

BMW  
GROUP



ROLLS-ROYCE  
MOTOR CARS LTD



# STATEMENT ON CORPORATE GOVERNANCE 2023



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# STATEMENT ON CORPORATE GOVERNANCE<sup>\*,\*\*</sup>

14 March 2024

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

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

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

The Board of Management and the Supervisory Board of BMW AG declared the following in December 2023 pursuant to § 161 of the German Stock Corporation Act (AktG) regarding

the recommendations of the "Government Commission on the German Corporate Governance Code":

"1. Since the last declaration was issued in December 2022, BMW AG has complied with all the recommendations published officially in the Federal Gazette on 27 June 2022 (Code version dated 28 April 2022).

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

Furthermore, BMW Group also complies with all the suggestions of the DCGK.

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

## INFORMATION ON THE COMPANY'S GOVERNING CONSTITUTION

BMW AG is a stock corporation (Aktiengesellschaft) within the meaning of the German Stock Corporation Act (Aktengesetz) and has its registered office in Munich, Germany. It has three bodies: the Board of Management, the Supervisory Board and the Annual General Meeting. The duties and authorities of

those bodies derive from the Stock Corporation Act and the Articles of Incorporation of BMW AG.

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

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

\*\* Non-binding convenience translation

## SHAREHOLDERS AND ANNUAL GENERAL MEETING

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

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

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

On the basis of § 118a German Stock Corporation Act and § 26n(1) of the Introductory Act of the German Stock Corporation Act and with approval of the Supervisory Board the 2023 Annual General Meeting was held as a virtual meeting, i.e. without shareholders and proxies being physically present (with the exception of BMW AG's proxies). Shareholders were able to exercise their voting rights by issuing instructions to these BMW AG's proxies or by postal vote.

During the Annual General Meeting, shareholders and their representatives were able to exercise their right to speak via video communication. Registered shareholders were, of course, able to follow the Annual General Meeting in its entirety using the BMW AG's online service. The Annual General Meeting accepted all resolutions and nominations proposed by the Board of Management and the Supervisory Board. The voting results are published on BMW Group's website at [www.bmwgroup.com/agm](http://www.bmwgroup.com/agm).

## BOARD OF MANAGEMENT

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

The Board of Management also systematically identifies and assesses the risks and opportunities connected with social and environmental factors for the BMW Group and the environmental and social impact of business activities. In addition to long-term economic goals, the corporate strategy takes due account of environmental and social objectives. The business forecast includes corresponding financial and sustainability targets. The sustainability criterion is also an important evaluation criterion for decisions made by the Board of Management, taking into account environmental, social and corporate governance (ESG) issues. As a result, sustainability is consistently integrated into BMW AG's decision-making processes and the remuneration of top management levels.

### Overview

In accordance with § 7 of the Articles of Incorporation, the Board of Management of BMW AG comprises at least two persons; other than that, the number of members of the Board of

Management is determined by the Supervisory Board. On 31 December 2023, the Board of Management comprised six men and one woman.

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

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

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

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

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

### **Board of Management work procedures**

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

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

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

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

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

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

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

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

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

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

the casting vote. Any changes to the Board of Management's rules of procedure must be passed unanimously.

Minutes of the meetings of the Board of Management are taken and indicate the place and date of the meeting, the participants, the items on the agenda and the wording of the resolutions. The minutes are signed by the Chairman of the Board of Management.

Generally, two to three in-person Board meetings were held each month during the financial year 2023.

### **Tasks of the full Board of Management**

In 2023, deliberations were held and decisions were taken by the Board of Management at full Board meetings as well as at Product and Customer Board meetings.

The overall framework for developing business strategies, the use of resources, the implementation of strategies and matters of particular importance and consequence to the BMW Group which are not directly attributable to an automotive product or a product line are defined and decided upon at full Board of Management meetings. During its meetings, the Board of Management also addresses the various aspects of sustainability and includes these in its decisions. There is also targeted monitoring of key sustainability-related indicators and objectives as well as department-specific sustainability activities and developments.

