2/ Audit approach and findings

3/ Reference to further information

Hereinafter we present the key audit matters:

#### 1/ Measurement of leased products

1/ The BMW Group leases vehicles to end customers under operating leases (leased products). At the balance sheet date, the amount reported under the "leased products" line item for operating leases was EUR 53,024 million. Leased products are measured at cost, which is depreciated on a straight-line basis over the lease term to the expected residual value. A key estimated value for subsequent measurement of leased products is the expected residual value. For the determination of the residual

value the BMW Group uses internally available data on historical empirical values, current market data and market estimates as well as data from external market research institutes. The residual value estimates also contain regulatory changes in the individual markets and changes in the customer behavior, among others including climate policy considerations. The estimation of future residual values is subject to judgment due to the large number of assumptions to be made by the executive directors and the amount of data included in the determination.

Against this background and due to the resulting significant uncertainties with regard to estimates in the context of measuring the residual values of the leased products, this matter was of particular significance in the context of our audit.

2/ As part of our audit we obtained an understanding of the development of operating leases, the underlying residual value risks as well as the business processes for the identification, management, monitoring and measurement of residual value risks, among other things by inquiries and inspection of documents related to the internal calculation methods. Furthermore, we evaluated the appropriateness and effectiveness of the internal controls, particularly regarding the determination of expected residual values. This included the evaluation of the propriety of the relevant IT systems as well as the implemented interfaces therein by our IT specialists. In addition, we evaluated the appropriateness of the methods, the model assumptions as well as the parameters used for the measurement of the residual values based on the validations carried out by the BMW Group. For this purpose, we inquired with the BMW Group's experts responsible for the management and monitoring of residual value risks and inspected the internal analysis on residual value developments as well as the validation results. We examined the mathematical correctness of the residual values using the key calculation steps.

Based on our audit procedures, we were able to satisfy ourselves that the methods and processes for determining the expected residual values of leased products underlying the valuation are appropriate and the assumptions and parameters included in the residual values are appropriate as a whole.

3/ The Company's disclosures on the applied "Accounting policies, assumptions, judgments and estimations" are contained in the notes to the consolidated financial statements under note 6 and on leased products are contained under note 23.

#### 2/ Valuation of receivables from sales financing

1/ The BMW Group offers end customers, dealerships and importers various financing models for vehicles. In this context, current and non-current receivables from sales financing totaling EUR 90,039 million are reported in the consolidated statement of financial position as at the balance sheet date. Impairment losses amounting to EUR 2,245 million were recognized on these receivables as at the balance sheet date. In order to determine the amount of the necessary valuation allowances to be recognized with respect to receivables from sales financing, the BMW Group, among others, evaluates the creditworthiness of the dealers, importers and end customers, as well as any loss ratios, and risk provisioning parameters are derived based on historical default probabilities and loss ratios.

The determination of the valuation allowances by the executive directors is subject to a significant degree of judgment due to several value-influencing factors such as the estimation of creditworthiness, the determination of probabilities of default and loss ratios and was therefore of particular significance in the context of our audit.

2/ As part of our audit we obtained a comprehensive understanding of the development of receivables from sales financing, the associated default-related risks as well as the business processes for the identification, management, monitoring and measurement of default risks, among other things by inquiries and inspection of documents on the internal calculation methods. Furthermore, we evaluated the appropriateness and effectiveness of the internal controls regarding the determination of the impairment loss to be recognized. In this context, we also evaluated the relevant IT systems and internal processes. The evaluation included an assessment by our IT-specialists of the appropriateness of the systems concerned and associated interfaces to ensure the completeness of data as well as the audit of automated controls for data processing. As part of our audit we

assessed in particular the appropriateness of the risk classification procedures as well as the risk provisioning parameters used. For this purpose, we analyzed in particular the validations of parameters that are regularly conducted by the Company. To assess the default risk, we also used targeted sampling of individual cases to examine whether the attributes for assignment to the respective risk categories were suitably available and the impairment losses had been calculated using the parameters defined for these risk categories.

In our view, the assumptions and parameters used in the measurement of receivables from sales financing were appropriate overall.

3/ The Company's disclosures on the applied "Accounting policies, assumptions, judgments and estimations" are contained in the notes to the consolidated financial statements under note 6 and on "receivables from sales financing" are contained under note 25

### 3/ Valuation of provisions for statutory and non-statutory warranty obligations as well as product guarantees

1/ Provisions for statutory and non-statutory warranty obligations as well as product guarantees are included in the consolidated financial statements of BMW Group as a material amount in other provisions. The obligations amounted to EUR 7,372 million as at 31 December 2025. The BMW Group is responsible for the legally required warranty and product guarantees in the respective sales market. In order to estimate the liabilities arising from statutory and non-statutory warranty obligations as well as product guarantees for vehicles sold, information on the type and volume of damages arising and on remedial measures is recorded and analyzed at vehicle model level. The expected amount of obligations is extrapolated from costs of the past and recognized as a provision in the corresponding amount, if the criteria of IAS 37 have been met. For specific or anticipated individual circumstances, for example recalls for vehicles sold, additional provisions are recognized provided they have not already been taken into account.

The determination of provisions is associated with unavoidable estimation uncertainties and is subject to a high risk of change, depending on factors such as notification of detected defects as well as claims made by vehicle owners. Against this background, this matter was of particular significance during our audit.

2/ In order to assess the appropriateness of the valuation method used for the determination of the provisions for statutory and non-statutory warranty obligations as well as product guarantees including the assumptions and parameters, we primarily obtained an understanding of the process for determining the assumptions and parameters through discussions with the responsible employees of the BMW Group. We also evaluated the appropriateness as well as effectiveness of controls for determining the assumptions and parameters. With the involvement of our IT specialists, we checked the IT systems used regarding their compliance. We compared the expenses for claims and technical actions with actual costs incurred in order to draw conclusions on the forecast accuracy. Based on a targeted sample of vehicle models, the mathematical correctness of the valuation model used across the Group was examined. We examined and evaluated the assumptions used by the BMW Group concerning the extent to which the past values were representative of the expected susceptibility of damage, the expected value of damage per vehicle (comprising parts and labor input) as well as the expected assertion of claims from statutory and non-statutory warranties.

In our view, the method for the valuation of provisions for statutory and non-statutory warranty obligations as well as product guarantees is overall appropriate. Taking into consideration the information available, we believe that, overall, the measurement parameters and assumptions used by the executive directors are appropriate.

3/ The Company's disclosures on the applied "Accounting policies, assumptions, judgments and estimations" are contained in the notes to the consolidated financial statements under note 6 and on "Other provisions" are contained under note 34.

### Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the non-financial statement to comply with §§ 289b to 289e HGB and with §§ 315b to 315c HGB included in section „STAINABILITY STATEMENT“ of the group management report
- the section „APPROPRIATENESS AND EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEM AND THE RISK MANAGEMENT SYSTEM“ of the group management report

The other information comprises further

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- the remuneration report pursuant to § 162 AktG [Aktiengesetz: German Stock Corporation Act], for which the supervisory board is also responsible
- all remaining parts of the annual report– excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

### Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of

arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the

audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## OTHER LEGAL AND REGULATORY REQUIREMENTS

### Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

#### Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file BMW\_AG\_KA+KLB\_ESEF-2025-12-31-1-de.xbri and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2025 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion

on the information contained within these renderings or on the other information contained in the electronic file identified above.

#### Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

#### Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

#### Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

### Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 14 May 2025. We were engaged by the supervisory board on 9 July 2025. We have been the group auditor of the Bayerische Motoren Werke Aktiengesellschaft, Munich, without interruption since the financial year 2019.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

## REFERENCE TO AN OTHER MATTER - USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the “ Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB” and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

## GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Michael Popp.

Munich, 10 March 2026

### **PricewaterhouseCoopers GmbH**

Wirtschaftsprüfungsgesellschaft

### **Ralf Räßle**

Wirtschaftsprüfer  
(German Public Auditor)

### **Michael Popp**

Wirtschaftsprüfer  
(German Public Auditor)

# ASSURANCE REPORT OF THE INDEPENDENT GERMAN PUBLIC AUDITOR

## On an assurance engagement to obtain limited and reasonable assurance in relation to the Group Sustainability Report

### To Bayerische Motoren Werke Aktiengesellschaft, Munich

#### Assurance Conclusions

We have conducted a limited assurance engagement on the group sustainability report of Bayerische Motoren Werke Aktiengesellschaft, Munich, (hereinafter the „Company“), which comprise the sections „Principles and general disclosures“, „Environmental information“, „Social information“, „Governance information“ and „Other ESG information“, taking into account, as set forth in the subsequent paragraph, the reasonable assurance engagement on the disclosures marked with the footnote “Assurance Level: reasonable assurance” in the group sustainability report included in section “SUSTAINABILITY STATEMENT” of the group management report, which is combined with the Company’s management report, for the financial year from 1 January to 31 December 2025 (hereinafter the “Group Sustainability Report”). The Group Sustainability Report has been prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as §§ [Articles] 289b to 289e HGB [Handelsgesetzbuch: German Commercial Code] and §§ 315b to 315c HGB to prepare a combined non-financial statement.

Based on the particular engagement, we have conducted a reasonable assurance engagement on the disclosures

- CO<sub>2</sub>e emissions target 2030 (Scope 1, 2 and 3)
- Scope 1 and Scope 2 - Reduction path targeted scopes
- Scope 3 - Reduction path targeted scopes
- CO<sub>2</sub>e emissions own operation (Scope 1 & 2) per vehicle produced (automotive)
- CO<sub>2</sub>e emissions supply chain (Scope 3 upstream) per vehicle produced (automotive)
- Fleet emissions world
- Fleet emissions EU (average)

- Fleet emissions USA (volume-weighted)
- Fleet emissions China (volume-weighted)
- Number of employees at the end of the year and breakdown by contract type, gender, geographical areas and country, age group)
- Gender distribution at management level
- Employee turnover rate
- Energy consumption per vehicle produced (automotive)
- Energy consumption and mix at BMW Group locations
- Spending on employee training and development

marked with the footnote “Assurance Level: reasonable assurance” (together hereinafter the “Disclosures marked with the footnote “Assurance Level: reasonable assurance””) in the Group Sustainability Report. A reasonable assurance engagement on these disclosures fulfils the requirements for a limited assurance engagement and, in accordance with Recital 60 to the CSRD, thereby complies with the requirements of the CSRD relating to assurance of the Group Sustainability Report.

The section “Foreword to the sustainability statement”, which is marked as “Not part of ESRS reporting” is not subject to our assurance engagement.

Based on the procedures performed and the evidence obtained as part of our limited assurance engagement, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Report, taking into account the Disclosures in the Group Sustainability Report marked with the footnote “Assurance Level: reasonable assurance” and subject to a reasonable assurance engagement, is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, § 315c in conjunction with §§ 289c to 289e HGB to prepare a combined non-financial statement as well as with the supplementary criteria presented by the executive directors of the Company. This assurance

conclusion includes that no matters have come to our attention that cause us to believe:

- that the accompanying Group Sustainability Report does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information to be included in the Group Sustainability Report (hereinafter the "materiality assessment") is not, in all material respects, in accordance with the description set out in section "Procedure and methodological basis for the materiality assessment" of the Group Sustainability Report, or
- that the disclosures set out in section "EU TAXONOMY" of the Group Sustainability Report do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

In our opinion, on the basis of our reasonable assurance engagement, the Disclosures marked with the footnote "Assurance Level: reasonable assurance" in the Group Sustainability Report were prepared, in all material respects, in accordance with the requirements applicable to these disclosures and the supplementary criteria presented by the executive directors of the Company.

We do not express an assurance conclusion on the section "Foreword to the sustainability statement", which is marked as "Not part of ESRS reporting".

### Basis for the Assurance Conclusions

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Report" section.

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusions.

### Responsibility of the Executive Directors and the Supervisory Board for the Group Sustainability Report

The executive directors are responsible for the preparation of the Group Sustainability Report in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Group Sustainability Report in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Group Sustainability Report) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Report, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Group Sustainability Report.

### Inherent Limitations in the Preparation of the Group Sustainability Report

The CSRD and the relevant German statutory and other European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. Therefore, the executive directors have disclosed their interpretations of such wording and terms in section "MATERIALITY ASSESSMENT" of the Non-Financial Group Reporting. The executive directors are responsible for the defensibility of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Report.

### German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Report

Our objectives are

a) to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Report, taking into account the Disclosures in the Group Sustainability Report marked with the footnote "Assurance Level: reasonable assurance" and subject to a reasonable assurance engagement, has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Report, taking into account the Disclosures in the Group Sustainability Report marked with the footnote "Assurance Level: reasonable assurance" and subject to a reasonable assurance engagement.

b) to express a reasonable assurance opinion, based on the assurance engagement we have conducted on whether the Disclosures marked with the footnote "Assurance Level: reasonable assurance" in the Group Sustainability Report are prepared, in all

material respects, in accordance with the requirements applicable to these disclosures and the supplementary criteria presented by the executive directors of the Company.

As part of a assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional scepticism. We also:

#### a) for the limited assurance engagement

- obtain an understanding of the process to prepare the Group Sustainability Report, including the materiality assessment process carried out by the Company to identify the information to be included in the Group Sustainability Report.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls. In addition, the risk of not detecting a material misstatement within value chain information from sources not under the control of the company (value chain information) is generally higher than the risk of not detecting a material misstatement of value chain information from sources under the control of the company, as both the executive directors of the Company and we, as assurance practitioners, are ordinarily subject to limitations on direct access to the sources of value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

#### b) for the reasonable assurance engagement

- perform risk assessment procedures, including obtaining an understanding of the internal controls that are relevant to the assurance engagement on the Disclosures marked with the footnote "Assurance Level: reasonable assurance" in the Group Sustainability Statement in order to identify and assess the risks of material misstatement at the assertion level due to fraud or error, but not for the purpose of expressing an assurance opinion on the effectiveness of these internal controls of the Company. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources in the value chain not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- evaluate the appropriate derivation of the forward-looking information from the significant assumptions and the appropriateness of these assumptions. We do not express a separate assurance opinion either on the forward-looking information nor on the assumptions on which they are based. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

#### Summary of the Procedures Performed by the German Public Auditor

An assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

#### a) In conducting our limited assurance engagement, we have, amongst other things:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Report.
- inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Report about the preparation process, including the materiality assessment process carried out by the company to identify the information to be included in the Group Sustainability Report, and about the internal controls relating to this process.
- evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Report.
- evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors have been unable to obtain.
- performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Report.
- performed site visits.
- considered the presentation of the information in the Group Sustainability Report.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Report.

**b) In conducting our reasonable assurance engagement, we have performed the assurance procedures listed under a) to a greater extent and, amongst other things:**

- evaluated the preparation process and the internal controls relating to this process.
- tested the operating effectiveness of selected internal controls.
- performed test of details on selected disclosures in the Group Sustainability Report on a sample basis.

**Restriction of Use**

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Munich, 10 March 2026

**PricewaterhouseCoopers GmbH**

Wirtschaftsprüfungsgesellschaft

**Ralf Räßle**

Wirtschaftsprüfer  
(German Public Auditor)

**Michael Popp**

Wirtschaftsprüfer  
(German Public Auditor)

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# REMUNERATION REPORT

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**REMUNERATION REPORT**
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**419 VIII. Auditor's Report**


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# REMUNERATION REPORT

The Board of Management and the Supervisory Board have prepared this Remuneration Report in accordance with the requirements of § 162 of the German Stock Corporation Act (AktG). The report shows and explains the remuneration granted and owed to the individual current and former members of the Board of Management and the Supervisory Board of Bayerische Motoren Werke Aktiengesellschaft (BMW AG), Munich, in the 2025 financial year.\*

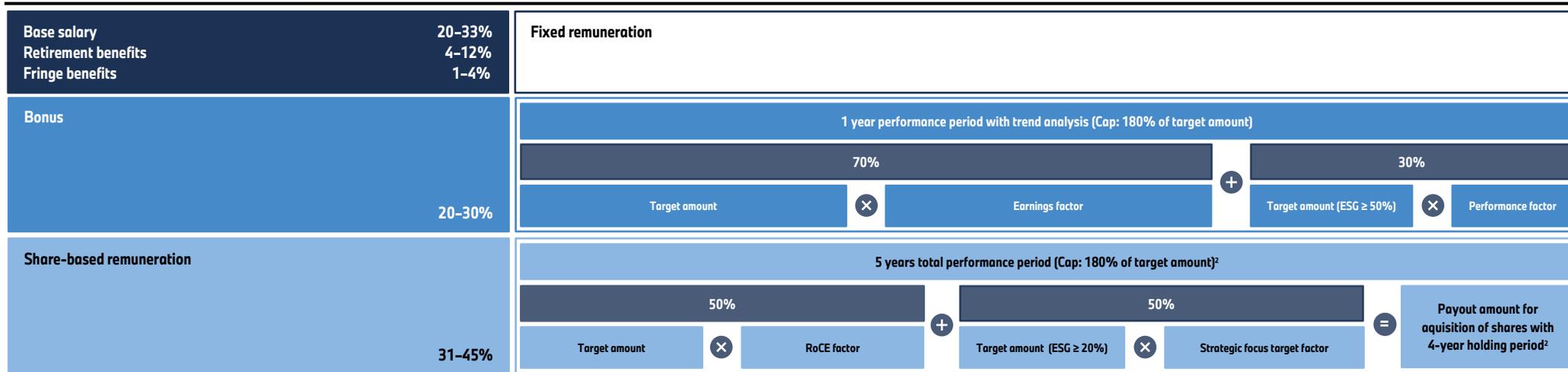
In order to facilitate understanding, the basic features of the remuneration system applicable to the members of the Board of Management and the Supervisory Board, as applied in the 2025 financial year, are also set out below. In view of the fact that individual members of the Board of Management also received remuneration components from the remuneration system in effect in the 2020 financial year during the 2025 financial year, elements of these systems are also explained to the extent necessary for comprehension.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Munich branch, has audited the Remuneration Report beyond the requirements of § 162 (3) Sentences 1 and 2 AktG. The Auditor's Report is attached to this report.

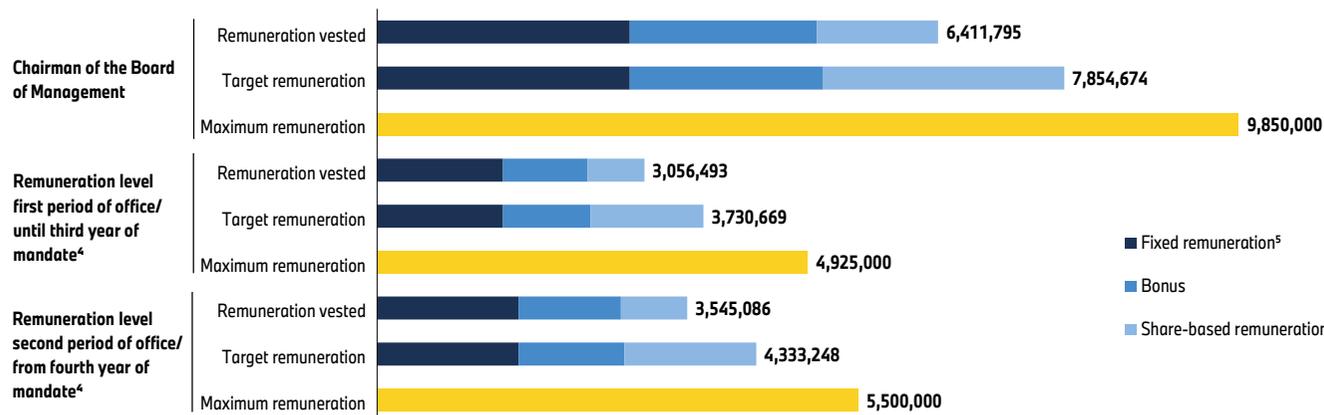
\* Due to rounding, it is possible that individual figures in this report may not add up exactly to the totals provided, and that the percentages presented here may not be an exact reflection of the absolute values to which they relate.

## I. REMUNERATION OF THE BOARD OF MANAGEMENT IN 2025 – OVERVIEW

### Remuneration system since 1 January 2025<sup>1</sup>



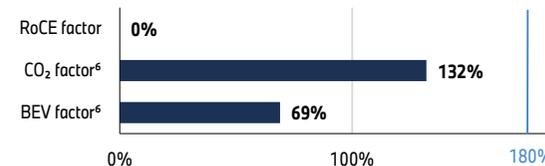
### Remuneration vested, target remuneration and maximum remuneration<sup>3</sup>



### Target achievement – 2025 bonus



### Target achievement – share-based remuneration 2025



<sup>1</sup> Approved by the 2025 Annual General Meeting (96.74% majority). The remuneration structure as defined in the remuneration system for total target remuneration is depicted.

<sup>2</sup> Assessment period: five years in total (one year for determining the personal cash investment amount, a four-year holding obligation). The requirements of the Share Ownership Guidelines also apply.

<sup>3</sup> Maximum remuneration within the meaning of § 87a (1) Sentence 2 No. 1 AktG.

<sup>4</sup> Average of Board members in office for the entire year.

<sup>5</sup> The fixed remuneration is made up of the base salary, fringe benefits and the individual service cost in accordance with IAS 19 (remuneration vested), in addition to contributions to the company pension scheme (target remuneration).

<sup>6</sup> Each accounting for 25% of the target amount.

## II. REVIEW OF THE 2025 FINANCIAL YEAR FROM A REMUNERATION PERSPECTIVE

The BMW Group\* maintained its position during the challenging 2025 financial year thanks to its global presence, broad product range and strategic focus on multiple drive technologies. At a total of 2,463,681 BMW, MINI and Rolls-Royce brand units, deliveries improved by 0.5% on the previous year. The Company adjusted its guidance for the year in October 2025 after sales in China fell below expectations in the second half of the year. In addition, trade tariffs failed to go down to the extent we anticipated in the 2025 Half-Year Report. Compared with the previous year, the BMW Group expanded sales of both electrified (+8.2%) and all-electric vehicles (+3.6%). Once again, the new EU vehicle fleet remained below the regulatory CO<sub>2</sub> limit of 92.9 g CO<sub>2</sub>/km at 90.0 g CO<sub>2</sub>/km (WLTP).