In 2023, these included the long-term CO<sub>2</sub> strategy, the future CSRD/ESRS reporting requirements (including influence on future reporting and the CO<sub>2</sub> target system) as well as the status and measures to further strengthen the circular economy. The Board of Management also regularly addressed issues of sustainability communication and non-financial reporting (including EU taxonomy). Other focus topics included the consistent

anchoring of the sustainability goal in sales and retail organization as well as CO<sub>2</sub> measures and due diligence obligations in the supply chain. In addition, the Board of Management was informed about the development of the "Zero Tolerance" package of measures for an equal and fair working environment without discrimination (Diversity, Equity & Inclusion) and the implementation of the diversity goals. The BMW Group risk situation, the effectiveness of the internal control system (ICS) and information security were just as much the subject of the Board of Management meetings as was the report by the Chief Compliance Officer.

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

### Board of Management Committees

In 2023, the Board of Management has established "Customer", "Senior Executives" and "Operations" committees and has created the committee "Processes and Digitalization" with effect as of 1 January 2024.

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

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

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

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

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

The Board of Management Processes and Digitalization Committee advises and decides on all significant aspects of improving and digitizing the BMW Group's corporate processes across all departments. It usually meets four times a year. Board members with voting rights comprise the Board member responsible for Finance (who also chairs the committee) as well as the Board members responsible for Customer, Brands and Sales, for Development, for People and Real Estate, and for Production.

### Cooperation with the Supervisory Board

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

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

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

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

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

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

in established plans, indicating the reasons for such deviations.

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

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

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

- Collectively, the Board of Management should have extensive experience in the fields of development, production, sales, finance and human resources.
- The Board of Management must comprise at least one man and one woman. The Supervisory Board ensures this minimum gender participation. The Supervisory Board considers it desirable to raise the proportion of women on the Board of Management and fully supports the Board of Management's endeavours to increase the proportion of women at the highest executive management levels within BMW Group. The Board of Management reports to the Personnel Committee of the Supervisory Board and the Supervisory Board at regular intervals on the proportion and development of female executives, particularly in senior management positions and at the first executive level. Further information on gender diversity can be found in the section "Targets and target achievement regarding the proportion of women serving at executive management levels I and II and proportion of women at Group Companies" on page 23.
- The Supervisory Board has set an age limit for Board of Management membership. As a general rule, this age limit is 60. The Supervisory Board also pays attention to achieving an appropriate mixture of people of different ages within the Board of Management.

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

In the Supervisory Board's opinion, the composition of the Board of Management in the financial year 2023 is in line with the stipulated diversity concept. In particular, the requirement that the Board of Management comprise at least one man and one woman was consistently met. The varying professional, academic and life experiences of the members of the Board of

Management complement one another. To enable a comparison with the diversity concept, the curricula vitae of the members of the Board of Management can be accessed on BMW Group's website at [www.bmwgroup.com/company-portrait](http://www.bmwgroup.com/company-portrait).

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

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



holders and the employees, and subsequently in the Supervisory Board plenary. After thorough deliberation, the latter takes the final decision on the selection of the suitable candidate and their appointment to the Board of Management.

## SUPERVISORY BOARD

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

### Overview

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

The ten employee representatives on the Supervisory Board include

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

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

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

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

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

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

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

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

Following the election of a new Supervisory Board member, the BMW department "Legal, Patents, Group Compliance Management" is required to inform the new member of the principal legal issues affecting their duties as well as corporate governance aspects relevant to the position, including the duty to cooperate when a transaction or event triggers reporting requirements or is subject to the approval of the Supervisory Board. Moreover, BMW AG submits various onboarding plans

to introduce members to topics that are important for the work of the Supervisory Board.

Further information on training measures carried out in 2023 and on the onboarding programme for new Supervisory Board members is provided in the Report of the Supervisory Board.

### Supervisory Board work procedures

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

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

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

Supervisory Board resolutions are generally passed by a simple majority. The German Co-Determination Act contains specific legal requirements and procedural provisions with respect



to majority voting, particularly regarding the appointment and dismissal of members of the Board of Management and the election of a Chairman or Deputy Chairman of the Supervisory Board.

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

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

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

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

BMW AG ensures that the Supervisory Board and its committees are appropriately equipped to carry out their duties. This includes providing a central Supervisory Board office to organise the Supervisory Board's work and support the chairpersons in their work.

The Supervisory Board regularly assesses the effectiveness of its activities and the activities carried out by its committees by means of a questionnaire as well as individual discussions with the Chairman. The findings and conclusions resulting from this self-assessment process are subsequently discussed in plenary. The evaluation for the financial year 2023 shows a high level of satisfaction among the members of the Supervisory Board with the organisation and conduct of the meetings as well as with the topics covered at the meetings and the additional training events. Cooperation is perceived as constructive and trusting, both within the Supervisory Board and with the Board of Management. The onboarding assistance provided was found very useful. Whenever possible, suggestions for further improvement of the Supervisory Board's work, and for topics to be discussed in detail, are promptly taken up.