The BMW Group achieved a net profit of € 7.5 billion in the 2025 financial year (previous year: € 7.7 billion). € 7.3 billion was attributable to BMW AG shareholders (previous year: € 7.3 billion), while the Group post-tax return on sales amounted to 5.6% (previous year: 5.4%).

The remuneration system for the Board of Management was submitted to the 2025 Annual General Meeting for approval as scheduled. The Supervisory Board reviewed the remuneration system thoroughly with support from the relevant committee and approved specific refinements for the financial years from 2025 onwards in December 2024. The Annual General Meeting approved the current remuneration system on 14 May 2025 with a majority of 96.74% of the valid votes cast. The remuneration system was incorporated into the employment contracts of all Board of Management members effective 1 January 2025. For the first time in four years, total target remuneration also underwent a moderate adjustment which came into effect on 1 January 2025 [↗ Target Remuneration for the 2025 financial year](#).

The Supervisory Board set ambitious targets linked to the bonus and share-based remuneration for the 2025 financial year. These components constitute the variable remuneration of the

members of the Board of Management. Of the total variable target remuneration available, around 37% was linked to environmental, social or governance (ESG) targets. The Supervisory Board has set ambitious environmental targets as part of the strategic focus targets which are factored into long-term variable remuneration. These are linked to the reduction of fleet carbon emissions in the EU and sales of all-electric vehicles. These environmental strategic focus targets account for 50% of the target amount for the long-term share-based remuneration.

Target achievement for variable remuneration reflects the challenging market environment. The financial and non-financial targets for the short-term variable remuneration (bonus) were largely achieved [↗ Bonus for the 2025 financial year](#). However, in the context of long-term share-based remuneration, the ambitious RoCE targets in the Automotive segment and the sales targets for all-electric vehicles were not achieved in full. By contrast, the targets related to the reduction of fleet carbon emissions in the EU were significantly exceeded [↗ Share-based remuneration for the 2025 financial year](#).

The Board of Management's total remuneration for the 2025 financial year was slightly higher than in the previous year. This change occurred because the minimum value was not achieved for just one long-term variable remuneration component in the 2025 financial year. The minimums were not achieved for two components in the prior year. The total remuneration adequately reflects the success and challenges involved in the Company's performance.

If necessary, and in the interest of the long-term success of BMW AG, the Supervisory Board may temporarily deviate from the remuneration system – as provided for in § 87a (2) Sentence 2 AktG. In accordance with G.11 of the German Corporate Governance Code dated 28 April 2022 ("GCGC"), the Supervisory Board has also reserved the right to make adjustments if extraordinary developments occur, such as significant acquisitions and disposals, or changes in accounting standards or tax regulations that have a significant impact. The Supervisory Board did not make use of these options for the 2025 financial year.

The composition of the Board of Management changed during the 2025 financial year. Mr Frank Weber left the Board of Management on 31 May 2025 by mutual agreement as part of a succession arrangement [↗ Premature termination of activities and post-contractual non-competition clause](#). On 1 June 2025, Dr Nicolai Martin was appointed as member of the Board of Management. From the start date of his second period of office on 1 January 2025, Dr Joachim Post was eligible to receive the target remuneration in the second remuneration level.

The remuneration system for the members of the Supervisory Board is set out in Article 16 of the Articles of Incorporation and provides only for fixed remuneration. It was confirmed without changes by the Annual General Meeting on 14 May 2025 with a majority of 98.94% of the valid votes cast.

Dr Norbert Reithofer left the Supervisory Board following the Annual General Meeting (AGM) on 14 May 2025. Dr Nicolas Peter was elected as a member of the Supervisory Board by the Annual General Meeting on 14 May 2025. The Supervisory Board appointed him as its new Chairman on the same day. He also chairs the Remuneration Committee established on 1 January 2025.

The Remuneration Report for the previous financial year was confirmed by the Annual General Meeting on 14 May 2025 with a majority of 95.28% of the valid votes cast. We have maintained our general reporting methodology in light of this high level of approval, making only minor refinements to the presentation in specific areas.

\* BMW AG 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.

### III. REMUNERATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT

#### 1. Overview of changes to the remuneration system since the 2025 financial year

The revised remuneration system for the Board of Management was adopted in the 2025 financial year after it was approved by the Annual General Meeting on 14 May 2025. The main differences compared to the previous system are:

- The proportion of share-based remuneration was increased and the ranges of the relevant remuneration components in the total target remuneration were redefined.
- The earnings component dependent on financial targets was increased from 50% to 70% of the target bonus amount. The performance component dependent on non-financial targets was lowered and now makes up 30% of the target bonus. The structure of the performance component was streamlined and the number of performance criteria was reduced significantly.
- In terms of the share-based remuneration, a minimum share of 20% of the target amount of the strategic focus target component has now been firmly established for ESG-related objectives.
- In addition to the existing requirements to hold shares as part of share-based remuneration, the members of the Board of Management have been obliged to acquire and hold BMW ordinary shares since the 2025 financial year in line with a share ownership guideline. Members of the Board of Management are obliged to invest 200% (Chairman of the Board of Management) or 100% (members of the Board of Management) of their base salary in BMW ordinary shares within a four-year development phase and to hold these until they step down from the Board of Management.

#### 2. Principles of the remuneration system and the contribution of remuneration to the promotion of the business strategy

The remuneration system which has been in place since the 2025 financial year complies with the provisions of the German Stock Corporation Act (AktG) and the recommendations and suggestions of the GCGC. The Supervisory Board has applied the following principles in designing the remuneration system for the Board of Management:

- The remuneration structure is geared towards the sustainable and long-term development of the Company. Therefore, variable remuneration components are predominantly granted on the basis of a multi-year assessment.
- The total remuneration of the members of the Board of Management is commensurate with their tasks and performance as well as the Company's situation.
- The remuneration system ensures that both positive and negative developments are appropriately reflected in the remuneration. Variable components based on ambitious goals make up the majority of remuneration (pay for performance).
- The remuneration system observes the principle of consistency in the Company's remuneration systems: remuneration systems for the Board of Management, executives and employees of BMW AG are all based on similar elements.
- The total remuneration is in line with market practice both in terms of amount and structure, and takes into account the size, complexity and economic situation of the Company.

Individual premium mobility is the BMW Group's business model. The BMW Group makes key contributions to progress in individual mobility with innovative vehicles and motorcycles that use a variety of drive technologies. We need a high level of profitability to maintain this course.

The remuneration system contributes to the implementation of the corporate strategy and the sustainable and long-term development of the Company. The system incentivises growth,

earnings and capital efficiency, a focus on the customer, innovation, a strong corporate culture, governance and reducing carbon emissions. It also takes into account the concerns of the Company's important stakeholders (in particular shareholders, customers and employees) along with environmental concerns. The incentive effects of the various remuneration components have a complementary effect.

### 3. Overview of the remuneration system

The table below shows an overview of the remuneration system and relevant resolutions for the 2025 financial year.

COMPONENT	Parameters/measurement base, applicable amounts
<b>FIXED REMUNERATION COMPONENTS</b>	
Base salary	<ul style="list-style-type: none"> <li>— € 0.97 million p.a. (first period of office = first remuneration level)</li> <li>— € 1.13 million p.a. (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 2.10 million p.a. (Chairman of the Board of Management)</li> </ul> Base salary is paid monthly on a pro rata basis
Fringe benefits	Contractual agreement, main points: non-cash benefits from use of Company vehicle, insurance premiums, employee discounts and contributions towards security systems
Compensation payments	The Supervisory Board may award payments to compensate for loss of salary from a previous employment relationship and/or to cover relocation costs in the case of new entrants
Retirement benefits	Defined contribution system with a guaranteed minimum interest rate Benefits based on amounts credited to individual savings accounts for contributions paid and interest earned, various forms of disbursement  Pension contribution p.a.: <ul style="list-style-type: none"> <li>— € 0.43 million (Member of the Board of Management)</li> <li>— € 0.75 million (Chairman of the Board of Management)</li> </ul>
Strategic relevance	— The base salary counteracts the temptation to take high risks in order to achieve short-term goals, and thus contributes to the long-term development of the Company
<b>VARIABLE REMUNERATION COMPONENTS</b>	
<b>Bonus</b>	
Bonus (sum of earnings component and performance component)	<ul style="list-style-type: none"> <li>— Target amount p.a. (at 100% target achievement):               <ul style="list-style-type: none"> <li>— € 1.00 million (first period of office = first remuneration level)</li> <li>— € 1.21 million (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 2.21 million (Chairman of the Board of Management)</li> </ul> </li> <li>— Capped at 180% of target amount</li> <li>— Payment as part of the first payroll run after the Annual General Meeting at which the financial statements are presented for the relevant vesting year</li> </ul>
Earnings component (at 100% target achievement corresponds to 70% of target amount)	<ul style="list-style-type: none"> <li>— Assessment period: one year</li> <li>— Base amount p.a. (70% of target bonus amount):               <ul style="list-style-type: none"> <li>— € 0.700 million (first period of office = first remuneration level)</li> <li>— € 0.847 million (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 1.547 million (Chairman of the Board of Management)</li> </ul> </li> <li>— Formula: 70% of target amount x earnings factor</li> <li>— Earnings factor is derived from an allocation matrix based on the metrics "profit attributable to shareholders of BMW AG" and "Group post-tax return on sales" in the vesting year               <ul style="list-style-type: none"> <li>— The earnings factor is 1.0 e.g. in case of a profit attributable to shareholders of BMW AG amounting to € 7.0 billion and a Group post-tax return on sales of 6.0%</li> <li>— The earnings factor is 1.5 e.g. in case of a profit attributable to shareholders of BMW AG amounting to € 8.6 billion and a Group post-tax return on sales of 7.7%</li> <li>— The earnings factor is 0 e.g. in case of a profit attributable to shareholders of BMW AG below € 4.0 billion and/or a Group post-tax return on sales of below 3.2%</li> </ul> </li> <li>— Earnings factor may not exceed 1.800</li> <li>— Cap on earnings component p.a.:               <ul style="list-style-type: none"> <li>— € 1.2600 million (first period of office = first remuneration level)</li> <li>— € 1.5246 million (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 2.7846 million (Chairman of the Board of Management)</li> </ul> </li> </ul>

COMPONENT	Parameters/measurement base, applicable amounts
<b>Bonus (continued)</b>	
Performance component (at 100% target achievement corresponds to 30% of target amount)	<ul style="list-style-type: none"> <li>— Assessment period: one year</li> <li>— Base amount p.a. (30% of target bonus amount): <ul style="list-style-type: none"> <li>— € 0.300 million (first period of office = first remuneration level)</li> <li>— € 0.363 million (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 0.663 million (Chairman of the Board of Management)</li> </ul> </li> <li>— Formula: 30% of target amount x performance factor</li> <li>— Non-financial criteria, expressed in terms of a performance factor, aimed at measuring the Board member's contribution to sustainable and long-term performance and future orientation of the Company</li> <li>— Relevant period is the vesting year; additional trend analysis over at least three financial years</li> <li>— Relevant criteria for the performance factor:<sup>*</sup> <ul style="list-style-type: none"> <li>— Market position/growth</li> <li>— Customer focus/innovation</li> <li>— Environmental sustainability</li> <li>— Social sustainability and governance</li> </ul> </li> <li>— ESG: environmental, social and governance criteria account for at least 50% of the target value of the performance component</li> <li>— Metrics for environmental, social and governance (ESG) targets include Scope 1/2 and total Scope 3 CO<sub>2</sub>e emissions, and the share of women in management positions</li> <li>— Metrics for other non-financial criteria include sales volume, market segment shares and rankings in benchmarking studies</li> <li>— The Supervisory Board sets performance criteria, metrics, values and weightings</li> <li>— The performance factor is capped at 1.80</li> <li>— Annual cap on the annual performance component: <ul style="list-style-type: none"> <li>— € 0.5400 million (first period of office = first remuneration level)</li> <li>— € 0.6534 million (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 1.1934 million (Chairman of the Board of Management)</li> </ul> </li> </ul>
Strategic relevance	<ul style="list-style-type: none"> <li>— Earnings component of bonus rewards attainment of financial targets and is beneficial for earnings-related aspects of business strategy</li> <li>— Performance component of bonus provides incentive to pursue non-financial strategic targets and is therefore beneficial for the long-term development of the BMW Group</li> <li>— Allocating a minimum share of the performance component to ESG-related criteria drives the implementation of the sustainability strategy</li> </ul>
<b>Share-based remuneration</b>	
Personal cash investment amount	<ul style="list-style-type: none"> <li>— Requirement to invest an earmarked cash amount (personal cash investment amount), net of tax and deductions, in ordinary shares</li> <li>— Payment as part of the first payroll run after the Annual General Meeting at which the financial statements are presented for the relevant vesting year</li> <li>— Requirement to hold the acquired ordinary shares for at least four years, even if members leave the Board of Management</li> <li>— Assessment period of five years in total (one year for determining the personal cash investment amount, four years holding requirement)</li> </ul>
Calculation	<ul style="list-style-type: none"> <li>— Target amount p.a. (at 100% target achievement): <ul style="list-style-type: none"> <li>— € 1.290 million (first period of office = first remuneration level)</li> <li>— € 1.505 million (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 2.755 million (Chairman of the Board of Management)</li> </ul> </li> <li>— 50% of the target amount depends on RoCE achieved in the Automotive segment (RoCE component)</li> <li>— 50% of the target amount depends on the achievement of predefined strategic focus targets (strategic focus target component)</li> <li>— Capped at 180% of the target amount</li> <li>— Payment as part of the first payroll run after the Annual General Meeting at which the financial statements are presented for the relevant vesting year</li> </ul>

<sup>\*</sup> See below for the targets set for the 2025 financial year ↗ Variable remuneration for the 2025 financial year.

COMPONENT	Parameters/measurement base, applicable amounts
<b>Share-based remuneration (continued)</b>	
RoCE component (at 100% target achievement corresponds to 50% of target amount)	<ul style="list-style-type: none"> <li>— Target amount of RoCE component p.a. (50% of target amount for personal cash investment amount):               <ul style="list-style-type: none"> <li>— € 0.6450 million (first period of office = first remuneration level)</li> <li>— € 0.7525 million (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 1.3775 million (Chairman of the Board of Management)</li> </ul> </li> <li>— Formula: 50% of target amount x RoCE factor</li> <li>— RoCE factor is derived from the RoCE achieved in the Automotive segment for the vesting year</li> <li>— Minimum, target and maximum values for RoCE are defined by the Supervisory Board</li> <li>— RoCE factor may not exceed 1.80</li> <li>— Maximum amount of RoCE component p.a.:               <ul style="list-style-type: none"> <li>— € 1.1610 million (first period of office = first remuneration level)</li> <li>— € 1.3545 million (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 2.4795 million (Chairman of the Board of Management)</li> </ul> </li> </ul>
Strategic focus target component (at 100% target achievement corresponds to 50% of target amount)	<ul style="list-style-type: none"> <li>— Target amount of strategic focus target component p.a. (50% of target amount for personal cash investment amount):               <ul style="list-style-type: none"> <li>— € 0.6450 million (first period of office = first remuneration level)</li> <li>— € 0.7525 million (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 1.3775 million (Chairman of the Board of Management)</li> </ul> </li> <li>— At least one strategic focus target derived from the strategic plan</li> <li>— ESG share: strategic focus target component includes targets related to environmental, social and governance (ESG) criteria, which make up at least 20% of the target amount</li> <li>— Weightings and relevant criteria are assigned to strategic focus targets by the Supervisory Board</li> <li>— Formula in the event of two strategic focus targets with equal weighting p.a.:               <ul style="list-style-type: none"> <li>25% of target amount for personal cash investment amount x factor for strategic focus target 1 + 25% of target amount for personal cash investment amount x factor for strategic focus target 2</li> </ul> </li> <li>— Minimum, target and maximum values for strategic focus targets are defined by the Supervisory Board</li> <li>— Factor for each strategic focus target may not exceed 1.80</li> <li>— Maximum amount of strategic focus target component p.a.:               <ul style="list-style-type: none"> <li>— € 1.1610 million (first period of office = first remuneration level)</li> <li>— € 1.3545 million (from second period of office or fourth year of mandate = second remuneration level)</li> <li>— € 2.4795 million (Chairman of the Board of Management)</li> </ul> </li> </ul>
Strategic relevance	<ul style="list-style-type: none"> <li>— 50% of the personal cash investment amount within the target structure depends on the RoCE in the Automotive segment and is therefore directly linked to a key target for the corporate strategy and reflects BMW AG's aspiration to generate a significant premium on the cost of capital</li> <li>— The remaining 50% of the personal cash investment amount encourages achievement of strategic focus targets and therefore contributes to business performance in key strategic areas</li> <li>— Allocating a minimum share of the strategic focus targets to ESG-related criteria drives the implementation of the sustainability strategy</li> <li>— The four-year holding period also applies to members who leave the Board of Management and provides additional motivation to support the Company's long-term development</li> </ul>
<b>Share ownership guidelines</b>	<ul style="list-style-type: none"> <li>Board of Management members must acquire and hold BMW ordinary shares until they leave the Board, in addition to meeting share-based compensation requirements</li> <li>— Members are obliged to acquire BMW ordinary shares with a value equivalent to 200% of base salary for the Chairman and 100% for Board members during a four-year development phase</li> <li>— Members may use shares acquired through share-based remuneration to satisfy this requirement</li> <li>— Share ownership guidelines do not affect the existing four-year holding obligation in connection with share-based remuneration, which remains in effect after a member leaves the Board</li> </ul>
Strategic relevance	<ul style="list-style-type: none"> <li>— Increases the Board of Management's focus on the performance of the business</li> <li>— Complements share-based remuneration and provides members with additional incentive to drive the Company's long-term performance</li> </ul>

COMPONENT	Parameters/measurement base, applicable amounts		
<b>Malus and clawback rules</b>			
Malus	— Agreement to withhold variable remuneration in the event of specified serious compliance violations or (provisionally) withholding amounts in the event of reasonable suspicions thereof — Amounts may also be withheld in principle after a member has left the Board of Management		
Clawback	— Agreement entitling the BMW Group to reclaim variable remuneration already paid out in the event of specified serious compliance violations, incorrect calculation bases or incorrect financial statements — Amounts may also be clawed back in principle after a member has left the Board of Management		
<b>Remuneration caps p.a./ maximum remuneration</b>			
	Bonus	Share-based remuneration (personal investment cash amount)	Maximum remuneration <sup>1</sup>
Member of the Board of Management in the first period of office	€ 1.800 million	€ 2.322 million	€ 4.925 million
Member of the Board of Management in the second period of office from fourth year of mandate	€ 2.178 million	€ 2.709 million	€ 5.500 million
Chairman of the Board of Management	€ 3.978 million	€ 4.959 million	€ 9.850 million

#### 4. Determination and review of the remuneration system and individual remuneration

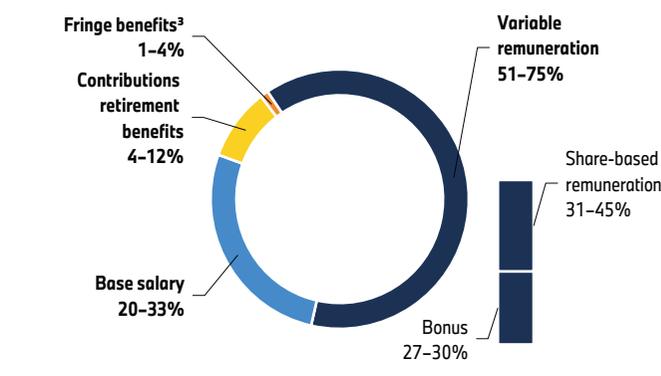
Determining the system and structure of Board of Management remuneration, and reviewing it regularly, is a task of the full Supervisory Board, as is determining the individual level of remuneration of members of the Board of Management. The Remuneration Committee of the Supervisory Board assumes a preparatory function.

The Supervisory Board reviews the remuneration system annually to ensure it is appropriate in terms of structure, target and maximum remuneration, as well as actual remuneration. The Supervisory Board also takes remuneration studies into account when assessing the market conformity of the target and maximum remuneration, as well as when assessing actual remuneration in horizontal terms. Due to the size and structure of the BMW Group, DAX companies are used as a comparison group while taking revenues, employee headcounts and market capitalisation into consideration. This ensures that the main competitors of BMW AG and other global companies are factored in. In addition, the reference to the DAX ensures that comparable regulatory requirements in respect of remuneration apply to the companies listed on it. Vertically, the Supervisory Board compares the remuneration of members of the Board of Management with the remuneration of senior executives and with the

average remuneration of employees employed by BMW AG in Germany in areas inside and outside the scope of collective bargaining agreements, including in terms of how they have changed over a period of several years. Recommendations from independent external remuneration experts, as well as suggestions from investor and analyst circles, may also be included in the deliberations. For the 2025 financial year, the review showed that the maximum and actual remuneration are appropriate. The target remuneration was also found to be appropriate after the increase that was approved in 2024. In accordance with the remuneration system, the Supervisory Board – acting on the proposal of the Remuneration Committee – sets specific target remuneration for each individual member of the Board of Management for the financial year, as well as the performance criteria associated with the variable remuneration components provided for in the remuneration system.

The total target remuneration is composed of the fixed remuneration and the variable remuneration. Within the variable target remuneration, the proportion of share-based remuneration as long-term variable remuneration exceeds the share of the bonus as short-term variable remuneration. The share of the individual remuneration components is within the ranges specified by the remuneration system.

#### Overview of total target remuneration for members of the Board of Management<sup>1</sup>



<sup>1</sup> Maximum remuneration within the meaning of § 87a (1) Sentence 2 No. 1 AktG. The overall cap is lower than the sum of the maximum amounts for the individual components.

<sup>2</sup> The remuneration structure as defined in the remuneration system for total target remuneration is depicted.

<sup>3</sup> 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.

**Target remuneration for the 2025 financial year**

The following tables show the individual target remuneration of the members of the Board of Management and the relative share of the respective remuneration component in the total target remuneration. The Supervisory Board approved a moderate increase in target remuneration of approximately 10% from the 2025 financial year onwards, as initially disclosed in the 2024 Remuneration Report. This marks the first such adjustment in four years. The Board used assessments from an independent remuneration consultant to benchmark the total target pay for the Board of Management against market standards. These analyses positioned BMW AG at the 84th percentile of the

DAX 40 based on revenues, employee numbers and market capitalisation. The Supervisory Board also factored inflation rates in previous years into this decision. The maximum remuneration and remuneration vested in the 2025 financial year are shown in [7 Maximum remuneration and remuneration vested in the 2025 financial year \(vesting year\)](#).

**Target remuneration for the financial year**

		OLIVER ZIPSE				JOCHEN GOLLER			
		Chairman of the Board of Management since 16 August 2019 Member of the Board of Management since 13 May 2015				Member of the Board of Management since 1 November 2023			
		FY 2025		FY 2024		FY 2025		FY 2024	
		in €	in %	in €	in %	in €	in %	in €	in %
<b>Fixed remuneration</b>	Fixed remuneration (base salary)	2,100,000	27	1,950,000	27	970,000	26	900,000	27
	Fringe benefits (other remuneration) <sup>1</sup>	39,674	0.5	27,963	0.4	58,299	2	22,541	1
	Contribution to the Company pension scheme	750,000	10	700,000	10	430,000	11	400,000	12
	<b>Total fixed remuneration</b>	<b>2,889,674</b>	<b>37</b>	<b>2,677,963</b>	<b>38</b>	<b>1,458,299</b>	<b>39</b>	<b>1,322,541</b>	<b>39</b>
<b>Variable remuneration</b>	<b>BONUS</b>								
	Earnings component	1,547,000	20	1,050,000	15	700,000	19	475,000	14
	Performance component	663,000	8	1,050,000	15	300,000	8	475,000	14
	<b>SHARE-BASED REMUNERATION (PERSONAL CASH INVESTMENT AMOUNT)<sup>2</sup></b>								
	RoCE component	1,377,500	18	1,175,000	16	645,000	17	550,000	16
	Strategic focus target component	1,377,500	18	1,175,000	16	645,000	17	550,000	16
	<b>Total variable remuneration</b>	<b>4,965,000</b>	<b>63</b>	<b>4,450,000</b>	<b>62</b>	<b>2,290,000</b>	<b>61</b>	<b>2,050,000</b>	<b>61</b>
<b>Total target remuneration</b>	<b>7,854,674</b>	<b>100</b>	<b>7,127,963</b>	<b>100</b>	<b>3,748,299</b>	<b>100</b>	<b>3,372,541</b>	<b>100</b>	

<sup>1</sup> The fringe benefits amount is equivalent to the fringe benefits for the 2024 and 2025 financial years, refer to [7 Remuneration granted and owed to members of the Board of Management pursuant to § 162 of the German Stock Corporation Act \(AktG\)](#).

<sup>2</sup> Assessment period five years in total: one year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

## Target remuneration for the financial year

		ILKA HORSTMEIER				NICOLAI MARTIN			
		Human Resources and Real Estate, Labour Director Member of the Board of Management since 1 November 2019				Purchasing and Supplier Network Member of the Board of Management since 1 June 2025			
		FY 2025		FY 2024		FY 2025		FY 2024	
		in €	in %	in €	in %	in €	in %	in €	in %
<b>Fixed remuneration</b>	Fixed remuneration (base salary)	1,130,000	26	1,050,000	27	565,833	25	-	-
	Fringe benefits (other remuneration) <sup>1</sup>	86,878	2	65,693	2	128,823	6	-	-
	Contribution to the Company pension scheme	430,000	10	400,000	10	250,833	11	-	-
	<b>Total fixed remuneration</b>	<b>1,646,878</b>	<b>38</b>	<b>1,515,693</b>	<b>38</b>	<b>945,489</b>	<b>41</b>	-	-
<b>Variable remuneration</b>	<b>BONUS</b>								
	Earnings component	847,000	19	575,000	15	408,333	18	-	-
	Performance component	363,000	8	575,000	15	175,000	8	-	-
	<b>SHARE-BASED REMUNERATION (PERSONAL CASH INVESTMENT AMOUNT)<sup>2</sup></b>								
	RoCE component	752,500	17	640,000	16	376,250	16	-	-
	Strategic focus target component	752,500	17	640,000	16	376,250	16	-	-
	<b>Total variable remuneration</b>	<b>2,715,000</b>	<b>62</b>	<b>2,430,000</b>	<b>62</b>	<b>1,335,833</b>	<b>59</b>	-	-
<b>Total target remuneration</b>	<b>4,361,878</b>	<b>100</b>	<b>3,945,693</b>	<b>100</b>	<b>2,281,322</b>	<b>100</b>	-	-	

<sup>1</sup> The fringe benefits amount is equivalent to the fringe benefits for the 2024 and 2025 financial years, refer to [2 Remuneration granted and owed to members of the Board of Management pursuant to § 162 of the German Stock Corporation Act \(AktG\)](#).

<sup>2</sup> Assessment period five years in total: one year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

## Target remuneration for the financial year

		WALTER MERTL				MILAN NEDELJKOVIĆ			
		Finance				Production			
		Member of the Board of Management since 12 May 2023				Member of the Board of Management since 1 October 2019			
		FY 2025		FY 2024		FY 2025		FY 2024	
		in €	in %	in €	in %	in €	in %	in €	in %
<b>Fixed remuneration</b>	Fixed remuneration (base salary)	970,000	26	900,000	27	1,130,000	26	1,050,000	27
	Fringe benefits (other remuneration) <sup>1</sup>	23,039	1	27,273	1	44,012	1	32,312	1
	Contribution to the Company pension scheme	430,000	12	400,000	12	430,000	10	400,000	10
	<b>Total fixed remuneration</b>	<b>1,423,039</b>	<b>38</b>	<b>1,327,273</b>	<b>39</b>	<b>1,604,012</b>	<b>37</b>	<b>1,482,312</b>	<b>38</b>
<b>Variable remuneration</b>	<b>BONUS</b>								
	Earnings component	700,000	19	475,000	14	847,000	20	575,000	15
	Performance component	300,000	8	475,000	14	363,000	8	575,000	15
	<b>SHARE-BASED REMUNERATION (PERSONAL CASH INVESTMENT AMOUNT)<sup>2</sup></b>								
	RoCE component	645,000	17	550,000	16	752,500	17	640,000	16
	Strategic focus target component	645,000	17	550,000	16	752,500	17	640,000	16
	<b>Total variable remuneration</b>	<b>2,290,000</b>	<b>62</b>	<b>2,050,000</b>	<b>61</b>	<b>2,715,000</b>	<b>63</b>	<b>2,430,000</b>	<b>62</b>
<b>Total target remuneration</b>	<b>3,713,039</b>	<b>100</b>	<b>3,377,273</b>	<b>100</b>	<b>4,319,012</b>	<b>100</b>	<b>3,912,312</b>	<b>100</b>	

<sup>1</sup> The fringe benefits amount is equivalent to the fringe benefits for the 2024 and 2025 financial years, refer to 2 Remuneration granted and owed to members of the Board of Management pursuant to § 162 of the German Stock Corporation Act (AktG).

<sup>2</sup> Assessment period five years in total: one year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

## Target remuneration for the financial year

		JOACHIM POST				FRANK WEBER			
		Development since 1 June 2025				Development until 31 May 2025			
		Member of the Board of Management since 1 January 2022 <sup>1</sup>				Member of the Board of Management 1 July 2020 until 31 May 2025 <sup>2</sup>			
		FY 2025		FY 2024		FY 2025		FY 2024	
		in €	in %	in €	in %	in €	in %	in €	in %
<b>Fixed remuneration</b>	Fixed remuneration (base salary)	1,130,000	26	900,000	27	1,130,000	26	1,050,000	27
	Fringe benefits (other remuneration) <sup>3</sup>	43,856	1	29,124	1	33,431	1	31,031	1
	Contribution to the Company pension scheme	430,000	10	400,000	12	430,000	10	400,000	10
	<b>Total fixed remuneration</b>	<b>1,603,856</b>	<b>37</b>	<b>1,329,124</b>	<b>39</b>	<b>1,593,431</b>	<b>37</b>	<b>1,481,031</b>	<b>38</b>
<b>Variable remuneration</b>	<b>BONUS</b>								
	Earnings component	847,000	20	475,000	14	847,000	20	575,000	15
	Performance component	363,000	8	475,000	14	363,000	8	575,000	15
	<b>SHARE-BASED REMUNERATION (PERSONAL CASH INVESTMENT AMOUNT)<sup>4</sup></b>								
	RoCE component	752,500	17	550,000	16	752,500	17	640,000	16
	Strategic focus target component	752,500	17	550,000	16	752,500	17	640,000	16
	<b>Total variable remuneration</b>	<b>2,715,000</b>	<b>63</b>	<b>2,050,000</b>	<b>61</b>	<b>2,715,000</b>	<b>63</b>	<b>2,430,000</b>	<b>62</b>
<b>Total target remuneration</b>	<b>4,318,856</b>	<b>100</b>	<b>3,379,124</b>	<b>100</b>	<b>4,308,431</b>	<b>100</b>	<b>3,911,031</b>	<b>100</b>	

<sup>1</sup> Second remuneration level since 1 January 2025.<sup>2</sup> Member of the Board of Management until 31 May 2025, service contract until 30 June 2026, see [Premature termination of activities and post-contractual non-competition clause](#).<sup>3</sup> The fringe benefits amount is equivalent to the fringe benefits for the 2024 and 2025 financial years, refer to [Remuneration granted and owed to members of the Board of Management pursuant to § 162 of the German Stock Corporation Act \(AktG\)](#).<sup>4</sup> Assessment period five years in total: one year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

## 5. Remuneration for the 2025 financial year

In 2024, the Supervisory Board determined the target remuneration for the members of the Board of Management for the 2025 financial year as well as the performance criteria for the variable remuneration components provided for in the remuneration system. In March 2026, the Supervisory Board set the amount of the variable remuneration components for the members of the Board of Management for the 2025 financial year after reviewing and assessing the extent to which the targets had been achieved. The decision in March 2026 was prepared by the Remuneration Committee.

### a) Fixed remuneration for the 2025 financial year

Each member of the Board of Management receives a fixed base salary, which is paid monthly on a pro rata basis and the amount of which depends on their function on the Board of Management and remuneration level.

The fringe benefits include, in particular, non-cash benefits from vehicle use, insurance premiums and employee discounts and subsidies for safety equipment. The Supervisory Board can approve payments to newly appointed members of the Board of Management in order to compensate them for loss of salary from a previous employment relationship and/or to cover relocation costs. No such approvals were issued and no special allowances were made in the 2025 financial year.

### Overview of fixed remuneration for the 2025 financial year

in €	Base salary	Fringe benefits (other remuneration)	Total fixed remuneration
<b>Oliver Zipse</b>	2,100,000	39,674	2,139,674
<b>Jochen Goller</b>	970,000	58,299	1,028,299
<b>Ilka Horstmeier</b>	1,130,000	86,878	1,216,878
<b>Nicolai Martin<sup>1</sup></b>	565,833	128,823	694,656
<b>Walter Mertl</b>	970,000	23,039	993,039
<b>Milan Nedeljković</b>	1,130,000	44,012	1,174,012
<b>Joachim Post</b>	1,130,000	43,856	1,173,856
<b>Frank Weber<sup>2</sup></b>	1,130,000	33,431	1,163,431

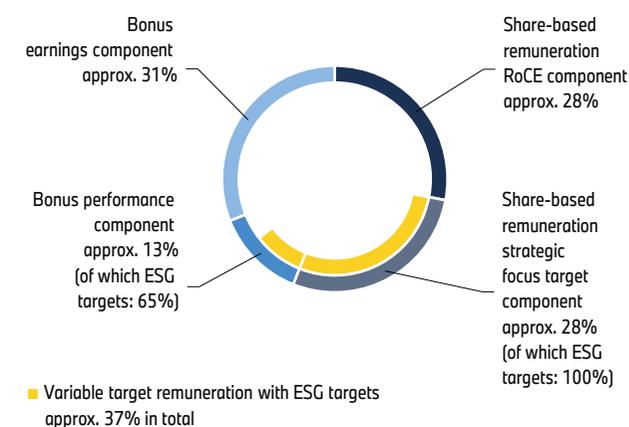
<sup>1</sup> Member of the Board of Management since 1 June 2025.

<sup>2</sup> Member of the Board of Management until 31 May 2025, service contract until 30 June 2026, see [Premature termination of activities and post-contractual non-competition clause](#).

### b) Variable remuneration for the 2025 financial year

The variable remuneration for the 2025 financial year consists of the bonus and the share-based remuneration. When determining specific target values, the Supervisory Board takes into account, in particular, long-term corporate planning and business development planning for the following year as submitted to the Supervisory Board for approval. For the strategic relevance of the individual remuneration components, see also [Overview of the remuneration system](#).

### Overview of variable target remuneration 2025



**(1) Bonus for the 2025 financial year**

**Overview**

The bonus consists of an earnings component and a performance component. If 100% of the target is achieved, the share of the earnings component is 70%. The share of the performance component is 30% of the bonus. The bonus amount is capped at 180% of the individual target amount. The bonus for the financial year will be paid as part of the first payroll run after the Annual General Meeting 2026.

**Earnings component of the bonus**

The earnings component of the bonus rewards the performance of the business in the 2025 vesting year, as measured by the metrics "Profit attributable to shareholders of BMW AG" and "Group post-tax return on sales". For this purpose, the Supervisory Board adopted an allocation matrix, from which an earnings factor is derived based on the values achieved. The level of performance for the allocation matrix remained unchanged for the 2025 financial year. For example, a target achievement of 100% is based on profit attributable to shareholders of BMW AG amounting to € 7.0 billion and Group return on sales of 6.0%.

A minimum value, a target value and a maximum value were defined for both metrics for the 2025 financial year. If one of the minimum values is not reached, the earnings factor is zero (corresponding to a target achievement of 0%). When both minimum values are reached, i.e. a profit attributable to shareholders amounting to € 4.0 billion and a Group post-tax return on sales of 3.2%, the earnings factor is 0.135 (corresponding to a target achievement of 13.5%). If both target values are reached, the earnings factor is 1.000 (corresponding to a target achievement of 100%). If both maximum values are reached, the earnings factor is 1.800 (corresponding to a target having been 180% achieved, the highest possible percentage). For intermediate values, the earnings factor is derived from the allocation matrix.

**Overview of the composition of the bonus**

**EARNINGS COMPONENT**

$$\underline{70\% \text{ OF TARGET AMOUNT}} \times \underline{\text{EARNINGS FACTOR}} +$$

— Earnings factor is derived from an allocation matrix based on the measurement parameters "profit attributable to shareholders of BMW AG" and "Group post-tax return on sales" in the vesting year

— Earnings factor may not exceed 1.800

**PERFORMANCE COMPONENT**

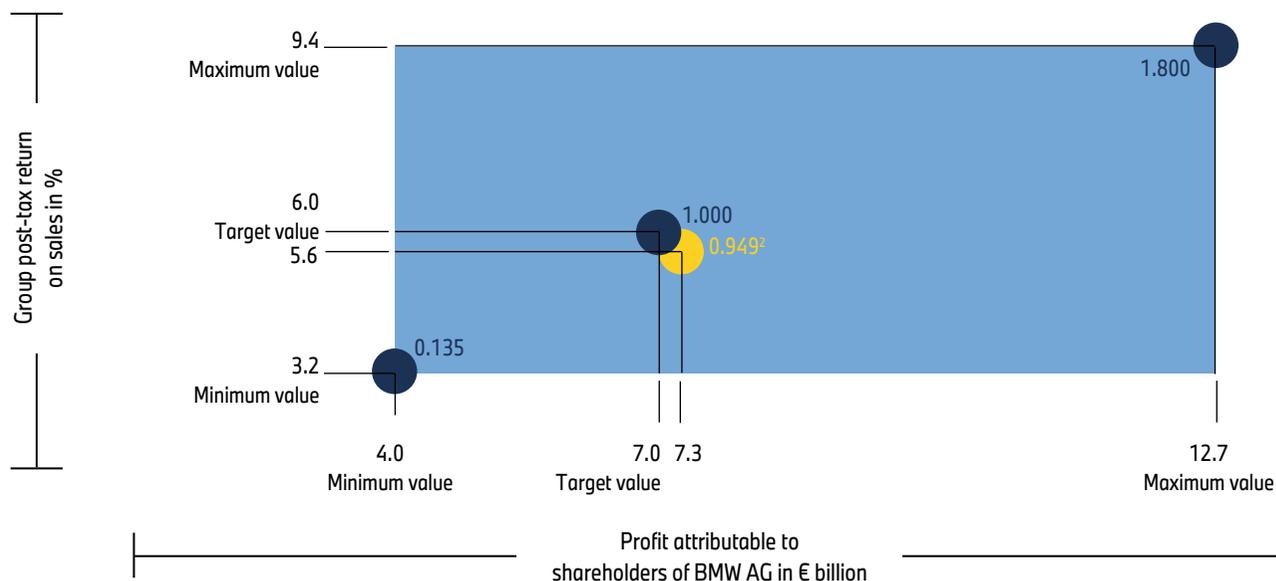
$$\underline{30\% \text{ OF TARGET AMOUNT}} \times \underline{\text{PERFORMANCE FACTOR}} = \underline{\text{BONUS}}$$

— Performance factor is derived from target dimensions (performance criteria); at least 50% of the target amount of the performance component must include ESG objectives

— Performance factor may not exceed 1.80

— Capped at 180% of target amount

**Earnings component of the bonus: allocation matrix<sup>1</sup>**



<sup>1</sup> Simplified depiction.

<sup>2</sup> Earnings factor 2025.

### Targets set and extent of achievement – earnings component of the bonus for the 2025 financial year

The targets set and the extent to which they have been achieved, as well as the specific amounts associated with the earnings component of the bonus for the 2025 financial year, are shown in the following tables. In the 2025 financial year, BMW AG's share of profit attributable to shareholders was € 7.294 billion, and the Group post-tax return on sales was 5.6%. Based on the approved allocation matrix, this yields an earnings factor of 0.949, which corresponds to a target achievement level of 94.9%.

### Performance component of the bonus

The performance component of the bonus rewards the achievement of certain non-financial targets. The Supervisory Board sets these targets in the form of various non-financial performance criteria and associated metrics, in addition to deciding how these criteria are weighted. The performance criteria are derived primarily from the corporate strategy, long-term corporate planning and the business development planning done for the following year. The defined performance criteria include targets related to environmental, social and governance (ESG) criteria, which make up at least 50% of the target amount.

### Targets set and extent of achievement – performance component of the bonus for the 2025 financial year

The targets set by the Supervisory Board for the 2025 vesting year as part of the performance component of the bonus, the weighting of the performance criteria and the individual target achievement are summarised in the tables below.

The Supervisory Board selected the metrics and determined the specific target values based in particular on the quantitative and qualitative metrics incorporated into the corporate planning and internal corporate management and the targets specified here.

### Targets set and extent of achievement – earnings component of the bonus for the 2025 financial year

Performance criteria	Minimum value	Target value	Maximum value	Actual value	Extent of achievement	Earnings factor
Profit attributable to shareholders of BMW AG in € billion	4.0	7.0	12.7	7.294	94.9%	0.949
Group post-tax return on sales in %	3.2	6.0	9.4	5.6		

### Overview of earnings component of the bonus for the 2025 financial year

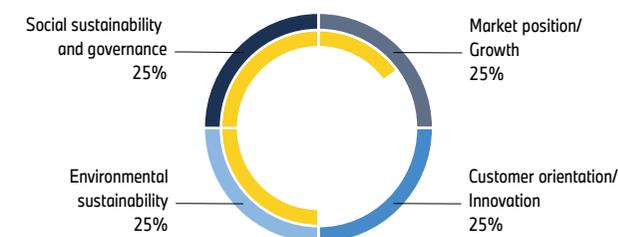
Member of the Board of Management	Proportionate target bonus amount in €	Earnings factor	Earnings component of the bonus in €
Oliver Zipse	1,547,000	0.949	1,468,103
Jochen Goller	700,000		664,300
Ilka Horstmeier	847,000		803,803
Nicolai Martin <sup>1</sup>	408,333		387,508
Walter Mertl	700,000		664,300
Milan Nedeljković	847,000		803,803
Joachim Post	847,000		803,803
Frank Weber <sup>2</sup>	847,000	803,803	

<sup>1</sup> Member of the Board of Management since 1 June 2025.

<sup>2</sup> Member of the Board of Management until 31 May 2025, service contract until 30 June 2026, see [Premature termination of activities and post-contractual non-competition clause](#).

The Supervisory Board assessed the performance of the members of the Board of Management in terms of the performance criteria set for 2025, within a target achievement corridor between 0 (corresponding to a target being 0% achieved) and 1.80 (corresponding to a maximum possible target achievement of 180%). We calculate the performance factor for bonuses based on achievement levels across specific performance criteria, with each criterion weighted at 25% of the target amount. 65% of the weighting is for non-financial environmental, social and governance (ESG) targets, and 35% is for other non-financial targets, in each case in relation to the target amount of the performance component of the bonus.