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

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

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

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

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

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

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

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

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

The main tasks of the Presiding Board, the Committees and their members are detailed in the overview starting on page 15.

Sustainability issues are of central importance to the Supervisory Board. They are an integral part of the tasks of the Presiding Board, the Supervisory Board and several committees. Each year, the Presiding Board and the Supervisory Board deal with sustainability aspects in particular as part of the corporate strategy, corporate development planning and risk reporting. In year 2023, there was also a focus on the sustainability perception of the BMW Group and its brands as well as on the topic energy transformation and decarbonization of BMW Group sites. During the visit at the BMW plant in Leipzig by the Supervisory Board members, the focus was on sustainable production and energy generation. The Presiding Board and Supervisory Board also discussed progress in electric mobility and prospects for hydrogen technology. The Presiding Board and Supervisory Board received reports on employer attractiveness, employee performance and commitment, labour availability and the state of diversity in the company. Each year, the Audit Committee reviews the non-financial statement in detail, which reports on important sustainability issues. The Audit Committee also monitors the effectiveness of the internal control system. Compliance issues and the development of the Compliance Management System are regularly reported to the Audit Committee and the Supervisory Board. The implementation of the Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz) was part of the compliance reporting. Corporate governance is also on the agenda of the Presiding Board and Supervisory Board as a regular item. The Personnel Committee prepares decisions on the remuneration of Board of Management members, taking into account sustainability objectives, and in doing so reviews the achievement of the goals set in this regard. An update on the regulation of non-financial reporting and implementation at the BMW Group was the subject of a training session for the Supervisory Board. Due to the close connection between the aforementioned key sustainability fields and the core tasks and activities carried out by the existing Committees, the Supervisory Board has decided

not to establish an additional, separate committee for sustainability issues.

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

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

For this purpose, BMW AG's Supervisory Board has passed a resolution specifying the following objectives regarding its composition. These include a competency profile and provide for the overall concept for achieving diversity in the composition of the Supervisory Board (diversity concept):

- The Supervisory Board is required to include at least six independent shareholder representatives within the meaning of Recommendations C.6 and C.7 of the DCGK.
- The chairs of the Supervisory Board, the Audit Committee and the Personnel Committee – which is involved in preparing decisions on Board of Management remuneration – should be independent of BMW AG and of the Board of Management. The chairperson of the Supervisory Board shall not serve as the chair of the Audit Committee.
- When seeking suitably qualified individuals for the Supervisory Board whose specialist skills and leadership qualities are most likely to be an asset to the Board as a whole, consideration also needs to be given to diversity. When preparing nominations, the extent to which the work of the Supervisory Board will benefit from diverse professional and personal backgrounds (including international aspects) and from an appropriate gender representation also needs to be taken into account. It is the joint responsibility of all those participating in the nomination and election process to ensure that qualified women are considered for Supervisory Board membership.
- If possible, the Supervisory Board should have at least four members that have international experience or specialised knowledge of one or more non-German markets important to BMW Group.
- Furthermore, if possible, the Supervisory Board should include seven members who have in-depth knowledge and experience within BMW Group, no more than two of whom shall be former members of the Board of Management.
- Three members of the Supervisory Board should preferably have previous experience in the management or supervision of another medium-sized or large company.
- The Supervisory Board should ideally have expertise in the following areas relevant to the BMW Group: corporate strategy, technology, purchasing/supply chains, production/manufacturing, sales/customer needs, finance/accounting/auditing, capital markets, mobility, human resources/personnel management, compliance, IT/digitalisation/artificial intelligence and change management/business transformation. Each member of the Supervisory Board should have expertise in at least one of these areas.
- Three members of the Supervisory Board should preferably have expertise in sustainability issues that are of key importance to BMW AG.
- At least one member of the Audit Committee must have expert knowledge of accounting, while at least one further member of the Audit Committee must have expert knowledge of auditing. The expertise in accounting should encompass special knowledge and experience in the application of accounting principles and internal control and risk management systems, while the expertise in auditing should encompass special knowledge and experience in auditing. Accounting and auditing also cover sustainability reporting and auditing. The Chair of the Audit Committee should have expert knowledge in at least one of these two areas.