### Overview of performance criteria of the performance component of the bonus for the financial year 2025<sup>3</sup>



■ ESG share within the respective target dimension, in total 65%

<sup>3</sup> Based on the target amount of the performance component of the bonus.

The Supervisory Board's decision-making process is based on a detailed, documented analysis of performance as measured against all the defined criteria, as well as in-depth discussions at Remuneration Committee and full Supervisory Board level.

In addition to a review of performance in 2025, the Supervisory Board carried out a trend review covering several financial years. In doing so, it assessed the effects of decisions, measures and the overall course set in previous financial years on the 2025 financial year and also estimated the significance of the performance in 2025 for the future development of the Company. The results of comparative studies and calculations vis-à-vis competitors were also used to assess individual metrics.

We base our assessment of the market position/growth criterion on metrics including sales volume and BMW Group market share, the proportion of total sales made up by electrified vehicles, retail all-electric vehicle deliveries compared to our competitors and the Corporate Reputation Index. Metrics for the customer focus/innovation criterion included customer satisfaction, product quality based on comparative studies, the R&D ratio and the connected customer rate. The environmental sustainability criterion is assessed using Scope 1/2 and total Scope 3 CO<sub>2</sub>e emissions data along with the ESG Index. This ESG index covers climate- and water-related aspects in addition to environmental and social standards in the supply chain. Performance in Social Sustainability and Governance was assessed on the basis of spending on employee training and development, our attractiveness as an employer based on comparative studies, and leadership performance based on the employee survey.

### Targets set for the performance component of the bonus for the 2025 financial year

Target dimension (performance criterion)	Metrics	Weighting in %	Average degree to which target achieved in %	Performance factor
<b>Market position/ growth</b>	BMW Group sales volume			
	BMW Group market share			
	Proportion of total sales made up by electrified vehicles (E)	25	100	
	Assessment of retail all-electric vehicle sales compared to our competitors (E)			
	Corporate Reputation Index (G)			
<b>Customer orientation/ innovative solutions</b>	Customer satisfaction and product quality			
	R&D ratio	25	88	
	Connected customer rate			1.01
<b>Environmental sustainability</b>	CO <sub>2</sub> e emissions Scope 1/2 (E)			
	CO <sub>2</sub> e emissions Scope 3 total (E)	25	110	
	ESG index (E, S, G)			
<b>Social sustainability and governance</b>	Women in management positions (S, G)			
	Spending on employee training and development (S)			
	Attractiveness as an employer (S, G)	25	105	
	Leadership performance (S)			

### Target achievement for the performance component of the bonus for the 2025 financial year

	Proportionate target amount of bonus in €	Performance factor	Performance component of bonus in €
<b>Oliver Zipse</b>	663,000		669,630
<b>Jochen Goller</b>	300,000		303,000
<b>Ilka Horstmeier</b>	363,000		366,630
<b>Nicolai Martin<sup>1</sup></b>	175,000	1.01	176,750
<b>Walter Mertl</b>	300,000		303,000
<b>Milan Nedeljković</b>	363,000		366,630
<b>Joachim Post</b>	363,000		366,630
<b>Frank Weber<sup>2</sup></b>	363,000	1.01/1.00 <sup>3</sup>	364,513

<sup>1</sup> Member of the Board of Management since 1 June 2025.

<sup>2</sup> Member of the Board of Management until 31 May 2025, service contract until 30 June 2026, see [Premature termination of activities and post-contractual non-competition clause](#).

<sup>3</sup> Board members are assigned a capped target achievement factor of 1.00 following their departure from the Board. The performance component of the bonus totalled € 152,763 (target amount: € 151,250; factor: 1.01) between 1 January and 31 May 2025, and reached € 211,750 (target amount: € 211,750; factor: 1.00) from 1 June to 31 December 2025.

**(2) Share-based remuneration for the 2025 financial year**

As part of the 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 in BMW ordinary shares (the "personal cash investment amount"). This amount depends on the achievement of certain financial and non-financial targets in the past financial year (vesting year). The members of the Board of Management are obliged to invest their personal cash investment amounts (less taxes and duties) in BMW ordinary shares immediately after disbursement, and to hold these shares for a period of at least four years. The holding period remains in effect even after the member leaves the Board of Management.

**Personal cash investment amount**

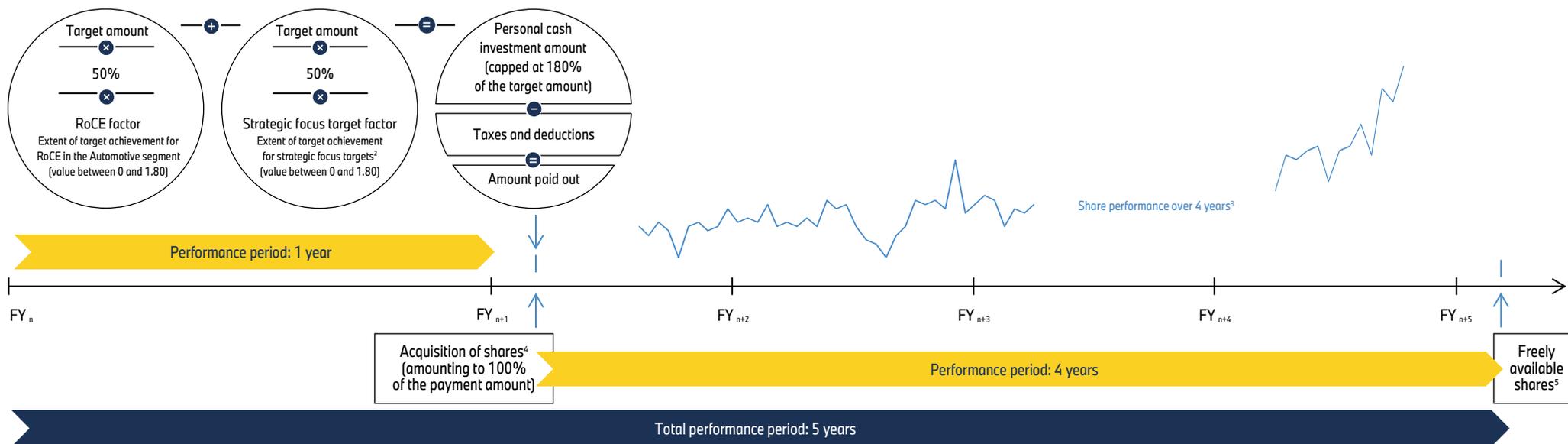
The personal cash investment amount for the 2025 financial year will be paid as part of the first payroll run after the Annual General Meeting in 2026. Its size depends on the target amount, the RoCE achieved in the Automotive segment and the degree to which certain strategic focus targets were achieved in the vesting year. The personal cash investment amount is limited to a maximum of 180% of the target amount and is calculated as follows:

$$\text{Personal cash investment amount} = \text{RoCE component} + \text{strategic focus target component}$$

**Target amount for the personal cash investment amount**

The target amounts for the individual members of the Board of Management for the 2025 financial year are presented in the table [↗ Overview of share-based remuneration for the 2025](#).

**Overview of share-based remuneration<sup>1</sup>**



<sup>1</sup> Simplified depiction.

<sup>2</sup> At least one strategic focus target is determined by the Supervisory Board. The strategic focus target component includes targets related to environmental, social and governance (ESG) criteria, which make up at least 20% of the target amount.

<sup>3</sup> Example illustration of price development.

<sup>4</sup> Payment of the personal cash investment amount, acquisition of shares and the start of the four-year holding period occur as part of the first payroll run after the Annual General Meeting at which the annual financial statements for the vesting year are presented.

<sup>5</sup> Subject to the requirements of the Share Ownership Guidelines.

**RoCE component**

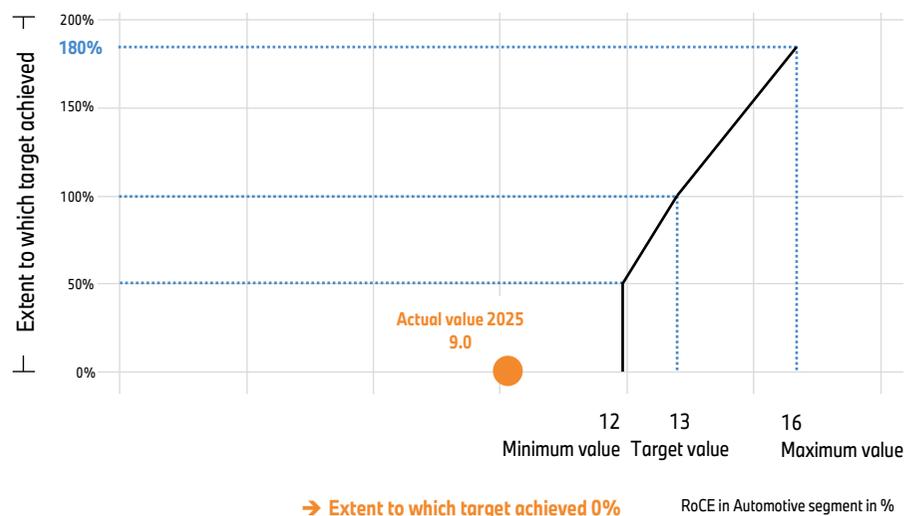
The Supervisory Board sets minimum, target and maximum values for the RoCE in the Automotive segment in the vesting year on the basis of corporate planning, and assigns an RoCE factor to each of these values. This RoCE value corresponds to the target achievement level. If the minimum value is not reached, the RoCE factor is 0. If the target value is reached, the RoCE factor is 1.00. If the maximum value is reached or exceeded, the RoCE factor is 1.80. The RoCE component is determined by multiplying the RoCE factor for the vesting year by 50% of the individual target amount.

**Strategic focus target component**

The Supervisory Board sets at least one strategic focus target. It derives this target from the corporate strategy and corporate planning. If there is more than one strategic focus target, the Supervisory Board determines the weighting of each target. The strategic focus target component includes targets related to environmental, social and governance (ESG) criteria, which make up at least 20% of the target amount. The Supervisory Board sets a minimum, target and maximum value for each strategic focus target, and assigns a factor to each of these values. If the minimum value is not reached, the factor for that target is 0. If the target value is reached, the factor for that target is 1.00. If the maximum value is reached or exceeded, the factor for that target is 1.80. If at least two strategic focus targets are specified, the strategic focus target component is determined in a two-step process. The factor for the vesting year achieved for the relevant strategic focus target is multiplied by the share of the individual target amount attributable to this target. The amounts determined in this way for the individual strategic focus targets are then added together.

**Targets set and extent of achievement for the RoCE component for the 2025 financial year**

RoCE in the Automotive segment for the 2025 financial year is defined as segment profit before the financial result, divided by the average capital employed in the segment. The Supervisory Board determined the following values based on corporate planning for the RoCE component for the vesting year 2025: minimum value: 12% (50% target achievement), target value: 13% (100% target achievement), maximum value: 16% (180% target achievement). The RoCE achieved in the Automotive segment for the 2025 financial year (actual value) is 9.0% and therefore under the minimum value. This means the RoCE factor for calculating the personal cash investment amount for this component is 0.

**Targets set and extent of achievement – RoCE component\***

\* Simplified depiction.

**Targets set and extent of achievement for the strategic focus target component for the 2025 financial year**

The Supervisory Board set the following strategic focus targets for the 2024 vesting year in 2025:

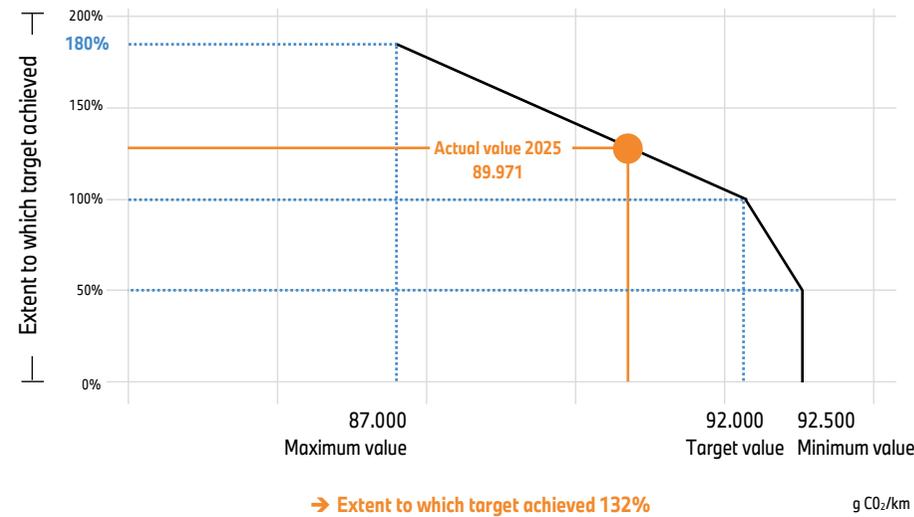
- Reduce fleet carbon emissions in the EU in accordance with WLTP (Worldwide Harmonised Light Vehicles Test Procedure); weighting in relation to individual personal cash investment target: 25%.
- Sales of all-electric vehicles (BEV); weighting in relation to individual personal cash investment target: 25%.

Both strategic focus targets relate to environmental objectives (ESG targets).

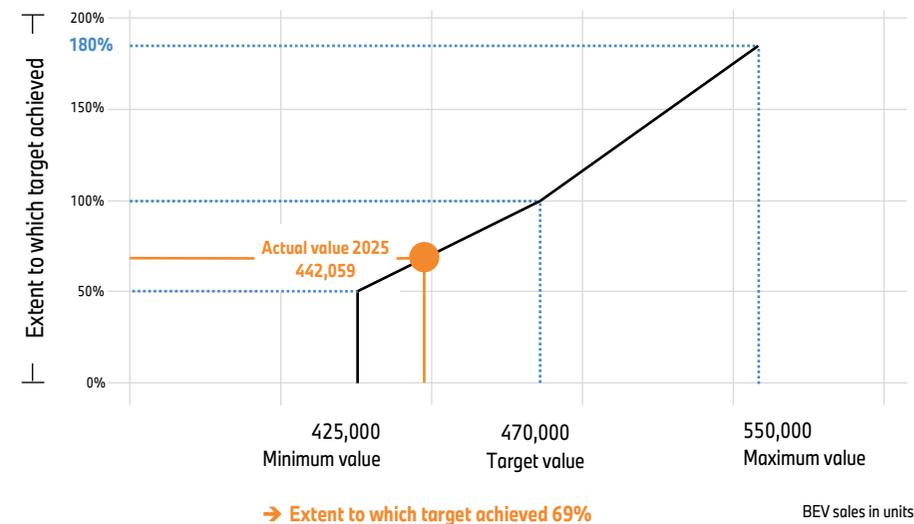
With regard to reducing fleet carbon emissions in accordance with WLTP, the Supervisory Board set the following values in g CO<sub>2</sub>/km under WLTP for fleet consumption in Europe as threshold values relevant to remuneration for the 2025 vesting year: minimum value: 92.500 g CO<sub>2</sub>/km (50% target achievement), target value: 92.000 g CO<sub>2</sub>/km (100% target achievement), maximum value: 87.000 g CO<sub>2</sub>/km (180% target achievement). The value for the 2025 financial year (actual value) is 89.971 g CO<sub>2</sub>/km, resulting in a target achievement of 132%.

For sales of all-electric vehicles (BEV), the Supervisory Board set the following reference values in units for the 2025 vesting year: minimum value: 425,000 units (50% target achievement), target value: 470,000 units (100% target achievement), maximum value: 550,000 units (180% target achievement). The BEV sales figure that was achieved for the 2025 financial year (actual value) was 442,059 units, resulting in a target achievement of 69% for this component.

**Targets set and extent of achievement – strategic CO<sub>2</sub> focus target component\***



**Targets set and extent of achievement – strategic BEV focus target component\***



\* Simplified depiction.

The following tables provide an overview of the targets set and extent of achievement for share-based remuneration for the 2025 financial year.

### Targets set and extent of achievement for share-based remuneration for the 2025 financial year

	Performance criteria	Weighting (in %)	Minimum value	Target value	Maximum value	Actual value	Extent to which target achieved (in %)	Factor
RoCE component	RoCE in the Automotive segment (in %)	50	12.0	13.0	16.0	9.0	0	0.00
Strategic focus target component	Reduction of fleet CO <sub>2</sub> emissions (in g CO <sub>2</sub> /km)	25	92.500	92.000	87.000	89.971	132	1.32
	Sales of all-electric vehicles (BEV) in units	25	425,000	470,000	550,000	442,059	69	0.69

### Overview of share-based remuneration for the 2025 financial year

Member of the Board of Management	RoCE component		Strategic focus target component (CO <sub>2</sub> )		Strategic focus target component (BEV)			Strategic focus targets total	Total	
	Proportionate target amount in €	RoCE factor	RoCE component in €	Proportionate target amount in €	Strategic focus target factor (CO <sub>2</sub> )	Strategic focus target component CO <sub>2</sub> in €	Proportionate target amount in €	Strategic focus target factor (BEV)	Strategic focus target component BEV in €	Personal cash investment amount in €
<b>Oliver Zipse</b>	1,377,500		-	688,750		909,150	688,750		475,238	1,384,388
<b>Jochen Goller</b>	645,000		-	322,500		425,700	322,500		222,525	648,225
<b>Ilka Horstmeier</b>	752,500		-	376,250		496,650	376,250		259,613	756,263
<b>Nicolai Martin<sup>1</sup></b>	376,250	0.00	-	188,125	1.32	248,325	188,125	0.69	129,806	378,132
<b>Walter Mertl</b>	645,000		-	322,500		425,700	322,500		222,525	648,225
<b>Milan Nedeljković</b>	752,500		-	376,250		496,650	376,250		259,613	756,263
<b>Joachim Post</b>	752,500		-	376,250		496,650	376,250		259,613	756,263
<b>Frank Weber<sup>2</sup></b>	752,500		-	376,250	1.32/1.00 <sup>3</sup>	426,417	376,250		259,613	686,030

<sup>1</sup> Member of the Board of Management since 1 June 2025.

<sup>2</sup> Member of the Board of Management until 31 May 2025, service contract until 30 June 2026, see [Premature termination of activities and post-contractual non-competition clause](#).

<sup>3</sup> Board members are assigned a capped target achievement factor of 1.00 following their departure from the Board. The strategic CO<sub>2</sub> focus target component amounted to € 206,938 (target amount: € 156,771; strategic CO<sub>2</sub> focus target factor: 1.32) for the period between 1 January and 31 May 2025 and € 219,479 (target: € 219,479; strategic CO<sub>2</sub> focus target factor: 1.00) for the period between 1 June and 31 December 2025.

## 6. Share ownership guidelines

The members of the Board of Management in office as at 31. Dezember 2025 hold a total of 144,806 BMW ordinary shares which they are required to hold in accordance with the terms of the share-based remuneration programmes for the financial years 2021–2024. The holding period for share-based remuneration applies for a period of four years in each case. It remains in effect even if the member leaves the Board of Management.

The share-based remuneration (personal cash investment amount) for the 2024 vesting year was disbursed after the Annual General Meeting 2025. The aforementioned members of the Board of Management acquired a total of 17,153 BMW ordinary shares immediately thereafter which must be held until 2029. The share-based remuneration for the 2025 vesting year will be paid as part of the first payroll run after the Annual General Meeting 2026. The BMW ordinary shares will be acquired immediately thereafter and must be held until 2030.

Under the remuneration system which has been in effect since the 2025 financial year, members of the Board of Management are obliged to invest 200% (Chairman of the Board of Management) or 100% (members of the Board of Management) of their gross base salary in BMW ordinary shares within a four-year period and to hold these until they step down from the Board of Management (share ownership guidelines). This requirement applies in addition to the four-year holding requirement in connection with share-based remuneration. Board members count any BMW ordinary shares acquired via share-based remuneration toward this ownership requirement. The four-year development phase begins when an individual is appointed to the Board of Management. This phase comes to an end on 31 December 2029 for Dr Martin and on 31 December 2028 for all other members, provided they do not step down from the Board of Management before these dates.

Pursuant to Article 19 of the Market Abuse Regulation (EU) No. 569/2014 (Managers' Transactions), any purchase or sale of shares in BMW AG and related financial instruments by members of the Board of Management must be reported, even after the minimum holding period has expired. No member of the

Board of Management reported a sale of BMW AG shares or related financial instruments in the 2025 financial year.

### BMW ordinary shares subject to holding requirements in connection with share-based remuneration for financial years 2021–2024<sup>1</sup>

	Share portfolio with holding period as at 1 January 2025 <sup>2</sup>	Additions in the 2025 financial year <sup>2</sup>	End of the holding period in the 2025 financial year	Share portfolio with holding period as at 31 December 2025
<b>Oliver Zipse</b>	56,062	4,754	4,508	56,308
<b>Jochen Goller</b>	1,414	2,389	-	3,803
<b>Ilka Horstmeier</b>	29,776	2,780	2,285	30,271
<b>Nicolai Martin<sup>3</sup></b>	-	-	-	-
<b>Walter Mertl</b>	5,013	2,225	-	7,238
<b>Milan Nedeljković</b>	29,874	2,780	2,285	30,369
<b>Joachim Post</b>	14,592	2,225	-	16,817
<b>Total</b>	<b>136,731</b>	<b>17,153</b>	<b>9,078</b>	<b>144,806</b>

<sup>1</sup> Includes only BMW ordinary shares acquired using the share-based remuneration programme for members of the Board of Management, for which the four-year holding period has not yet expired.

<sup>2</sup> Payment of the 2024 personal cash investment amount in May 2025 with subsequent acquisition of reported BMW ordinary shares (purchase date: 30 May 2025; purchase price: € 78.60).

<sup>3</sup> Member of the Board of Management since 1 June 2025.