- The members of the Audit Committee must all together be familiar with the sector in which BMW AG operates.
- No persons carrying out directorship functions or advisory roles for important competitors of the BMW Group may belong to the Supervisory Board. In compliance with applicable legislation, members of the Supervisory Board are required to ensure that no persons will be nominated for election with whom a serious, non-temporary conflict of interests could arise due to other activities and functions performed by them outside the BMW Group, particularly advisory activities or directorships with customers, suppliers, creditors or other business partners.
- An age limit of 70 years shall generally be applied for membership of the Supervisory Board. In exceptional cases, members may remain in office until the end of the first ordinary Annual General Meeting after they reach the age of 73, in order to fulfil legal requirements or to facilitate a smooth succession in the case of key roles or specialised qualifications.
- As a general rule, shareholder representatives on the Supervisory Board should not hold office for longer than the end of the Annual General Meeting at which the resolution is passed ratifying the member's activities for the 11th financial year after initially taking office, not including the financial year in which the member's period of office began. This rule does not apply to natural persons who, directly or indirectly, hold significant investments in BMW AG. In BMW AG's interest, deviation from the general maximum period is possible, for instance in order to promote another composition target, in particular diversity of gender, as well as members' technical, professional and personal backgrounds.

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

#### **Self-assessment of the Supervisory Board as at 31 December 2023**

In the Supervisory Board's opinion, its composition as at 31 December 2023 fulfils the composition targets set out above and the competency profile. The skills matrix following this section shows the status of the implementation of these composition targets and the competency profile. This visualises the respective areas of the competency profile in which members of the Supervisory Board have expertise.

The skills matrix also indicates how long each member of the Supervisory Board has held office and the compliance with

Recommendations C.4 and C.5 of the DCGK regarding overboarding ("No Overboarding"). It also indicates whether the shareholder representatives on the Supervisory Board consider each shareholder representative independent of BMW AG and the Board of Management within the meaning of Recommendations C.6 and C.7 of the DCGK. This is the case in particular for the Chairman of the Supervisory Board and the Chairman of the Audit Committee. The Chairman of the Supervisory Board is also the Chairman of the Personnel Committee, which carries out preparatory work on the Board of Management's remuneration. BMW AG does not have a controlling shareholder within the meaning of Recommendation C.9 of the DCGK. No disclosures on the independence of a controlling shareholder are therefore required. The BMW Group Report includes disclosures on holdings in BMW AG's capital exceeding 10 % of the voting rights in the section "Disclosures Relevant for Takeovers and Explanatory Comments". The BMW Group Report is published on BMW Group's website at <https://ber-icht.bmwgroup.com> ("BMW Group Report").

At the reporting date, the Supervisory Board had six female members (30 % of the members), including three shareholder representatives and three employee representatives. The Supervisory Board had 14 male members (70 % of the members), including seven shareholder representatives and seven employee representatives. BMW AG thus complies with the statutory gender quota of at least 30 %, both for shareholder representatives and employee representatives. No member of the Supervisory Board had reached the standard retirement age of 70 as at 31 December 2023.

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

The members of the Audit Committee are collectively familiar with the sector in which BMW AG operates. Three members



have expertise in the field of accounting and/or auditing (financial experts). In each case, this includes sustainability reporting and auditing.

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

Dr-Ing Dr-Ing Eh Norbert Reithofer has been a member of the Audit Committee and Chairman of the Supervisory Board of BMW AG since 2015. During this time, he was particularly focused on the BMW AG's auditing processes and has acquired special knowledge and experience in auditing.

Another member of the Audit Committee, Rachel Empey, also has special knowledge and experience in the application of accounting principles and internal control and risk management systems, as well as in accounting. Ms Empey spent many years as a board member responsible for finance at listed companies (Fresenius Group and Telefónica Deutschland Holding AG) and as a member of the audit committee at the publicly listed company Inchcape plc (UK). She is also a qualified chartered accountant (England and Wales) and worked as an audit executive at Ernst & Young Ltd (UK).

Further information on the Supervisory Board members in financial year 2023 is provided in the overview starting on page 19.

SKILLS MATRIX

	Reithofer	Kimnich (from 18/01/2023)	Quandt	Schmid	Bock	Benner	Bitzer	Ebner	Empey	Hiesinger	Horn	Klatten	Köhler	Kurz	Mandl	Mohabeer	Schäferkordt	Schmidt	Sikka	Wankel
<b>General information</b>																				
<b>Initial appointment</b>	2015	2023	1997	2007	2018	2014	2021	2021	2021	2017	2021	1997	2021	2022	2022	2012	2020	2021	2019	2022
<b>Independent within the meaning of DCGK (C.6 et seq.)</b>	✓	n/a		n/a	✓	n/a	✓	n/a	✓	✓	n/a		n/a	n/a	n/a	n/a	✓	✓	✓	n/a
<b>No Overboarding</b> (in accordance with DCGK recommendations C.4 and C.5)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Diversity</b>																				
Gender	M	M	M	M	M	F	M	M	F	M	M	F	M	M	M	F	F	M	M	F
Year of birth	1956	1972	1966	1965	1958	1968	1965	1978	1976	1960	1958	1962	1964	1963	1984	1963	1962	1962	1967	1964
Nationality	DE	DE	DE	DE	DE	DE	DE	DE	UK/DE	DE	DE	DE	DE	DE	DE	DE	DE	DE/AUS	USA	DE
<b>Areas of competence</b>																				
<b>International experience</b>	✓		✓		✓	✓	✓		✓	✓	✓	✓		✓		✓	✓	✓	✓	
Europe	✓		✓		✓		✓		✓	✓	✓	✓		✓		✓	✓	✓	✓	
China			✓		✓		✓			✓		✓		✓					✓	
USA	✓		✓		✓	✓	✓			✓		✓		✓				✓	✓	
Other	✓				✓		✓											✓	✓	
<b>Knowledge within the BMW Group</b>	✓	✓		✓				✓					✓	✓	✓	✓				
<b>External management or supervisory experience</b>	✓	✓	✓		✓	✓	✓		✓	✓	✓	✓					✓		✓	✓
<b>Corporate strategy</b>	✓	✓	✓		✓	✓	✓		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
<b>Technology</b>	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓		✓	✓	✓		✓	✓	✓
<b>Purchasing/supply chains</b>					✓		✓			✓		✓		✓	✓	✓				✓
<b>Production/manufacturing</b>	✓	✓		✓			✓			✓		✓	✓		✓	✓				
<b>Sales/customer needs</b>	✓	✓					✓			✓		✓	✓	✓		✓	✓		✓	
<b>Finance</b>																				
Accounting, control systems	✓	✓	✓	✓	✓		✓		✓	✓	✓					✓	✓	✓		✓
Auditing	✓	✓	✓		✓		✓		✓	✓						✓				✓
Financial expert in accounting					✓				✓	✓										
Financial expert in auditing	✓				✓				✓											
<b>Capital market</b>	✓	✓			✓		✓		✓	✓		✓								
<b>Mobility</b>	✓	✓	✓			✓		✓		✓	✓	✓		✓		✓				✓
<b>Human resources/personnel management</b>	✓	✓	✓	✓		✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓		✓
<b>Compliance</b>	✓	✓	✓		✓		✓		✓	✓	✓			✓		✓				✓

<b>IT, digitalisation or artificial intelligence</b>	✓	✓	✓		✓	✓			✓	✓				✓		✓			✓	✓
<b>Change management/business transformation</b>	✓	✓	✓	✓	✓	✓	✓		✓	✓				✓	✓	✓	✓	✓	✓	✓
<b>Expertise in sustainability</b>																				
Environmental sustainability	✓	✓	✓		✓		✓				✓	✓	✓	✓				✓		✓
Social sustainability		✓		✓		✓	✓	✓		✓	✓	✓	✓		✓	✓		✓		✓
<b>Familiarity with corporate sector</b>	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓				✓



## OVERVIEW OF SUPERVISORY BOARD COMMITTEES AND THEIR COMPOSITION

### Principal duties, basis for activities

### Members

#### PRESIDING BOARD

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

Dr-Ing Dr-Ing Eh Norbert Reithofer<sup>1</sup>

Dr Martin Kimmich (since 23/01/2023)  
Stefan Quandt  
Stefan Schmid  
Dr Kurt Bock

#### PERSONNEL COMMITTEE

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

Dr-Ing Dr-Ing Eh Norbert Reithofer<sup>1</sup>

Dr Martin Kimmich (since 23/01/2023)  
Stefan Quandt  
Stefan Schmid  
Dr Kurt Bock