## 7. Retirement benefits

The retirement benefits system provides for the Company to make annual contributions to a savings account for every year that members of the Board of Management are appointed. Former members of the Board of Management are entitled to retirement benefits at the earliest upon reaching the age of 62 and after leaving the Board; pension entitlements become vested when the employment relationship has existed for one year. The payment is made as a lump sum or in annual instalments at the discretion of the member of the Board of Management.<sup>1</sup> This amount paid out is in turn based on the annual contributions and annual interest depending on the form of investment. There is a guaranteed minimum interest rate on the contributions made. Members of the Board of Management whose employment relationship ends due to invalidity receive a disability pension. If a member of the Board of Management entitled to benefits dies before the occurrence of the insured event, their surviving spouse or registered partner is entitled to a survivor's benefit; otherwise, surviving children are entitled to a survivor's benefit depending on their age and level of education. The amount of the benefits paid in the event of death or invalidity is determined on the basis of the amount accrued in each Board member's individual pension savings account.

Members of the Board of Management who retire immediately after their service on the Board, or who are deemed to be in an equivalent position, are entitled to use BMW Group vehicles in line with the stipulations of the Supervisory Board.

## Pension entitlements

in €	Service cost in accordance with IFRS in the 2025 financial year	Cash value of entitlements to pension benefits in accordance with IFRS as at 31 December 2025
<b>Oliver Zipse</b>	750,000	8,072,862
<b>Jochen Goller</b>	430,000	3,407,459
<b>Ilka Horstmeier</b>	430,000	4,267,880
<b>Nicolai Martin<sup>2</sup></b>	250,833	884,188
<b>Walter Mertl</b>	430,598	1,955,260
<b>Milan Nedeljković</b>	430,000	4,855,903
<b>Joachim Post</b>	430,424	2,403,852
<b>Frank Weber<sup>3</sup></b>	430,000	3,077,642
<b>Total</b>	<b>3,581,855</b>	<b>28,925,046</b>

## 8. Malus and clawback rules

The remuneration system provides for the possibility of withholding variable remuneration (malus) and reclaiming variable remuneration already paid out (clawback) under certain conditions. The rules allow the Supervisory Board to withhold or reclaim variable remuneration in the event of specified serious compliance violations (compliance malus and/or compliance clawback). This reclaim option can also be exercised in cases where variable remuneration components linked to the achievement of certain targets have been paid out on the basis of incorrect calculation bases or incorrect financial statements. Remuneration can also be withheld or reclaimed after an individual's departure from the Board of Management.

The Supervisory Board has not identified any reason to withhold or reclaim variable remuneration components in the 2025 financial year.

## 9. Premature termination of activities and post-contractual non-competition clause

Board of Management service contracts provide for severance pay to be paid to the Board member in the event of premature termination by the Company without due cause, the amount of which is limited to a maximum of two years' remuneration (severance payment cap). The member will not be compensated for more than the remaining term of the service contract. If the remaining term of the contract is less than two years, the severance payment is reduced proportionately. The annual remuneration paid includes the base salary, the target amount of the bonus and target amount of the personal cash investment amount, unless the relevant target amount was not achieved in the previous year. In this case, the bonus that was actually granted or the personal cash investment amount that was actually disbursed is used as a basis.

There are no specific severance arrangements covering early termination of a Board member's mandate due to a change of control or in connection with a takeover offer.

In the event of death or invalidity, special rules apply for waiving the holding period for BMW ordinary shares that were acquired with share-based remuneration components. Where the service contract is terminated prematurely and the Company has an extraordinary right of termination, or if the Board member resigns without the Company's agreement, entitlements to variable remuneration components (bonus, personal cash investment amount) which exceed the target amounts are forfeited.

<sup>1</sup> For commitments made prior to 2016, members may choose to receive their retirement benefits upon reaching the age of 60, to have them paid out as a pension, or to opt for hybrid forms.

<sup>2</sup> Member of the Board of Management since 1 June 2025.

<sup>3</sup> Member of the Board of Management until 31 May 2025, service contract until 30 June 2026, see [Premature termination of activities and post-contractual non-competition clause](#).

A one-year post-contractual non-competition clause has been agreed with the Board members under specified circumstances against payment of a waiting allowance. Service contracts provide for the payment of a monthly waiting allowance in the amount of the applicable monthly base salary for the duration of the post-contractual non-competition clause. In accordance with Recommendation G.13 of the GCGC, any severance payment is offset against the waiting allowance. This also regularly applies to other income from third parties. The Company may unilaterally waive the requirement to comply with the post-contractual non-competition clause.

Mr Frank Weber left the Board of Management on 31 May 2025 by mutual agreement as part of a succession arrangement. He was released from his duties for the remainder of his service contract. His service contract will come to an end on 30 June 2026 as previously agreed. His remuneration will continue to be paid to him on the contractually agreed due dates until the end of his service contract. His remuneration will not be settled or paid early; he will not receive a termination payment. For the period from 1 June to 31 December 2025, he received fixed remuneration (base salary and other fixed remuneration) of € 0.7 million, a bonus of € 0.7 million and a personal cash investment amount of € 0.4 million (all pro rata). The pension contribution comes to € 0.3 million for the period from 1 June to 31 December 2025. For the period from 1 January to 30 June 2026, his base salary comes to € 0.6 million, with maximum variable remuneration (bonus and personal cash investment amount) of € 1.4 million. The pension contribution for the relevant portion of the 2026 financial year is € 0.2 million. A one-year post-contractual non-competition clause applies. For the period from 1 July 2026 to 30 June 2027, the waiting allowance contractually owed to him amounts to € 1.1 million.

Mr Oliver Zipse will leave the Board of Management on 13 May 2026 by mutual agreement as part of a succession arrangement. He has been released from his duties for the remainder of his service contract. His service contract will come to an end on 31 July 2026 as previously agreed. His remuneration will continue to be paid to him on the contractually agreed due dates until the end of his service contract. His remuneration will not be settled or paid early; he will not receive a termination payment. His

pro rata base salary totals € 0.5 million for the period between stepping down from the Board of Management and his service contract coming to an end. His variable remuneration (pro rata bonus and pro rata personal cash investment amount) is expected to be € 1.0 million based on projected figures. His pension contribution totals approximately € 0.2 million for the period between stepping down from the Board of Management and his service contract coming to an end. A one-year post-contractual non-competition clause applies. For the period from 1 August 2026 to 31 July 2027, the waiting allowance contractually owed to him amounts to € 2.1 million.

#### 10. Remuneration granted and owed to members of the Board of Management

The following tables [↗ Remuneration granted and owed](#) show the remuneration granted and owed to the members of the Board of Management in office during the reporting year in accordance with § 162 AktG.

The tables include all amounts received by the individual members of the Board of Management in the reporting period ("remuneration granted") and all remuneration legally due but not yet received ("remuneration owed").

In addition to actual amounts received, "remuneration granted" in the reporting year is also assumed to exist if the activity on which the remuneration component is based has been fully performed by the member of the Board of Management as of the balance sheet date, and if all conditions for entitlement have been met.

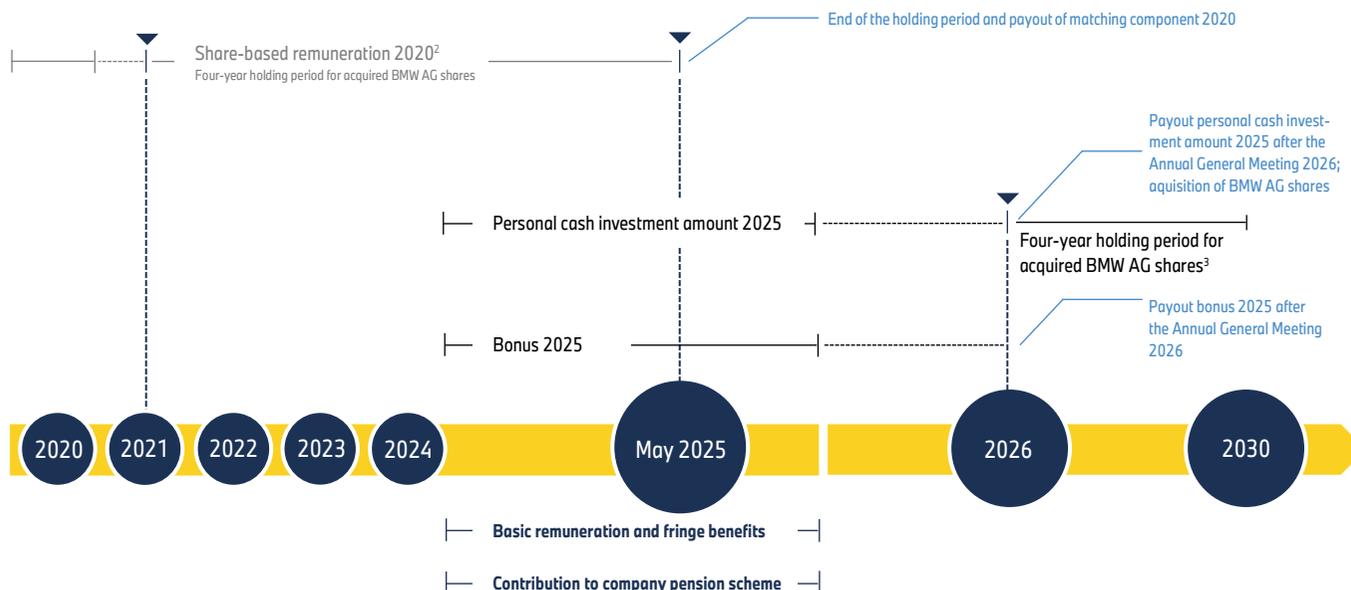
Thus, in addition to the fixed remuneration components, the following variable remuneration components are reported as remuneration granted for the 2025 financial year within the meaning of § 162 of the German Stock Corporation Act (AktG):

- Bonus for the 2025 financial year (to be paid out in 2026)
- Share-based remuneration (personal cash investment amount) for the 2025 financial year (to be paid out in 2026)
- Share-based remuneration component (matching component) for the 2020 vesting year, due to the expiry of the four-year holding period in the 2025 financial year (paid out in 2025).

Thus, the remuneration granted and owed includes all remuneration components earned through the activities of the members of the Board of Management in the 2025 financial year. In addition, it includes remuneration components already earned as a result of activity in previous financial years, but for which the respective member of the Board of Management's payment entitlement only arose due to the occurrence of conditions in the 2025 financial year.

In addition to the absolute amount of remuneration, the relative share of the relevant remuneration component in the total remuneration granted and owed is also shown. The individual service cost under IAS 19 for the Company pension scheme is also shown, although this service cost is not classified as granted or owed remuneration within the meaning of § 162 AktG.

## Overview of remuneration granted and owed in 2025 financial year with payout profile<sup>1</sup>



<sup>1</sup> Simplified depiction.

<sup>2</sup> Payment of 2020 cash remuneration component (investment component) in 2021, immediately following the acquisition of BMW ordinary shares subject to holding requirements for 2021–2025.

<sup>3</sup> The requirements of the Share Ownership Guidelines also apply.

### a) Variable remuneration for the 2025 financial year

The variable remuneration for the 2025 financial year and the extent to which targets were achieved are set out in [Variable remuneration for the 2025 financial year](#).

### b) Share-based remuneration component (matching component) 2020

In the 2025 financial year, the matching component of the share-based remuneration for the 2020 vesting year was paid out. Under the share-based remuneration programme for financial year 2020, the members of the Board of Management in office in 2020 received an amount equal to 45% of the gross bonus in effect at the time as additional cash remuneration from the Company for financial year 2020 (the investment component), which they were each required to invest in the Company's ordinary

shares after taxes and deductions. Under a matching plan, the member of the Board of Management receives from the Company – at the Company's discretion – either one additional ordinary share or the equivalent in cash (share-based remuneration component/matching component) for every three ordinary shares held after the four-year holding period expires. The investment component for the 2020 financial year was paid out after the 2021 Annual General Meeting. The ordinary shares were acquired on 14 May 2021 at a price of € 82.47. The holding period for the ordinary shares acquired in 2021 expired on 13 May 2025. The Company settled the matching component in cash based on a reference price of € 81.72. The matching component was removed when the remuneration system was amended in the 2021 financial year and was paid out for the last time in the 2025 financial year.

### c) Presentation of remuneration granted and owed

The following tables show the remuneration granted and owed to the members of the Board of Management in office during the reporting year.

## Remuneration granted and owed in financial year

### OLIVER ZIPSE

Chairman of the Board of Management since 16 August 2019

Member of the Board of Management since 13 May 2015

		FY 2025			FY 2024		
		2025 Vesting year in €	Earlier vesting years in €	as a % of total remuneration	2024 Vesting year in €	Earlier vesting years in €	as a % of total remuneration
<b>Fixed remuneration</b>	Fixed remuneration (base salary)	2,100,000	-	36	1,950,000	-	39
	Fringe benefits (other remuneration)	39,674	-	1	27,963	-	1
	<b>Total</b>	<b>2,139,674</b>		<b>37</b>	<b>1,977,963</b>		<b>40</b>
<b>Variable remuneration</b>	<b>BONUS</b>						
	Earnings component	1,468,103	-	25	954,450	-	19
	Performance component	669,630	-	12	1,050,000	-	21
	<b>SHARE - BASED REMUNERATION</b>						
	Share-based remuneration component (matching component)	-	122,743 <sup>1</sup>	2	-	230,677	5
	Personal cash investment amount <sup>2</sup>						
	RoCE component	-	-	-	-	-	-
	Strategic focus target component	1,384,388	-	24	763,750	-	15
	<b>Total variable remuneration for the 2025 vesting year or earlier vesting years</b>	<b>3,522,121</b>	<b>122,743</b>	<b>61 or 2</b>	<b>2,768,200</b>	<b>230,677</b>	<b>56 or 5</b>
	<b>Total</b>	<b>3,644,864</b>		<b>63</b>	<b>2,998,877</b>		<b>60</b>
<b>Remuneration for the 2025 vesting year or earlier vesting years</b>	<b>5,661,795</b>	<b>122,743</b>	<b>98 or 2</b>	<b>4,746,163</b>	<b>230,677</b>	<b>95 or 5</b>	
<b>Total remuneration pursuant to § 162 German Stock Corporation Act (AktG)</b>	<b>5,784,538</b>		<b>100</b>	<b>4,976,840</b>		<b>100</b>	
<b>Service cost<sup>3</sup></b>	<b>750,000</b>			<b>711,077</b>			
<b>Total remuneration plus service cost<sup>4</sup></b>	<b>6,534,538</b>			<b>5,687,917</b>			

<sup>1</sup> The number of shares purchased in 2021 with the 2020 cash remuneration component (investment component) for the financial year amounted to 4,508. The number of mathematical matching shares for calculating the cash equivalent amounts to 1,502.

<sup>2</sup> Assessment period five years in total: one year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

<sup>3</sup> The service cost in accordance with IAS 19 represents the expense for the Company; this amount is not paid out to the Board of Management member.

<sup>4</sup> For the purposes of compliance with the maximum specified remuneration limit, only the service cost and the remuneration for the vesting year are to be taken into account. See table [2 Maximum remuneration and remuneration vested in the 2025 financial year \(vesting year\)](#).

## Remuneration granted and owed in financial year

### JOCHEN GOLLER

Customer, Brands, Sales

Member of the Board of Management since 1 November 2023

		FY 2025			FY 2024		
		2025 Vesting year in €	Earlier vesting years in €	as a % of total remuneration	2024 Vesting year in €	Earlier vesting years in €	as a % of total remuneration
<b>Fixed remuneration</b>	Fixed remuneration (base salary)	970,000	-	37	900,000	-	41
	Fringe benefits (other remuneration)	58,299	-	2	22,541	-	1
	<b>Total</b>	<b>1,028,299</b>		<b>39</b>	<b>922,541</b>		<b>42</b>
<b>Variable remuneration</b>	<b>BONUS</b>						
	Earnings component	664,300	-	25	431,775	-	20
	Performance component	303,000	-	11	470,250	-	22
	<b>SHARE - BASED REMUNERATION</b>						
	Share-based remuneration component (matching component)	-	-	-	-	-	-
	Personal cash investment amount <sup>1</sup>						
	RoCE component	-	-	-	-	-	-
	Strategic focus target component	648,225	-	25	357,500	-	16
	<b>Total variable remuneration for the 2025 vesting year or earlier vesting years</b>	<b>1,615,525</b>	<b>-</b>	<b>61 or 0</b>	<b>1,259,525</b>	<b>-</b>	<b>58 or 0</b>
	<b>Total</b>	<b>1,615,525</b>		<b>61</b>	<b>1,259,525</b>		<b>58</b>
<b>Remuneration for the 2025 vesting year or earlier vesting years</b>		<b>2,643,824</b>	<b>-</b>	<b>100 or 0</b>	<b>2,182,066</b>	<b>-</b>	<b>100 or 0</b>
<b>Total remuneration pursuant to § 162 German Stock Corporation Act (AktG)</b>		<b>2,643,824</b>		<b>100</b>	<b>2,182,066</b>		<b>100</b>
<b>Service cost<sup>2</sup></b>		<b>430,000</b>			<b>406,330</b>		
<b>Total remuneration plus service cost<sup>3</sup></b>		<b>3,073,824</b>			<b>2,588,396</b>		

<sup>1</sup> Assessment period five years in total: one year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

<sup>2</sup> The service cost in accordance with IAS 19 represents the expense for the Company; this amount is not paid out to the Board of Management member.

<sup>3</sup> For the purposes of compliance with the maximum specified remuneration limit, only the service cost and the remuneration for the vesting year are to be taken into account. See table <sup>2</sup> Maximum remuneration and remuneration vested in the 2025 financial year (vesting year).

## Remuneration granted and owed in financial year

### ILKA HORSTMEIER

Human Resources and Real Estate, Labour Director

Member of the Board of Management since 1 November 2019

		FY 2025			FY 2024		
		2025 Vesting year in €	Earlier vesting years in €	as a % of total remuneration	2024 Vesting year in €	Earlier vesting years in €	as a % of total remuneration
<b>Fixed remuneration</b>	Fixed remuneration (base salary)	1,130,000	–	35	1,050,000	–	40
	Fringe benefits (other remuneration)	86,878	–	3	65,693	–	2
	<b>Total</b>	<b>1,216,878</b>		<b>38</b>	<b>1,115,693</b>		<b>42</b>
<b>Variable remuneration</b>	<b>BONUS</b>						
	Earnings component	803,803	–	25	522,675	–	20
	Performance component	366,630	–	11	569,250	–	21
	<b>SHARE - BASED REMUNERATION</b>						
	Share-based remuneration component (matching component)	–	62,189 <sup>1</sup>	2	–	26,871	1
	Personal cash investment amount <sup>2</sup>						
	RoCE component	–	–	–	–	–	–
	Strategic focus target component	756,263	–	24	416,000	–	16
	<b>Total variable remuneration for the 2025 vesting year or earlier vesting years</b>	<b>1,926,696</b>	<b>62,189</b>	<b>60 or 2</b>	<b>1,507,925</b>	<b>26,871</b>	<b>57 or 1</b>
	<b>Total</b>	<b>1,988,885</b>		<b>62</b>	<b>1,534,796</b>		<b>58</b>
<b>Remuneration for the 2025 vesting year or earlier vesting years</b>	<b>3,143,574</b>	<b>62,189</b>	<b>98 or 2</b>	<b>2,623,618</b>	<b>26,871</b>	<b>99 or 1</b>	
<b>Total remuneration pursuant to § 162 German Stock Corporation Act (AktG)</b>	<b>3,205,763</b>		<b>100</b>	<b>2,650,489</b>		<b>100</b>	
<b>Service cost<sup>3</sup></b>	<b>430,000</b>			<b>406,415</b>			
<b>Total remuneration plus service cost<sup>4</sup></b>	<b>3,635,763</b>			<b>3,056,904</b>			

<sup>1</sup> The number of shares purchased in 2021 with the 2020 cash remuneration component (investment component) for the financial year amounted to 2,285. The number of mathematical matching shares for calculating the cash equivalent amounts to 761.

<sup>2</sup> Assessment period five years in total: one year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

<sup>3</sup> The service cost in accordance with IAS 19 represents the expense for the Company; this amount is not paid out to the Board of Management member.

<sup>4</sup> For the purposes of compliance with the maximum specified remuneration limit, only the service cost and the remuneration for the vesting year are to be taken into account. See table [2 Maximum remuneration and remuneration vested in the 2025 financial year \(vesting year\)](#).

## Remuneration granted and owed in financial year

### NICOLAI MARTIN

Purchasing and Supplier Network

Member of the Board of Management since 1 June 2025

		FY 2025			FY 2024		
		2025 Vesting year in €	Earlier vesting years in €	as a % of total remuneration	2024 Vesting year in €	Earlier vesting years in €	as a % of total remuneration
<b>Fixed remuneration</b>	Fixed remuneration (base salary)	565,833	-	35	-	-	-
	Fringe benefits (other remuneration)	128,823	-	8	-	-	-
	<b>Total</b>	<b>694,656</b>		<b>42</b>	<b>-</b>		<b>-</b>
<b>Variable remuneration</b>	<b>BONUS</b>						
	Earnings component	387,508	-	24	-	-	-
	Performance component	176,750	-	11	-	-	-
	<b>SHARE - BASED REMUNERATION</b>						
	Share-based remuneration component (matching component)	-	-	-	-	-	-
	Personal cash investment amount <sup>1</sup>						
	RoCE component	-	-	-	-	-	-
	Strategic focus target component	378,132	-	23	-	-	-
	<b>Total variable remuneration for the 2025 vesting year or earlier vesting years</b>	<b>942,390</b>	<b>-</b>	<b>58 or 0</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total</b>	<b>942,390</b>		<b>58</b>	<b>-</b>		<b>-</b>
<b>Remuneration for the 2025 vesting year or earlier vesting years</b>		<b>1,637,046</b>	<b>-</b>	<b>100 or 0</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total remuneration pursuant to § 162 German Stock Corporation Act (AktG)</b>		<b>1,637,046</b>		<b>100</b>	<b>-</b>		<b>-</b>
<b>Service cost<sup>2</sup></b>		<b>250,833</b>			<b>-</b>		
<b>Total remuneration plus service cost<sup>3</sup></b>		<b>1,887,879</b>			<b>-</b>		

<sup>1</sup> Assessment period five years in total: one year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

<sup>2</sup> The service cost in accordance with IAS 19 represents the expense for the Company; this amount is not paid out to the Board of Management member.