#### AUDIT COMMITTEE

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

Dr Kurt Bock<sup>1,2</sup>

Dr-Ing Dr-Ing Eh Norbert Reithofer<sup>3</sup>

Dr Martin Kimmich (since 23/01/2023)  
Stefan Quandt  
Stefan Schmid  
Rachel Empey<sup>2</sup>  
Dr Dominique Mohabeer

<sup>1</sup> Chair

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

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

## AUDIT COMMITTEE (CONTINUED)

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

## NOMINATION COMMITTEE

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

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

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## MEDIATION COMMITTEE

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

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

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<sup>1</sup> Chair

## CURRENT MEMBERS OF THE BOARD OF MANAGEMENT

Financial year 2023



**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 1 November 2023  
Customer, Brands, Sales

### Mandates

— Rolls-Royce Motor Cars Limited\*.,\*\*., Chairman (since 1 November 2023)



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



**Walter Mertl** (b. 1974)  
Member since 12 May 2023  
Finance

### Mandates

— BMW Brilliance Automotive Ltd.\*.,\*\*., Chairman (since 12 May 2023)



**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  
Purchasing and Supplier Network



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



## OUTGOING MEMBERS OF THE BOARD OF MANAGEMENT

Financial year 2023



**Pieter Nota** (b. 1964)

Member from 2018 until 31 October 2023

Customer, Brands, Sales

### Mandates

— Rolls-Royce Motor Cars Ltd.\*,\*\*, Chairman  
(until 1 November 2023)



**Dr Nicolas Peter** (b. 1962)

Member from 2017 until 11 Mai 2023

Finance

### Mandates

— BMW Brilliance Automotive Ltd.\*,\*\*, Chairman  
(until 11 May 2023)

\* 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

## CURRENT MEMBERS OF THE SUPERVISORY BOARD

Financial year 2023



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

### Mandates

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



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



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



**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



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

### Mandates

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

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

- <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



**Christiane Benner**<sup>2</sup> (b. 1968)  
 Member since 2014, elected until the AGM 2024  
 First Chairwoman of IG Metall (since 23 October 2023)

**Mandates**

- Continental AG, Deputy Chairwoman



**Dr Marc Bitzer** (b. 1965)  
 Member since 2021, elected until the AGM 2025  
 Chairman and CEO of Whirlpool Corp.

**Mandates**

- Simex Trading AG\*
- Whirlpool Corp., Chairman



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



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

**Mandates**

- ZF Friedrichshafen AG\* (since 15 March 2023)



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

**Mandates**

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



**Johann Horn**<sup>2</sup> (b. 1958)  
 Member since 2021, appointed until the AGM 2024  
 Union Secretary

**Mandates**

- Siemens Healthcare GmbH\*

<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



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

**Mandates**

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

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



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



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



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



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

**Mandates**

- Serviceplan Group Management SE\*
- Wayfair Inc.



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

<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





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

**Mandates**

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



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

**Mandates**

- GSK plc.
- Oracle Corp.



**Sibylle Wanke**<sup>1</sup> (b. 1964)  
Member since 2022, appointed until the AGM 2024  
Managing Director and First Representative of IG Metall's Munich Office

**Mandates**

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

<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

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

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### BMW AG

On 7 July 2020 the Board of Management has set a target range of 10 to 15% of female managers for the first two management levels below the Board of Management of BMW AG in Germany. The target achievement deadline is 31 December 2025.

As of 31 December 2023, the proportion of female managers at BMW AG in Germany was 12.0% at management level I and 9.8% at management level II.

The management level is expressed as a functional level and is based on a consistent system of functional evaluation according to Mercer.

For BMW AG, management level I therefore corresponds to functional level I and management level II corresponds to functional level II.

Within BMW Group, BMW Bank GmbH and Alphabet Fuhrparkmanagement GmbH are also required to comply with legal requirements on targets for the proportion of women in management boards, the supervisory board and management levels I and II below the management board. In both companies, management level I (excluding management board) corresponds to either functional level II or III and management level II corresponds to functional level IV.

### BMW Bank GmbH

BMW AG, as a shareholder of BMW Bank GmbH, adopted targets for the proportion of women in the management and supervisory board of BMW Bank GmbH on 23 April 2021. For the Management Board the target is 1 (one woman) and for the Supervisory Board which consists of six members the target is 2 (two women). In both cases, the target achievement deadline is 31 December 2025.

The Management Board of BMW Bank GmbH has set a target of 17.5% female managers for management level I and a target of 30% female managers for management level II. For both levels of management, the target achievement deadline is 31 December 2025. The branches of BMW Bank GmbH in Spain, Portugal and Italy are included in the target setting and target fulfilment determination.

As of 31 December 2023, the proportion of female managers was 15.2% at management level I and 32.8% at management level II.

### Alphabet Fuhrparkmanagement GmbH

Alphabet Fuhrparkmanagement GmbH is also a 100% subsidiary of BMW AG. On 30 August 2021, the shareholder of Alphabet Fuhrparkmanagement GmbH adopted targets for the proportion of women in the Management Board and in the Supervisory Board of Alphabet Fuhrparkmanagement GmbH. For the Management Board the target is 1 (one woman) and for the Supervisory Board which consists of six members the target is 2 (two women). In both cases, the target achievement deadline is 31 July 2026.

On 17 March 2021, the Management Board of Alphabet Fuhrparkmanagement GmbH set a target of 30% female managers for management level I. The target share of female managers at management level II was raised from 20% to

30% on 12 July 2023. For both levels of management, the target achievement deadline is 31 December 2025.

As of 31 December 2023, the proportion of female managers was 0% at management level I and 31% at management level II.

Further information on employee diversity in the BMW Group can be found in the BMW Group Report 2023 in the chapter "Diversity, Equal Opportunities and Inclusion".

## INFORMATION ON CORPORATE GOVERNANCE PRACTICES APPLIED BEYOND MANDATORY REQUIREMENTS.

### Core values and guiding principles

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

#### Responsibility

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

#### Appreciation

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

#### Transparency

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

## Trust

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

## Openness

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

In addition to these lived core values, our claim to managers is set out in the BMW management concept "BE MORE BMW". In a world full of paradoxes and conflicting goals, external expectations of companies regarding ethical and sustainable behaviour have increased. Leadership not only takes place within the company but is effective when it keeps an eye on the environment with all stakeholders. Therefore, in addition to management performance, BMW's management concept also addresses the role of managers in relation to the entire company and the therefore required attitude.

## BMW Group Code of Conduct and social responsibility towards employees and along the supply chain

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With its core values and guiding principles in mind, the BMW Group is aware of its corporate and social responsibility towards its employees and in the entire supply and value chain. To this end, BMW AG comprehensively revised the BMW Group Code of Conduct (formerly "BMW Compliance Code") as of 1 December 2023. It is implemented using a variety of different measures. The BMW Group Code of Conduct is available at: [www.bmwgroup.com/compliance](http://www.bmwgroup.com/compliance).

Further information can be found in the BMW Group Report in section "Compliance and Human Rights". In the area of human

rights and social standards, we are bound by statutory requirements such as the German Supply Chain Due Diligence Act as well as by various internationally recognised guidelines and standards. The company has adopted the content and principles of these standards internally. These include the OECD's guidelines, the UN Guiding Principles on Business and Human Rights, as well as the ten guidelines of the UN Global Compact. In addition, we are actively committed to implementation of the National Action Plan on the Economy and Human Rights (NAP). Dialogue has been established with the automotive industry in collaboration with the Federal Ministry of Labour and Social Affairs in Germany. The goal is to provide direction to companies in industries with particular human rights challenges, and to support them with appropriate implementation of human rights due diligence procedures.

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

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

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

Against the background of the implementation of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz), existing measures to comply with the law throughout the value chain were further continuously developed in terms of organisation and content. For example, the BMW Group Code on Human Rights and Working Conditions was updated and republished as of 1 December 2023. Details on this can be found in the BMW Group Report in the sections "Compliance and Human Rights" and "Social and ecological Responsibility", while further information on protection of employee health and safety at the workplace can be found in the section "Employees and Society". Additional information is also available on BMW Group's website at [www.bmw-group.com/human-rights](http://www.bmw-group.com/human-rights) under "Respect for people and the environment".

## Goal-oriented management of sustainability

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

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

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### **AGM voting results:**

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

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

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

### **BMW Group Code of Conduct:**

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

### **Sustainability:**

<https://www.bmwgroup.com/en/sustainability.html>

### **BMW Group Report 2023 including the Auditor's Report:**

<https://report.bmwgroup.com>

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

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

### **Declarations of Compliance:**

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

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

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

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

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

### **Report of the Supervisory Board on the Financial Year 2023:**

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

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

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





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