<sup>3</sup> For the purposes of compliance with the maximum specified remuneration limit, only the service cost and the remuneration for the vesting year are to be taken into account. See table [Maximum remuneration and remuneration vested in the 2025 financial year \(vesting year\)](#).

## Remuneration granted and owed in financial year

### WALTER MERTL

Finance

Member of the Board of Management since 12 May 2023

		FY 2025			FY 2024		
		2025 Vesting year in €	Earlier vesting years in €	as a % of total remuneration	2024 Vesting year in €	Earlier vesting years in €	as a % of total remuneration
<b>Fixed remuneration</b>	Fixed remuneration (base salary)	970,000	-	37	900,000	-	41
	Fringe benefits (other remuneration)	23,039	-	1	27,273	-	1
	<b>Total</b>	<b>993,039</b>		<b>38</b>	<b>927,273</b>		<b>42</b>
<b>Variable remuneration</b>	<b>BONUS</b>						
	Earnings component	664,300	-	25	431,775	-	20
	Performance component	303,000	-	12	470,250	-	22
	<b>SHARE - BASED REMUNERATION</b>						
	Share-based remuneration component (matching component)	-	-	-	-	-	-
	Personal cash investment amount <sup>1</sup>						
	RoCE component	-	-	-	-	-	-
	Strategic focus target component	648,225	-	25	357,500	-	16
	<b>Total variable remuneration for the 2025 vesting year or earlier vesting years</b>	<b>1,615,525</b>	<b>-</b>	<b>62 or 0</b>	<b>1,259,525</b>	<b>-</b>	<b>58 or 0</b>
	<b>Total</b>	<b>1,615,525</b>		<b>62</b>	<b>1,259,525</b>		<b>58</b>
<b>Remuneration for the 2025 vesting year or earlier vesting years</b>		<b>2,608,564</b>	<b>-</b>	<b>100 or 0</b>	<b>2,186,798</b>	<b>-</b>	<b>100 or 0</b>
<b>Total remuneration pursuant to § 162 German Stock Corporation Act (AktG)</b>		<b>2,608,564</b>		<b>100</b>	<b>2,186,798</b>		<b>100</b>
<b>Service cost<sup>2</sup></b>		<b>430,598</b>			<b>407,218</b>		
<b>Total remuneration plus service cost<sup>3</sup></b>		<b>3,039,162</b>			<b>2,594,016</b>		

<sup>1</sup> Assessment period five years in total: one year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

<sup>2</sup> The service cost in accordance with IAS 19 represents the expense for the Company; this amount is not paid out to the Board of Management member.

<sup>3</sup> For the purposes of compliance with the maximum specified remuneration limit, only the service cost and the remuneration for the vesting year are to be taken into account. See table <sup>2</sup> Maximum remuneration and remuneration vested in the 2025 financial year (vesting year).

## Remuneration granted and owed in financial year

### MILAN NEDELJKOVIĆ

Production

Member of the Board of Management since 1 October 2019

		FY 2025			FY 2024		
		2025 Vesting year in €	Earlier vesting years in €	as a % of total remuneration	2024 Vesting year in €	Earlier vesting years in €	as a % of total remuneration
<b>Fixed remuneration</b>	Fixed remuneration (base salary)	1,130,000	-	36	1,050,000	-	40
	Fringe benefits (other remuneration)	44,012	-	1	32,312	-	1
	<b>Total</b>	<b>1,174,012</b>		<b>37</b>	<b>1,082,312</b>		<b>41</b>
<b>Variable remuneration</b>	<b>BONUS</b>						
	Earnings component	803,803	-	25	522,675	-	20
	Performance component	366,630	-	12	569,250	-	22
	<b>SHARE - BASED REMUNERATION</b>						
	Share-based remuneration component (matching component)	-	62,189 <sup>1</sup>	2	-	40,410	2
	Personal cash investment amount <sup>2</sup>						
	RoCE component	-	-	-	-	-	-
	Strategic focus target component	756,263	-	24	416,000	-	16
	<b>Total variable remuneration for the 2025 vesting year or earlier vesting years</b>	<b>1,926,696</b>	<b>62,189</b>	<b>61 or 2</b>	<b>1,507,925</b>	<b>40,410</b>	<b>57 or 2</b>
	<b>Total</b>	<b>1,988,885</b>		<b>63</b>	<b>1,548,335</b>		<b>59</b>
<b>Remuneration for the 2025 vesting year or earlier vesting years</b>	<b>3,100,708</b>	<b>62,189</b>	<b>98 or 2</b>	<b>2,590,237</b>	<b>40,410</b>	<b>98 or 2</b>	
<b>Total remuneration pursuant to § 162 German Stock Corporation Act (AktG)</b>	<b>3,162,897</b>		<b>100</b>	<b>2,630,647</b>		<b>100</b>	
<b>Service cost<sup>3</sup></b>	<b>430,000</b>			<b>406,340</b>			
<b>Total remuneration plus service cost<sup>4</sup></b>	<b>3,592,897</b>			<b>3,036,987</b>			

<sup>1</sup> The number of shares purchased in 2021 with the 2020 cash remuneration component (investment component) for the financial year amounted to 2,285. The number of mathematical matching shares for calculating the cash equivalent amounts to 761.

<sup>2</sup> Assessment period five years in total: one year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

<sup>3</sup> The service cost in accordance with IAS 19 represents the expense for the Company; this amount is not paid out to the Board of Management member.

<sup>4</sup> For the purposes of compliance with the maximum specified remuneration limit, only the service cost and the remuneration for the vesting year are to be taken into account. See table [2 Maximum remuneration and remuneration vested in the 2025 financial year \(vesting year\)](#).

## Remuneration granted and owed in financial year

### JOACHIM POST

Development since 1 June 2025

Member of the Board of Management since 1 January 2022<sup>1</sup>

		FY 2025			FY 2024		
		2025 Vesting year in €	Earlier vesting years in €	as a % of total remuneration	2024 Vesting year in €	Earlier vesting years in €	as a % of total remuneration
<b>Fixed remuneration</b>	Fixed remuneration (base salary)	1,130,000	-	36	900,000	-	41
	Fringe benefits (other remuneration)	43,856	-	1	29,124	-	1
	<b>Total</b>	<b>1,173,856</b>		<b>38</b>	<b>929,124</b>		<b>42</b>
<b>Variable remuneration</b>	<b>BONUS</b>						
	Earnings component	803,803	-	26	431,775	-	20
	Performance component	366,630	-	12	470,250	-	21
	<b>SHARE - BASED REMUNERATION</b>						
	Share-based remuneration component (matching component)	-	-	-	-	-	-
	Personal cash investment amount <sup>2</sup>						
	RoCE component	-	-	-	-	-	-
	Strategic focus target component	756,263	-	24	357,500	-	16
	<b>Total variable remuneration for the 2025 vesting year or earlier vesting years</b>	<b>1,926,696</b>	<b>-</b>	<b>62 or 0</b>	<b>1,259,525</b>	<b>-</b>	<b>58 or 0</b>
	<b>Total</b>	<b>1,926,696</b>		<b>62</b>	<b>1,259,525</b>		<b>58</b>
<b>Remuneration for the 2025 vesting year or earlier vesting years</b>	<b>3,100,552</b>	<b>-</b>	<b>100 or 0</b>	<b>2,188,649</b>	<b>-</b>	<b>100 or 0</b>	
<b>Total remuneration pursuant to § 162 German Stock Corporation Act (AktG)</b>	<b>3,100,552</b>		<b>100</b>	<b>2,188,649</b>		<b>100</b>	
<b>Service cost<sup>3</sup></b>	<b>430,424</b>			<b>407,167</b>			
<b>Total remuneration plus service cost<sup>4</sup></b>	<b>3,530,976</b>			<b>2,595,816</b>			

<sup>1</sup> Second remuneration level since 1 January 2025.

<sup>2</sup> Assessment period five years in total: one year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

<sup>3</sup> The service cost in accordance with IAS 19 represents the expense for the Company; this amount is not paid out to the Board of Management member.

<sup>4</sup> For the purposes of compliance with the maximum specified remuneration limit, only the service cost and the remuneration for the vesting year are to be taken into account. See table [\\* Maximum remuneration and remuneration vested in the 2025 financial year \(vesting year\)](#).

## Remuneration granted and owed in financial year

### FRANK WEBER

Development until 31 May 2025

Member of the Board of Management 1 July 2020 until 31 May 2025<sup>1</sup>

		FY 2025			FY 2024		
		2025 Vesting year in €	Earlier vesting years in €	as a % of total remuneration	2024 Vesting year in €	Earlier vesting years in €	as a % of total remuneration
<b>Fixed remuneration</b>	Fixed remuneration (base salary)	1,130,000	-	37	1,050,000	-	41
	Fringe benefits (other remuneration)	33,431	-	1	31,031	-	1
	<b>Total</b>	<b>1,163,431</b>		<b>38</b>	<b>1,081,031</b>		<b>42</b>
<b>Variable remuneration</b>	<b>BONUS</b>						
	Earnings component	803,803	-	26	522,675	-	20
	Performance component	364,513	-	12	569,250	-	22
	<b>SHARE-BASED REMUNERATION</b>						
	Share-based remuneration component (matching component)	-	31,054 <sup>2</sup>	1	-	-	-
	Personal cash investment amount <sup>3</sup>						
	RoCE component	-	-	-	-	-	-
	Strategic focus target component	686,030	-	23	416,000	-	16
	<b>Total variable remuneration for the 2025 vesting year or earlier vesting years</b>	<b>1,854,346</b>	<b>31,054</b>	<b>61 or 1</b>	<b>1,507,925</b>	<b>-</b>	<b>58 or 0</b>
	<b>Total</b>	<b>1,885,400</b>		<b>62</b>	<b>1,507,925</b>		<b>58</b>
<b>Remuneration for the 2025 vesting year or earlier vesting years</b>	<b>3,017,777</b>	<b>31,054</b>	<b>99 or 1</b>	<b>2,588,956</b>	<b>-</b>	<b>100 or 0</b>	
<b>Total remuneration pursuant to § 162 German Stock Corporation Act (AktG)</b>	<b>3,048,831</b>		<b>100</b>	<b>2,588,956</b>		<b>100</b>	
<b>Service cost<sup>4</sup></b>	<b>430,000</b>			<b>406,360</b>			
<b>Total remuneration plus service cost<sup>5</sup></b>	<b>3,478,831</b>			<b>2,995,316</b>			

<sup>1</sup> Member of the Board of Management until 31 May 2025, service contract until 30 June 2026, see [Premature termination of activities and post-contractual non-competition clause](#).

<sup>2</sup> The number of shares purchased in 2021 with the 2020 cash remuneration component (investment component) for the financial year amounted to 1,142. The number of mathematical matching shares for calculating the cash equivalent amounts to 380.

<sup>3</sup> Assessment period five years in total: one year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

<sup>4</sup> The service cost in accordance with IAS 19 represents the expense for the Company; this amount is not paid out to the Board of Management member.

<sup>5</sup> For the purposes of compliance with the maximum specified remuneration limit, only the service cost and the remuneration for the vesting year are to be taken into account. See table [Maximum remuneration and remuneration vested in the 2025 financial year \(vesting year\)](#).

### 11. Remuneration granted and owed to former members of the Board of Management

The following tables show the fixed and variable remuneration granted and owed in the past financial year to former members of the Board of Management who stepped down from the Board of Management after 31 December 2015 in accordance with § 162 German Stock Corporation Act (AktG). In accordance with

§ 162(5) AktG, individual figures are not shown for former members of the Board of Management who stepped down from the Board of Management prior to this date.

The remuneration granted and owed to individual former members of the Board of Management also includes the share-based remuneration component (matching component) for 2020. In this regard, please refer to the statements on remuneration granted and owed for the active members of the Board of Management [↗ Share-based remuneration component \(matching component\) 2020](#).

### Remuneration granted and owed to former members of the Board of Management in the financial year

	2025 financial year						Earlier vesting years			
	Fringe benefits (other remuneration)		Waiting allowance		Retirement benefits		Variable remuneration			
	as a % of total		as a % of total		as a % of total		Share-based remuneration component (matching component) in €		as a % of total remuneration	
	in €	remuneration	in €	remuneration	in €	remuneration	in €	remuneration	Total remuneration 2025	as a % of total remuneration
MILAGROS CAIÑA CARREIRO-ANDREE Member of the Board of Management until 31 October 2019	33,610	15	–	–	150,000	68	37,918 <sup>1</sup>	17	221,528	100
KLAUS DRAEGER Member of the Board of Management until 30 September 2016	22,909	7	–	–	291,353	93	–	–	314,262	100
FRIEDRICH EICHINER Member of the Board of Management until 31 December 2016	23,997	8	–	–	283,801	92	–	–	307,798	100
KLAUS FRÖHLICH Member of the Board of Management until 30 June 2020	19,444	1	–	–	3,384,786	98	34,077 <sup>2</sup>	1	3,438,307	100
HARALD KRÜGER Chairman of the Board of Management until 15 August 2019	15,846	4	–	–	300,000	84	40,860 <sup>3</sup>	11	356,706	100
PIETER NOTA Member of the Board of Management until 31 October 2023	35,923	5	612,500	86	–	–	62,189 <sup>4</sup>	9	710,612	100
NICOLAS PETER Member of the Board of Management until 11 May 2023	33,911	33	–	–	–	–	68,154 <sup>5</sup>	67	102,065	100
IAN ROBERTSON Member of the Board of Management until 31 December 2017	21,600	10	–	–	198,795	90	–	–	220,395	100
PETER SCHWARZENBAUER Member of the Board of Management until 31 October 2019	5,185	100	–	–	–	–	–	–	5,185	100
ANDREAS WENDT Member of the Board of Management until 31 December 2021	24,820	10	–	–	164,648	65	62,189 <sup>6</sup>	25	251,657	100

<sup>1</sup> The number of shares purchased in 2021 with the 2020 cash remuneration component (investment component) amounted to 1,394. The number of mathematical matching shares for calculating the cash equivalent amounts to 464.

<sup>2</sup> The number of shares purchased in 2021 with the 2020 cash remuneration component (investment component) amounted to 1,252. The number of mathematical matching shares for calculating the cash equivalent amounts to 417.

<sup>3</sup> The number of shares purchased in 2021 with the 2020 cash remuneration component (investment component) amounted to 1,502. The number of mathematical matching shares for calculating the cash equivalent amounts to 500.

<sup>4</sup> The number of shares purchased in 2021 with the 2020 cash remuneration component (investment component) amounted to 2,285. The number of mathematical matching shares for calculating the cash equivalent amounts to 761.

<sup>5</sup> The number of shares purchased in 2021 with the 2020 cash remuneration component (investment component) amounted to 2,504. The number of mathematical matching shares for calculating the cash equivalent amounts to 834.

<sup>6</sup> The number of shares purchased in 2021 with the 2020 cash remuneration component (investment component) amounted to 2,285. The number of mathematical matching shares for calculating the cash equivalent amounts to 761.

## 12. Maximum remuneration and remuneration vested in the financial year (vesting year) 2025

The Supervisory Board has capped the remuneration of the Board of Management members for the 2025 financial year (vesting year) in two respects: it has set maximum limits for all variable remuneration components and has also determined a maximum limit for the total remuneration of each member of the Board of Management. Both components of the bonus as well as the two components of the share-based

remuneration (personal investment cash amount) are limited to a maximum of 180% of the respective target amounts.

The maximum remuneration of the Board of Management members for the 2025 vesting year determined in accordance with § 87a (1) Sentence 2 No. 1 German Stock Corporation Act (AktG) includes, as fixed components, basic remuneration, other fixed remuneration, service cost (in accordance with IAS 19) and, as variable components, bonus and

the share-based remuneration (personal investment cash amount). Any special payments to compensate for salary losses from a previous employment relationship and/or to cover relocation costs in the case of new appointments are also subject to maximum remuneration. The total fixed maximum remuneration is less than the sum of the maximum amounts for the individual components.

### Maximum remuneration and remuneration vested in the financial year (vesting year) 2025

		OLIVER ZIPSE		JOCHEN GOLLER		ILKA HORSTMEIER		NICOLAI MARTIN	
		Chairman of the Board of Management since 16 August 2019	Member of the Board of Management since 13 May 2015	Customer, Brands, Sales Member of the Board of Management since 1 November 2023	Human Resources and Real Estate, Labour Director Member of the Board of Management since 1 November 2019	Purchasing and Supplier Network Member of the Board of Management since 1 June 2025	Max.	Remuneration vested	Max.
in €		Max.	Remuneration vested	Max.	Remuneration vested	Max.	Remuneration vested	Max.	Remuneration vested
Fixed remuneration	Fixed remuneration (base salary)	2,100,000	2,100,000	970,000	970,000	1,130,000	1,130,000	565,833	565,833
	Fringe benefits (other remuneration) <sup>1</sup>	39,674	39,674	58,299	58,299	86,878	86,878	128,823	128,823
	<b>Total fixed remuneration</b>	<b>2,139,674</b>	<b>2,139,674</b>	<b>1,028,299</b>	<b>1,028,299</b>	<b>1,216,878</b>	<b>1,216,878</b>	<b>694,656</b>	<b>694,656</b>
Variable remuneration	<b>BONUS</b>								
	Earnings component of the bonus	2,784,600	1,468,103	1,260,000	664,300	1,524,600	803,803	735,000	387,508
	Performance component of the bonus	1,193,400	669,630	540,000	303,000	653,400	366,630	315,000	176,750
	<b>SHARE-BASED REMUNERATION (PERSONAL CASH INVESTMENT AMOUNT)<sup>2</sup></b>								
	RoCE component	2,479,500	-	1,161,000	-	1,354,500	-	677,250	-
	Strategic focus target component	2,479,500	1,384,388	1,161,000	648,225	1,354,500	756,263	677,250	378,132
	<b>Total variable remuneration</b>	<b>8,937,000</b>	<b>3,522,121</b>	<b>4,122,000</b>	<b>1,615,525</b>	<b>4,887,000</b>	<b>1,926,696</b>	<b>2,404,500</b>	<b>942,390</b>
<b>Total fixed and variable remuneration</b>	<b>11,076,674</b>	<b>5,661,795</b>	<b>5,150,299</b>	<b>2,643,824</b>	<b>6,103,878</b>	<b>3,143,574</b>	<b>3,099,156</b>	<b>1,637,046</b>	
Service cost <sup>3</sup>	750,000	750,000	430,000	430,000	430,000	430,000	250,833	250,833	
<b>Maximum remuneration<sup>4</sup>/vested remuneration incl. service cost</b>	<b>9,850,000</b>	<b>6,411,795</b>	<b>4,925,000</b>	<b>3,073,824</b>	<b>5,500,000</b>	<b>3,573,574</b>	<b>2,872,917</b>	<b>1,887,879</b>	

<sup>1</sup> For more information about fringe benefits for the 2025 financial year, refer to <sup>2</sup> Remuneration granted and owed to members of the Board of Management pursuant to § 162 of the German Stock Corporation Act (AktG).

<sup>2</sup> Assessment period five years in total: one year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

<sup>3</sup> The service cost in accordance with IAS 19 represents the expense for the Company; this amount is not paid out to the Board of Management member.

<sup>4</sup> Maximum remuneration within the meaning of § 87a (1) Sentence 2 No. 1 AktG. The overall cap is lower than the sum of the maximum amounts for the individual components. Any special payments to compensate for salary losses from a previous employment relationship and/or to cover relocation costs in the case of new appointments are also subject to maximum remuneration.

## Maximum remuneration and remuneration vested in the financial year (vesting year) 2025

		WALTER MERTL		MILAN NEDELJKOVIĆ		JOACHIM POST		FRANK WEBER	
		Member of the Board of Management since 12 May 2023	Finance	Member of the Board of Management since 1 October 2019	Production	Member of the Board of Management since 1 January 2022 <sup>1</sup>	Development since 1 June 2025	Member of the Board of Management since 1 July 2020 until 31 May 2025 <sup>2</sup>	Development until 31 May 2025
in €		Max.	Remuneration vested	Max.	Remuneration vested	Max.	Remuneration vested	Max.	Remuneration vested
<b>Fixed remuneration</b>	Fixed remuneration (base salary)	970,000	970,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000
	Fringe benefits (other remuneration) <sup>3</sup>	23,039	23,039	44,012	44,012	43,856	43,856	33,431	33,431
	<b>Total fixed remuneration</b>	<b>993,039</b>	<b>993,039</b>	<b>1,174,012</b>	<b>1,174,012</b>	<b>1,173,856</b>	<b>1,173,856</b>	<b>1,163,431</b>	<b>1,163,431</b>
<b>Variable remuneration</b>	<b>BONUS</b>								
	Earnings component of the bonus	1,260,000	664,300	1,524,600	803,803	1,524,600	803,803	1,524,600	803,803
	Performance component of the bonus	540,000	303,000	653,400	366,630	653,400	366,630	653,400	364,513
	<b>SHARE-BASED REMUNERATION (PERSONAL CASH INVESTMENT AMOUNT)<sup>4</sup></b>								
	RoCE component	1,161,000	-	1,354,500	-	1,354,500	-	1,354,500	-
	Strategic focus target component	1,161,000	648,225	1,354,500	756,263	1,354,500	756,263	1,354,500	686,030
	<b>Total variable remuneration</b>	<b>4,122,000</b>	<b>1,615,525</b>	<b>4,887,000</b>	<b>1,926,696</b>	<b>4,887,000</b>	<b>1,926,696</b>	<b>4,887,000</b>	<b>1,854,346</b>
<b>Total fixed and variable remuneration</b>	<b>5,115,039</b>	<b>2,608,564</b>	<b>6,061,012</b>	<b>3,100,708</b>	<b>6,060,856</b>	<b>3,100,552</b>	<b>6,050,431</b>	<b>3,017,777</b>	
Service cost <sup>5</sup>	430,598	430,598	430,000	430,000	430,424	430,424	430,000	430,000	
<b>Maximum remuneration<sup>6</sup>/vested remuneration incl. service cost</b>	<b>4,925,000</b>	<b>3,039,162</b>	<b>5,500,000</b>	<b>3,530,708</b>	<b>5,500,000</b>	<b>3,530,976</b>	<b>5,500,000</b>	<b>3,447,777</b>	

<sup>1</sup> Second remuneration level since 1 January 2025.

<sup>2</sup> Member of the Board of Management until 31 May 2025, service contract until 30 June 2026, see [Premature termination of activities and post-contractual non-competition clause](#).

<sup>3</sup> For more information about fringe benefits for the 2025 financial year, refer to [Remuneration granted and owed to members of the Board of Management pursuant to § 162 of the German Stock Corporation Act \(AktG\)](#).

<sup>4</sup> Assessment period five years in total: one year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

<sup>5</sup> The service cost in accordance with IAS 19 represents the expense for the Company; this amount is not paid out to the Board of Management member.

<sup>6</sup> Maximum remuneration within the meaning of § 87a (1) Sentence 2 No. 1 AktG. The overall cap is lower than the sum of the maximum amounts for the individual components. Any special payments to compensate for salary losses from a previous employment relationship and/or to cover relocation costs in the case of new appointments are also subject to maximum remuneration.

The maximum limits for each individual element of the variable remuneration in the 2025 vesting year and the stipulated maximum remuneration limits were complied with in all cases.

The remuneration granted and owed for the 2025 financial year pursuant to § 162 AktG [Remuneration granted and owed in the financial year](#) includes the matching component of the share-based remuneration for the 2020 vesting year paid to the Board of Management members who were already in office in the 2020 financial year. This payment was made in May 2025, after the expiry of the four-year shareholding period. This component is subject to the overall cap set for the 2020 vesting year, which was complied with for the Board of Management members in office at that time.

## IV. REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

### 1. Articles of Incorporation and procedure

The regulation governing remuneration for the Supervisory Board is set out in § 16 of the Articles of Incorporation, 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. The regulation in effect since the 2020 financial year was last confirmed by the Annual General Meeting on 14 May 2025 with a majority of 98.94% of the valid votes cast.

### 2. Principles and elements of remuneration

The Supervisory Board remuneration is structured as a purely fixed remuneration in line with suggestion G.18 of the GCCG. Fixed remuneration strengthens the independence of the Supervisory Board in advising and monitoring the Board of Management. The structure and amount of the fixed remuneration are intended to ensure that highly qualified individuals can be proposed to the Annual General Meeting for membership of the Supervisory Board. This promotes the quality of advice and oversight, which contributes to the Company's sustainable and long-term development.

In accordance with the Articles of Incorporation, each member of the Supervisory Board who does not exercise an additional function relevant to remuneration receives fixed remuneration of € 200,000 p.a.

In Suggestion G.17, the GCCG recommends that the Chair and Deputy Chair positions on the Supervisory Board, as well as the Chair and membership of committees, should be given appropriate consideration in terms of remuneration because of the greater time commitment these positions entail. The Articles of Incorporation of BMW AG also take account of the requirements for the Audit Committee and its Chair. They stipulate that the Chairman of the Supervisory Board shall receive three times the amount, and each Deputy Chairman twice the amount, of remuneration paid to a Supervisory Board member who has no additional remuneration-relevant functions. The Chair of the Audit Committee receives two-and-a-quarter times the amount, the

Chairs of other Supervisory Board committees twice the amount, each member of the Audit Committee twice the amount, and each member of another committee one-and-a-half times the amount of the remuneration paid to a Supervisory Board member, provided the relevant committee convened on at least three days during the financial year. If a member of the Supervisory Board exercises more than one of the functions referred to above, their remuneration is measured only on the basis of the function receiving the highest amount.

### Overview of remuneration of the members of the Supervisory Board<sup>1</sup>

	Factor	Amount in € p.a. <sup>3</sup>
Member of Supervisory Board	1.00	200,000
Chairman Supervisory Board	3.00	600,000
Deputy Chairman Supervisory Board	2.00	400,000
Chairman of the Audit Committee <sup>2</sup>	2.25	450,000
Chairman of other committee <sup>2</sup>	2.00	400,000
Member of the Audit Committee <sup>2</sup>	2.00	400,000
Member of other committee <sup>2</sup>	1.50	300,000

<sup>1</sup> If a Supervisory Board member performs more than one of the functions referred to above, their remuneration is measured only on the basis of the function that is remunerated with the highest amount.

<sup>2</sup> Provided that the committee has met on at least three days during the financial year.

<sup>3</sup> Plus an attendance fee of € 2,000 per plenary session.

In the event of changes in the composition of the Supervisory Board during the year, or if additional remuneration-relevant functions are performed, remuneration is calculated on a pro rata basis.

In addition, each member of the Supervisory Board receives an attendance fee of € 2,000 per meeting for each meeting of the Supervisory Board (plenary) in which he or she participates. This also applies to participation by telephone or video link. If they attend more than one meeting on the same day, the meetings are not remunerated separately. A continuous session on two consecutive days is treated as one session.

The remuneration and the attendance fee are only paid after the end of the respective financial year. Furthermore, the Company

reimburses each member of the Supervisory Board for their reasonable expenses. In order to be able to perform his duties, the Chairman of the Supervisory Board is provided with secretariat and chauffeur services.

### 3. Remuneration granted and owed to members of the Supervisory Board

The following table shows the remuneration granted and owed to the members of the Supervisory Board in the 2025 financial year in accordance with § 162 (1) Sentence 1 German Stock Corporation Act (AktG). The activity on which the remuneration for the 2025 financial year is based was fully performed by the balance sheet date. Therefore, the remuneration for the Supervisory Board activities is classified as granted for the 2025 financial year, even if the payment was made after the end of the 2025 financial year.

## Remuneration granted and owed to Supervisory Board members

MEMBERS OF THE SUPERVISORY BOARD IN OFFICE AS AT 31 DECEMBER 2025

	Financial year 2025						Financial year 2024					
	Fixed remuneration		Attendance fee		Total remuneration		Fixed remuneration		Attendance fee		Total remuneration	
	in €	as a % of total remuneration	in €	as a % of total remuneration	in €	as a % of total remuneration	in €	as a % of total remuneration	in €	as a % of total remuneration	in €	as a % of total remuneration
Nicolas Peter (Chairman) <sup>1</sup>	379,545	98	8,000	2	387,545	100	-	-	-	-	-	-
Martin Kimmich (Deputy Chairman) <sup>2</sup>	400,000	98	10,000	2	410,000	100	400,000	98	10,000	2	410,000	100
Stefan Quandt (Deputy Chairman)	400,000	98	10,000	2	410,000	100	400,000	98	10,000	2	410,000	100
Stefan Schmid (Deputy Chairman) <sup>2</sup>	400,000	98	10,000	2	410,000	100	400,000	98	10,000	2	410,000	100
Kurt Bock (Deputy Chairman, Chairman of the Audit Committee)	450,000	98	10,000	2	460,000	100	450,000	98	10,000	2	460,000	100
Ulrich Bauer	200,000	95	10,000	5	210,000	100	126,087	94	8,000	6	134,087	100
Marc Bitzer	200,000	95	10,000	5	210,000	100	200,000	95	10,000	5	210,000	100
Rachel Empey <sup>3</sup>	400,000	98	10,000	2	410,000	100	400,000	98	10,000	2	410,000	100
Heinrich Hiesinger	200,000	95	10,000	5	210,000	100	200,000	95	10,000	5	210,000	100
Susanne Klatten	200,000	95	10,000	5	210,000	100	200,000	95	10,000	5	210,000	100
Jens Köhler <sup>2</sup>	200,000	95	10,000	5	210,000	100	200,000	95	10,000	5	210,000	100
André Mandl <sup>2</sup>	200,000	95	10,000	5	210,000	100	200,000	96	8,000	4	208,000	100
Dominique Mohabeer <sup>2, 3</sup>	400,000	98	10,000	2	410,000	100	400,000	98	10,000	2	410,000	100
Michael Nikolaides	200,000	95	10,000	5	210,000	100	33,333	94	2,000	6	35,333	100
Horst Ott <sup>2</sup>	200,000	96	8,000	4	208,000	100	126,087	95	6,000	5	132,087	100
Anke Schäferkordt <sup>4</sup>	300,000	97	10,000	3	310,000	100	200,000	95	10,000	5	210,000	100
Christoph M. Schmidt	200,000	95	10,000	5	210,000	100	200,000	95	10,000	5	210,000	100
Vishal Sikka	200,000	95	10,000	5	210,000	100	200,000	96	8,000	4	208,000	100
Sibylle Wankel <sup>2</sup>	200,000	95	10,000	5	210,000	100	200,000	95	10,000	5	210,000	100
Johanna Wenckebach <sup>2</sup>	200,000	95	10,000	5	210,000	100	126,087	94	8,000	6	134,087	100
<b>Total acting members of the Supervisory Board</b>	<b>5,529,545</b>	<b>97</b>	<b>196,000</b>	<b>3</b>	<b>5,725,545</b>	<b>100</b>	<b>4,661,594</b>	<b>96</b>	<b>170,000</b>	<b>4</b>	<b>4,831,594</b>	<b>100</b>

<sup>1</sup> Member and Chairman of the Supervisory Board since 14 May 2025.

<sup>2</sup> These employee representatives have declared that they will transfer their remuneration to the Hans Böckler Foundation in accordance with the guidelines of the Confederation of German Trade Unions.

<sup>3</sup> Member of the Audit Committee.

<sup>4</sup> Member of the Remuneration Committee since 1 January 2025.

## Remuneration granted and owed to Supervisory Board members

### FORMER MEMBERS OF THE SUPERVISORY BOARD

	Financial year 2025						Financial year 2024					
	Fixed remuneration		Attendance fee		Total remuneration		Fixed remuneration		Attendance fee		Total remuneration	
	in €	as a % of total remuneration	in €	as a % of total remuneration	in €	as a % of total remuneration	in €	as a % of total remuneration	in €	as a % of total remuneration	in €	as a % of total remuneration
Norbert Reithofer (Chairman)*	222,727	99	2,000	1	224,727	100	600,000	98	10,000	2	610,000	100
<b>Total former members of the Supervisory Board</b>	<b>222,727</b>	<b>99</b>	<b>2,000</b>	<b>1</b>	<b>224,727</b>	<b>100</b>	<b>600,000</b>	<b>98</b>	<b>10,000</b>	<b>2</b>	<b>610,000</b>	<b>100</b>
<b>Total current and former members of the Supervisory Board</b>	<b>5,752,272</b>	<b>97</b>	<b>198,000</b>	<b>3</b>	<b>5,950,272</b>	<b>100</b>	<b>5,261,594</b>	<b>97</b>	<b>180,000</b>	<b>3</b>	<b>5,441,594</b>	<b>100</b>

\* Member and Chairman of the Supervisory Board until 14 May 2025.

## V. COMPARISON OF CHANGE IN REMUNERATION AND EARNINGS

Pursuant to § 162 (1) Sentence 2 No. 2 German Stock Corporation Act (AktG), the following table shows the change in earnings, the annual change in the remuneration of the members of the Board of Management and the Supervisory Board, and the annual change in the average remuneration of the employees on a full-time equivalent basis over the last five financial years.

For the members of the Board of Management and the Supervisory Board, the remuneration granted and owed in the relevant financial year is presented within the meaning of § 162 (1) Sentence 1 AktG. The remuneration granted and owed to former

members of the Board of Management includes any variable remuneration from previous vesting years and any remuneration from any contracts of employment that remained valid beyond the end of their mandate, as well as retirement benefit plans (pension payments, payments from the retirement capital account), fringe benefits and any waiting allowances paid.

The change in earnings is presented on the basis of BMW AG's net profit for the year in accordance with the German Commercial Code (HGB). In addition, the changes in the key indicators "earnings attributable to shareholders of BMW AG" and "Group post-tax return on sales" are reported, as these key indicators are relevant for both the calculation of the variable remuneration of the members of the Board of Management (earnings component of

the bonus) and the performance-related remuneration of managers and employees.

The presentation of average employee remuneration is based on the average remuneration of all employees of BMW AG on a full-time equivalent basis. In the 2025 financial year, an average of 86,614 people were employed by BMW AG. Worldwide, the BMW Group employed 154,540 people as at 31 December 2025. In order to calculate the average employee remuneration presented, the principles applicable to the calculation of the remuneration granted and owed to the members of the Board of Management and the Supervisory Board pursuant to § 162 (1) Sentence 1 AktG were applied accordingly.

### Comparison of changes in earnings and remuneration for employees, the Board of Management and the Supervisory Board

	2021	2022	Change 2022 vs 2021	2023	Change 2023 vs 2022	2024	Change 2024 vs 2023	2025	Change 2025 vs 2024	
<b>CHANGES IN EARNINGS</b>										
Net income of BMW AG according to the German Commercial Code (HGB) (in € million)	4,910	6,311	29%	4,366	- 31%	3,524	- 19%	3,927	11%	
Profit attributable to shareholders of BMW AG (in € million)	12,382	17,941	45%	11,290	- 37%	7,290	- 35%	7,294	0%	
Group return on sales after tax (in %)	11.2	13.0	16%	7.8	- 40%	5.4	- 31%	5.6	4%	
<b>AVERAGE REMUNERATION OF EMPLOYEES IN €</b>										
Average remuneration of employees of BMW AG in €	99,169	102,394	3%	102,047	0%	99,622	- 2%	101,227	2%	
<b>REMUNERATION OF THE BOARD OF MANAGEMENT IN €<sup>1</sup></b>										
Oliver Zipse	since May 2015, Chairman since 16 August 2019	8,752,558	10,152,625	16%	8,158,904	- 20%	4,976,840	- 39%	5,784,538	16%
Jochen Goller	since November 2023	-	-	-	616,872	-	2,182,066	254%	2,643,824	21%
Ilka Horstmeier	since November 2019	3,949,908	4,929,261	25%	4,413,481	- 10%	2,650,489	- 40%	3,205,763	21%
Nicolai Martin	since June 2025	-	-	-	-	-	-	1,637,046	-	
Walter Mertl	since May 2023	-	-	-	2,446,106	-	2,186,798	- 11%	2,608,564	19%
Milan Nedeljković	since October 2019	4,017,337	4,964,449	24%	4,374,024	- 12%	2,630,647	- 40%	3,162,897	20%
Joachim Post	since January 2022	-	3,736,259	-	3,703,942	- 1%	2,188,649	- 41%	3,100,552	42%
Frank Weber*	from July 2020 until May 2025	3,856,458	4,240,977	10%	4,043,267	- 5%	2,588,956	- 36%	3,048,831	18%

\* Service contract until 30 June 2026, see [Premature termination of activities and post-contractual non-competition clause](#).

### Comparison of changes in earnings and remuneration for employees, the Board of Management and the Supervisory Board

		Change 2022 vs 2021	Change 2023 vs 2022	Change 2024 vs 2023	2025	Change 2025 vs 2024
<b>FORMER MEMBERS OF THE BOARD OF MANAGEMENT IN €</b>						
Milagros Caiña Carreiro-Andree	until October 2019	- 1%	- 77%	23%	221,528	0%
Klaus Draeger	until September 2016	- 18%	1%	1%	314,262	- 1%
Friedrich Eichiner	until December 2016	- 25%	1%	1%	307,798	1%
Klaus Fröhlich	until June 2020	24%	- 62%	11%	3,438,307	796%
Harald Krüger	until August 2019	- 34%	- 70%	30%	356,706	0%
Pieter Nota	until October 2023	13%	- 17%	- 54%	710,612	- 66%
Nicolas Peter	until May 2023	18%	- 55%	83%	102,065	- 98%
Ian Robertson	until December 2017	2%	- 31%	1%	220,395	1%
Peter Schwarzenbauer	until October 2019	- 96%	50%	1%	5,185	- 97%
Andreas Wendt	until December 2021	- 54%	- 97%	444%	251,657	- 29%

## Comparison of changes in earnings and remuneration for employees, the Board of Management and the Supervisory Board

		2021	2022	Change 2022 vs 2021	2023	Change 2023 vs 2022	2024	Change 2024 vs 2023	2025	Change 2025 vs 2024
<b>REMUNERATION OF THE SUPERVISORY BOARD IN €</b>										
Nicolas Peter <sup>1</sup>	since May 2025, Chairman	-	-	-	-	-	-	-	387,545	-
Martin Kimmich <sup>2</sup>	since January 2023, Deputy Chairman	-	-	-	389,545	-	410,000	5%	410,000	0%
Stefan Quandt	since May 1997, Deputy Chairman	410,000	410,000	0%	410,000	0%	410,000	0%	410,000	0%
Stefan Schmid <sup>2</sup>	since January 2007, Deputy Chairman	410,000	410,000	0%	410,000	0%	410,000	0%	410,000	0%
Kurt Bock	since May 2018, Deputy Chairman and Chairman of the Audit Committee	460,000	460,000	0%	460,000	0%	460,000	0%	460,000	0%
Ulrich Bauer	since May 2024	-	-	-	-	-	134,087	-	210,000	57%
Marc Bitzer	since May 2021	135,419	210,000	55%	210,000	0%	210,000	0%	210,000	0%
Rachel Empey <sup>3</sup>	since May 2021	135,419	260,000	92%	410,000	58%	410,000	0%	410,000	0%
Heinrich Hiesinger	since May 2017	210,000	210,000	0%	210,000	0%	210,000	0%	210,000	0%
Susanne Klatten	since May 1997	210,000	210,000	0%	208,000	-1%	210,000	1%	210,000	0%
Jens Köhler <sup>2</sup>	since August 2021	86,258	210,000	143%	210,000	0%	210,000	0%	210,000	0%
André Mandl <sup>2</sup>	since April 2022	-	156,333	-	210,000	34%	208,000	-1%	210,000	1%
Dominique Mohabeer <sup>2,3</sup>	since June 2012	210,000	260,000	24%	410,000	58%	410,000	0%	410,000	0%
Michael Nikolaides	since November 2024	-	-	-	-	-	35,333	-	210,000	494%
Horst Ott <sup>2</sup>	since May 2024	-	-	-	-	-	132,087	-	208,000	57%
Anke Schäferkordt <sup>4</sup>	since May 2020	210,000	210,000	0%	210,000	0%	210,000	0%	310,000	48%
Christoph Schmidt	since May 2021	135,419	210,000	55%	210,000	0%	210,000	0%	210,000	0%
Vishal Sikka	since May 2019	210,000	210,000	0%	210,000	0%	208,000	-1%	210,000	1%
Sibylle Wankel <sup>2</sup>	since January 2022	-	208,387	-	210,000	1%	210,000	0%	210,000	0%
Johanna Wenckebach <sup>2</sup>	since May 2024	-	-	-	-	-	134,087	-	210,000	57%
<b>FORMER MEMBERS OF THE SUPERVISORY BOARD IN €</b>										
Norbert Reithofer <sup>5</sup>	from May 2015 until May 2025, Chairman	610,000	610,000	0%	610,000	0%	610,000	0%	224,727	-63%

<sup>1</sup> Member and Chairman of the Supervisory Board since 14 May 2025.

<sup>2</sup> These employee representatives have declared that they will transfer their remuneration to the Hans Böckler Foundation in accordance with the guidelines of the Confederation of German Trade Unions.

<sup>3</sup> Member of the Audit Committee since October 2022.

<sup>4</sup> Member of the Remuneration Committee since January 2025.

<sup>5</sup> Member and Chairman of the Supervisory Board until 14 May 2025.

## VI. OTHER CONSIDERATIONS

BMW Group companies did not grant any loans or advances to members of the Board of Management or the Supervisory Board in the 2025 financial year, nor did they enter into any contingent liabilities in their favour. Transactions with members of the Board of Management, members of the Supervisory Board and related parties were all conducted at market conditions.

The Company maintains a financial loss liability insurance policy for the members of the Board of Management and the Supervisory Board. The insurance provides cover for legal liability claims and protects the private assets of members of BMW AG's Board of Management and Supervisory Board if a claim is made against them for financial loss in the course of exercising their executive function. A deductible is provided for members of the Board of Management that complies with the requirements of the German Stock Corporation Act (AktG).

## VII. OUTLOOK FOR THE 2026 FINANCIAL YEAR

The remuneration system and the target remuneration for the remuneration levels of the members of the Board of Management, as described in this report for the 2025 financial year, will continue to apply unchanged in the 2026 financial year.

There are also no plans to change the remuneration system for members of the Supervisory Board for the 2026 financial year.

Bayerische Motoren Werke Aktiengesellschaft

On behalf of the  
Supervisory Board

Dr Nicolas Peter  
Chairman of the  
Supervisory Board

On behalf of the  
Board of Management

Oliver Zipse  
Chairman of the  
Board of Management

## VIII. AUDITOR'S REPORT

To Bayerische Motoren Werke Aktiengesellschaft, München

We have audited the remuneration report of Bayerische Motoren Werke Aktiengesellschaft, München, for the financial year from January 1, 2025, to December 31, 2025, including the related disclosures, which was prepared to comply with § [Article] 162 AktG [Aktengesetz: German Stock Corporation Act].

### Responsibilities of the Executive Directors and the Supervisory Board

The executive directors and the supervisory board of Bayerische Motoren Werke Aktiengesellschaft are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts including the related disclosures stated in the remuneration report. The procedures selected depend on the auditor's judgment. This includes the assessment of the risks of material misstatement of the remuneration report including the related disclosures, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report including the related disclosures. The objective of this is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive directors and the supervisory board, as well as evaluating the overall presentation of the remuneration report including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Audit Opinion

In our opinion, based on the findings of our audit, the remuneration report for the financial year from January 1, 2025, to December 31, 2025, including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

### Reference to an Other Matter – Formal Audit of the Remuneration Report according to § 162 AktG

The audit of the content of the remuneration report described in this auditor's report includes the formal audit of the remuneration report required by § 162 Abs. [paragraph] 3 AktG, including the issuance of a report on this audit. As we express an unqualified audit opinion on the content of the remuneration report, this audit opinion includes that the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report.

### Restriction on use

We issue this auditor's report on the basis of the engagement agreed with Bayerische Motoren Werke Aktiengesellschaft, München. The audit has been performed only for purposes of the company and the auditor's report is solely intended to inform the company as to the results of the audit. Our responsibility for the audit and for our auditor's report is only towards the company in accordance with this engagement. The auditor's report is not intended for any third parties to base any (financial) decisions thereon. We do not assume any responsibility, duty of care or liability towards third parties; no third parties are included in the scope of protection of the underlying engagement. § 334 BGB [Bürgerliches Gesetzbuch: German Civil Code], according to which objections arising from a contract may also be raised against third parties, is not waived.

München, March 11, 2026

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Ralf Räßple  
Wirtschaftsprüfer  
(German Public Auditor)

Michael Popp  
Wirtschaftsprüfer  
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\* Part of the Combined Management Report

# OTHER <sup>06</sup> INFORMATION

# SASB INDEX

Topic	Accounting metric	Category	Unit	Code	Notes
<b>Activity metric</b>	Number of vehicles manufactured	Quantitative	Number	TR-AU-000.A	<a href="#">↗ Production Network</a>
	Number of vehicles sold	Quantitative	Number	TR-AU-000.B	<a href="#">↗ Key Performance Indicators</a> <a href="#">↗ Automotive Segment</a> <a href="#">↗ Motorcycle Segment</a>
<b>Product safety</b>	Percentage of vehicle models rated by NCAP programmes with an overall 5-star safety rating, by region	Quantitative	Percentage (%)	TR-AU-250a.1	<a href="#">↗ Safety concepts for BMW Group vehicles</a>
	Number of safety-related defect complaints, percentage investigated	Quantitative	Number, Percentage (%)	TR-AU-250a.2	<a href="#">↗ Safeguarding quality standards</a>
	Number of vehicles recalled	Quantitative	Number	TR-AU-250a.3	<a href="#">↗ Safety concepts for BMW Group vehicles</a>
<b>Labour practices</b>	Share of employees represented by a trade union or falling under collective agreements	Quantitative	Percentage (%)	TR-AU-310a.1	<a href="#">↗ Actions related to promoting social dialogue</a>
	(1) Number of work stoppages and (2) total days idle	Quantitative	Number, days idle	TR-AU-310a.2	<a href="#">↗ Actions related to promoting social dialogue</a>

Topic	Accounting Metric	Category	Unit	Code	Notes
<b>Fuel economy and use-phase emissions</b>	Sales-weighted average passenger fleet fuel economy, by region	Quantitative	Mpg, l/km, g CO <sub>2</sub> e/km, km/l	TR-AU-410a.1	<a href="#">↗ Greenhouse gas emissions along the entire value chain</a>
	Number of (1) zero-emission vehicles (ZEV), (2) hybrid vehicles and (3) plug-in hybrid vehicles sold	Quantitative	Number	TR-AU-410a.2	<a href="#">↗ Automotive Segment</a>  The BMW Group portfolio includes BEVs (1) and PHEVs (2). Under the BMW Group definition, see Glossary <a href="#">↗ Electrified vehicles</a> , 48V vehicles are not counted as hybrid vehicles.
	Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities	Discussion and analysis	n/a	TR-AU-410a.3	<a href="#">↗ Climate resilience of the business model</a> <a href="#">↗ Implemented actions and metrics for a holistic CO<sub>2</sub>e reduction</a>
<b>Raw material sourcing</b>	Description of the management of risks associated with the use of critical materials	Discussion and analysis	n/a	TR-AU-440a.1	<a href="#">↗ Raw materials security and strategy</a>
<b>Materials efficiency and recycling</b>	Total amount of waste from manufacturing, percentage recycled	Quantitative	Metric tonnes (t), Percentage (%)	TR-AU-440b.1	<a href="#">↗ Effective waste management</a>
	Weight of end-life material recovered, percentage recycled	Quantitative	Metric tonnes (t), Percentage (%)	TR-AU-440b.2	<a href="#">↗ Measures and metrics for the responsible use of resources</a>
	Average recyclability of vehicles sold	Quantitative	Percentage (%) by sales-weighted metric tonnes (t)	TR-AU-440b.3	<a href="#">↗ Measures and metrics for the responsible use of resources</a>

# CONSUMPTION AND CARBON DISCLOSURES

All type-approved BMW Group internal combustion engine vehicles currently on sale in the EU comply with Euro 6d or Euro 6e emissions standards. This also applies to countries with comparable regulations, such as Switzerland, Norway, the UK and Iceland. The vehicles also comply with local emissions regulations in the USA and China. Information on emissions in the WLTP cycle and maximum RDE values can be found in the EU Certificate of Conformity, as well as on the ACEA website and the company's website.

The BMW Group is preparing for the introduction of the Euro 7 emissions standard. This standard was published in May 2024 and includes limits for brake particle emissions for the first time.

As of February 2026

Figures based on WLTP

Model	Energy consumption combined or weighted combined (PHEV)		CO <sub>2</sub> emissions combined or weighted combined (PHEV)	Fuel consumption combined at charge sustaining operation	CO <sub>2</sub> -class
	in l/100km	in kWh/100km	in g/km	in l/100km	
<b>BMW</b>					
BMW i4 eDrive35 Gran Coupé		16.8			A
BMW i4 eDrive40 Gran Coupé		17.1			A
BMW i4 xDrive40 Gran Coupé		19.0			A
BMW i4 M60 xDrive Gran Coupé		20.9			A
BMW i5 eDrive40 Limousine		17.9			A
BMW i5 xDrive40 Limousine		18.8			A
BMW i5 M60 xDrive Limousine		19.5 – 19.4			A
BMW i5 eDrive40 Touring		18.6 – 18.5			A
BMW i5 xDrive40 Touring		19.5 – 19.4			A
BMW i5 M60 xDrive Touring		20.2 – 20.1			A
BMW i7 eDrive50 Limousine		20.3			A
BMW i7 xDrive60 Limousine		20.5 – 19.6			A
BMW i7 M70 xDrive Limousine		23.7			A
BMW iX1 eDrive20		16.1 – 16.0			A
BMW iX1 xDrive30		17.2 – 17.1			A
BMW iX2 eDrive20		15.7 – 15.6			A
BMW iX2 xDrive30		16.7 – 16.5			A
BMW iX3 50 xDrive (NEUE KLASSE)		17.9 – 15.1			A
BMW iX xDrive45		20.9			A
BMW iX xDrive60		21.0			A
BMW iX M70 xDrive		22.8			A
BMW X1 xDrive25e	2.8 – 2.7	13.8 – 13.7	63 – 62	6.5 – 6.4	E/B
BMW X1 xDrive30e	2.8	13.8 – 13.7	64 – 63	6.5 – 6.4	E/B

As of February 2026

Figures based on WLTP

Model	Energy consumption combined or weighted combined (PHEV)		CO <sub>2</sub> emissions combined or weighted combined (PHEV)	Fuel consumption combined or sustained operation	CO <sub>2</sub> -class
	in l/100km	in kWh/100km	in g/km	in l/100km	
BMW X3 30e xDrive	3.3	16.7	76	8.2	G/B
BMW X5 xDrive50e	4.0 – 3.4	24.4 – 20.9	90 – 76	10.5 – 9.6	G/B
BMW XM50e	4.7	25.4	106	11.3	G/C
BMW XM Label	5.3	25.7	121	12.9	G/D
BMW M5 Limousine	5.2 – 4.9	17.7 – 17.3	118 – 113	10.7 – 10.5	D – C/G
BMW M5 Touring	5.5 – 5.2	18.1 – 17.7	124 – 118	11.0 – 10.7	D/G
BMW Z4 sDrive20i	7.4 – 7.3		166 – 164		F
BMW Z4 sDrive30i	7.4		167		F
BMW Z4 M40i	8.4 – 8.0		197 – 181		G
BMW X1 sDrive18i	6.8		153		E
BMW X1 sDrive20i	6.1		137		E
BMW X1 xDrive23i	6.7		152 – 151		E – D
BMW X1 M35i xDrive	7.9		178		G
BMW X1 sDrive18d	5.3		140		E
BMW X1 sDrive20d	4.8		126		D
BMW X1 xDrive20d	5.1		133		D
BMW X1 xDrive23d	5.0		132		D
BMW X2 sDrive20i	6.2		140		E
BMW X2 M35i xDrive	8.2		186 – 185		G
BMW X2 sDrive18d	5.5		144		E
BMW X2 sDrive20d	4.9		130		D
BMW X2 xDrive20d	5.2		136		E
BMW X3 20 xDrive	7.6		172		F
BMW X3 M50 xDrive	8.3		189		G
BMW X3 20d xDrive	6.5		171		F
BMW X3 40d xDrive	6.7		177		G
BMW X5 xDrive40i	9.9 – 9.3		224 – 210		G

As of February 2026

Figures based on WLTP

Model	Energy consumption combined or weighted combined (PHEV)		CO <sub>2</sub> emissions combined or weighted combined (PHEV)	Fuel consumption combined at charge sustaining operation	CO <sub>2</sub> -class
	in l/100km	in kWh/100km	in g/km	in l/100km	
BMW X5 M60i xDrive	12.5		285		G
BMW X5 xDrive30d	8.2 – 7.8		215 – 204		G
BMW X5 xDrive40d	8.4 – 7.8		220 – 206		G
BMW X6 xDrive40i M Sport	9.6 – 8.9		216 – 202		G
BMW X6 M60i xDrive	12.4		282		G
BMW X6 xDrive30d M Sport	7.9 – 7.5		206 – 196		G
BMW X6 xDrive40d M Sport	8.1 – 7.5		212 – 198		G
BMW X7 xDrive40i	10.5		238 – 237		G
BMW X7 M60i xDrive	12.9 – 12.8		293 – 292		G
BMW X7 xDrive40d	8.8 – 8.7		231 – 229		G
<b>MINI</b>					
MINI Cooper E		14.3			A
MINI Cooper SE		14.7 – 14.6			A
MINI Aceman E		14.6			A
MINI Aceman SE		14.7			A
MINI Countryman E		16.3			A
MINI Countryman SE ALL4		17.3			A
MINI Cooper C (3-door)	6.5		146		E
MINI Cooper C (5-door)	6.6		149		E
MINI Cooper S (3-door)	6.7		150		E
MINI Cooper S (5-door)	6.8		152		E
MINI Cooper C Convertible	6.8		154		E
MINI Cooper S Convertible	6.9		156		F
MINI Countryman ONE	6.7		152		E

As of February 2026

Figures based on WLTP

Model	Energy consumption combined or weighted combined (PHEV)		CO <sub>2</sub> emissions combined or weighted combined (PHEV)	Fuel consumption combined at charge sustaining operation	CO <sub>2</sub> -class
	in l/100km	in kWh/100km	in g/km	in l/100km	
	<b>ROLLS-ROYCE</b>				
Rolls-Royce Spectre		23.6 – 22.2			A
Rolls-Royce Black Badge Spectre		23.8 – 23.5			A
Rolls-Royce Phantom	16.3		370		G
Rolls-Royce Phantom Centenary	16.3		370		G
Rolls-Royce Ghost Series II	15.6		354		G
Rolls-Royce Black Badge Ghost Series II	15.6		354		G
Rolls-Royce Cullinan Series II	16.9		385		G
Rolls-Royce Black Badge Cullinan Series II	16.9		385		G

# BMW GROUP TEN-YEAR COMPARISON

		2025	2024	2023	2022	2021	2020	2019	2018 <sup>1</sup>	2017	2016
<b>DELIVERIES</b>											
Automobiles	units	2,463,681	2,450,854	2,554,183	2,399,632	2,521,514	2,325,179	2,537,504	2,486,149	2,465,021	2,349,962
Motorcycles	units	202,563	210,385	209,066	202,895	194,261	169,272	175,162	165,566	164,153	145,032
<b>PRODUCTION VOLUME</b>											
Automobiles	units	2,456,561	2,513,830	2,661,922	2,382,305	2,461,269	2,255,637	2,564,025	2,541,534	2,505,741	2,359,756
Motorcycles	units	199,736	215,727	221,988	215,932	187,500	168,104	187,116	162,687	185,682	145,555
<b>FINANCIAL SERVICES</b>											
Contract portfolio	contracts	4,928,876	4,850,121	5,312,689	5,513,129	5,859,890	5,981,928	5,973,682	5,708,032	5,380,785	5,114,906
Business volume (based on balance sheet carrying amounts)	€ million	151,178	151,117	137,910	135,689	139,530	133,093	142,834	133,147	124,719	123,394
<b>INCOME STATEMENT</b>											
Revenues	€ million	133,453	142,380	155,498	142,610	111,239	98,990	104,210	96,855	98,282	94,163
Gross profit margin	%	15.4	16.1	19.1	17.2	19.8	13.7	17.3	19.0	20.3	19.9
Profit before financial result	€ million	10,186	11,509	18,482	13,999	13,400	4,830	7,411	8,933	9,899	9,386
Profit before tax	€ million	10,236	10,971	17,096	23,509	16,060	5,222	7,118	9,627	10,675	9,665
Return on sales (profit before tax/revenues)	%	7.7	7.7	11.0	16.5	14.4	5.3	6.8	9.9	10.9	10.3
Income taxes	€ million	2,785	3,293	4,931	4,927	3,597	1,365	2,140	2,530	2,000	2,755
Effective tax rate	%	27.2	30.0	28.8	21.0	22.4	26.1	30.1	26.3	18.7	28.5
Net profit for the year	€ million	7,451	7,678	12,165	18,582	12,463	3,857	5,022	7,064	8,675	6,910

		2025	2024	2023	2022	2021	2020	2019	2018 <sup>1</sup>	2017	2016
<b>BALANCE SHEET</b>											
Non-current assets	€ million	174,319	171,345	155,918	154,722	143,354	134,851	137,404	124,202	121,964	121,671
Current assets	€ million	91,648	96,387	94,972	92,204	86,173	81,807	90,630	84,736	73,542	66,864
Capital expenditure (excluding capitalised development costs)	€ million	7,237	9,056	8,836	7,791	5,012	3,922	5,650	5,029	4,688	3,731
Capital expenditure ratio (excluding capitalised development costs)	%	5.4	6.4	5.7	5.5	4.5	4.0	5.4	5.2	4.8	4.0
Capital expenditure (excluding right-of-use-assets and capitalised development costs)	€ million	6,563	8,142	7,563.0	6,075.0	4,391.0	3,593.0	4,791.0	5,029.0	4,688.0	3,731.0
Capital expenditure ratio (excluding right-of-use-assets and capitalised development costs)	%	4.9	5.7	4.9	4.3	3.9	3.6	4.6	5.2	4.8	4.0
Equity	€ million	97,906	95,003	92,923	91,288	75,132	61,520	59,907	57,829	54,107	47,363
Equity ratio	%	36.8	35.5	37.0	37.0	32.7	28.4	26.3	27.7	27.7	25.1
Non-current provisions and liabilities	€ million	86,337	85,040	70,966	71,217	77,929	83,175	85,502	79,698	69,634	73,183
Current provisions and liabilities	€ million	81,724	87,689	87,001	84,421	76,466	71,963	82,625	71,411	71,765	67,989
Balance sheet total	€ million	265,967	267,732	250,890	246,926	229,527	216,658	228,034	208,938	195,506	188,535
<b>CASH FLOW STATEMENT</b>											
Cash and cash equivalents at balance sheet date	€ million	18,854	19,287	17,327	16,870	16,009	13,537	12,036	10,979	9,039	7,880
Free cash flow Automotive segment	€ million	3,240	4,852	6,942	11,071	6,354	3,395	2,567	2,713	4,459	5,792
<b>PERSONNEL</b>											
Employees at year-end <sup>2,3</sup>		154,540	157,457	154,950	149,475	118,909	120,726	126,016	134,682	129,932	124,729
Personnel cost per employee <sup>3</sup>	€	100,266	96,251	96,778	94,952	103,569	99,647	98,901	101,178	100,760	99,575
<b>DIVIDEND</b>											
Dividend total	€ million	2,672 <sup>4</sup>	2,677	3,802	5,481	3,827	1,253	1,646	2,303	2,630	2,300
Dividend per ordinary share/preferred share	€	4.40 / 4.42 <sup>4</sup>	4.30 / 4.32	6.00 / 6.02	8.50 / 8.52	5.80 / 5.82	1.90 / 1.92	2.50 / 2.52	3.50 / 3.52	4.0 / 4.02	3.50 / 3.52

<sup>1</sup> The 2018 figures were adjusted due to the change in accounting policy in conjunction with the adoption of IFRS 16 (see Annual Report 2019, note 6 to the Group Financial Statements). In addition, prior year figures were adjusted due to changes in the presentation of selected items that are of minor importance overall.

<sup>2</sup> Excluding the joint operation Spotlight. Non-consolidated companies will be excluded from the 2025 financial year onwards (previously all consolidated and non-consolidated companies in which the BMW Group holds more than 50% of the shares). The 2024 figure was adjusted accordingly for comparison purposes (2024 before adjustment: 159,104).

<sup>3</sup> Until reporting year 2019, temporary staff, postgraduate students, interns, apprentices, and people on extended sick leave or on sabbatical were also included. To enable better comparability, the value for 2019 was adjusted accordingly (2019 before adjustment: 133,778 employees). For the timeframe including and prior to 2018, the share of the employees that are no longer reflected in reporting is about 7.5-8.0%.

<sup>4</sup> Proposal by management. The dividend total may change before the date of the Annual General Meeting due to the share buyback and a resulting change in the number of shares entitled to receive a dividend.

# GLOSSARY\*

## A

### Asset-backed financing transactions

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

## B

### Bond

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

### Business volume in balance sheet terms

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

## C

### Capitalisation rate

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

### Capital expenditure ratio (excluding capitalised development costs)

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

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

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

### Cash flow at risk

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

### Cash flow hedges

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

### Commercial paper

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

### Consolidation

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

### Credit default swap (CDS)

Financial swap agreements, under which creditors of securities (usually bonds) pay premiums to the seller of the CDS to hedge against the risk that the issuer of the bond will default. As with credit default insurance agreements, the party receiving the premiums gives a commitment to compensate the bond creditor in the event of default.

## D

### Deliveries

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

\* Part of the Combined Management Report.

## E

### Earnings per share (EPS)

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

### Electricity from renewable sources

At its own locations, the BMW Group defines electricity from renewable sources as in-house generation (from renewable sources), direct purchase (e.g., through power purchase agreements (PPAs)) from renewable sources or so-called Energy Attribute Certificates (e.g., guarantees of origin).

In its supplier network, the BMW Group currently accepts in-house generation, direct purchase (e.g., through power purchase agreements (PPAs)), or from so-called Energy Attribute Certificates (e.g., guarantees of origin).

### EBIT

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

### EBIT margin

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

### EBT

EBIT plus financial result.

### Effective tax rate

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

### Electrified vehicles

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

### Equity ratio

Equity capital as a percentage of the balance sheet total.

## F

### Fair value hedge

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

### Free cash flow (Automotive segment)

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

## G

### Goodwill

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

### Gross profit margin

Gross profit as a percentage of Group revenues.

## L

### Liquidity

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

## O

### Outlook

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

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

For the key performance indicator group profit before tax the following ranges are used:

At previous year's level	[−4.9%/+4.9%]
Slight increase	[+5.0%/+9.9%]
Slight decrease	[−5.0%/−9.9%]
Solid increase	[+10.0%/+14.9%]
Moderate decrease	[−10.0%/−14.9%]
Significant increase	≥+15.0%
Significant decrease	≤−15.0%

## P

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### **Payout ratio**

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

### **Post-tax return on sales**

Group net profit as a percentage of Group revenues.

### **Pre-tax return on sales**

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

## R

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### **Research and development expenditure**

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

### **Research and development expenditure ratio**

Research and development expenditure as a percentage of Group revenues.

### **Research and development locations**

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

### **Return on capital employed (RoCE)**

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

Up to the financial year 2021, capital employed corresponds to the sum of all current and non-current operational assets, less liabilities that generally do not incur interest. The deductible capital consisted of capital shares that are available to the operational business, largely without interest.

### **Return on equity (RoE)**

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

## V

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### **Value at risk**

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

# FINANCIAL CALENDAR

## 2026

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### 12 March 2026

BMW Group Annual Conference

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### 6 May 2026

Quarterly Statement to 31 March 2026

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### 13 May 2026

Annual General Meeting

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### 30 July 2026

Half-Year Report to 30 June 2026

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### 4 November 2026

Quarterly Statement to 30 September 2026

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Current information on events can be found on the Investor Relations website: [🔗 www.bmwgroup.com/ir](https://www.bmwgroup.com/ir)

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## THE BMW GROUP ON THE INTERNET

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Further information about the BMW Group is available online at:

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

Investor Relations information is available directly at:

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Information about the various BMW Group brands is available at:

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