

BMW
GROUP



ROLLS-ROYCE
MOTOR CARS LTD

GRI CONTENT INDEX

2023

PRINCIPLES AND GENERAL DISCLOSURES

This report was prepared in accordance with the 2021 Global Reporting Initiative Standards. All relevant content pertaining to the GRI was included in the audit of the report.

GRI 1: FOUNDATION

Statement of use	The BMW Group reporting complies with the GRI Standards for the 2023 reporting year (1 January 2023 to 31 December 2023)
GRI applied	GRI 1: Foundation 2021
Applicable GRI sector standard(s)	None

GRI 2: GENERAL DISCLOSURES

GRI Standards	BMW Group Report 2023	Notes
The organisation and its reporting practices		
GRI 2-1: Organisational details	<ul style="list-style-type: none"> ➤ Overview of the BMW Group ➤ Disclosures Relevant for Takeovers and Explanatory Comments 	
GRI 2-2: Entities included in the organisation's sustainability reporting	<ul style="list-style-type: none"> ➤ Overview of the BMW Group ➤ List of Investments 	
GRI 2-3: Reporting period, frequency and contact point	<ul style="list-style-type: none"> ➤ About This Report ➤ Contact 	
GRI 2-4: Correction or restatements of information	<ul style="list-style-type: none"> ➤ About This Report 	Where necessary, new definitions, calculation methods or scopes are described as footnotes to the relevant key indicators.
GRI 2-5: External assurance	<ul style="list-style-type: none"> ➤ About This Report ➤ Independent Auditor's Report ➤ Independent Practitioner's Report 	
Activities and employees		
GRI 2-6: Activities, value chain and other business relationships	<ul style="list-style-type: none"> ➤ Overview of the BMW Group ➤ Production Network ➤ Purchasing and Supplier Network ➤ Supply Chains and Supplier Network 	
GRI 2-7: Employees	<ul style="list-style-type: none"> ➤ Employer Attractiveness and Employee Development ➤ Attractive Employment Conditions 	The number of employees includes BMW AG and all companies in which it has a majority holding, regardless of whether they are consolidated. Employees in dormant employment relationships, in the non-work phase of partial retirement working arrangements and low-income earners are not included. It is not currently possible to issue disclosures on "non-guaranteed hours employees" because this information is not recorded systematically throughout the Group. Because the rollout of the international IT system is planned until 2026 and the manual workload is too high, it will not be possible to conduct a systematic analysis until then.
GRI 2-8: Workers who are not employees		Supervised workers are employed both directly and indirectly. The number of supervised workers is subject to short-term fluctuations, particularly during the main holiday period of the core workforce in the summer. As a result of changing labour markets and the challenges of worker availability, statements regarding the number of supervised workers and their composition by gender constitute a competitive factor and are therefore not disclosed for reasons of confidentiality.

GRI Standards	BMW Group Report 2023	Notes
Governance		
GRI 2-9: Governance structure and composition	<ul style="list-style-type: none"> ➤ Cornerstones of the Strategy ➤ Performance Indicators and Performance Management 	Other information: ➤ Statement of Corporate Governance
GRI 2-10: Nomination and selection of the highest governance body	<ul style="list-style-type: none"> ➤ Report of the Supervisory Board 	Other information: ➤ Statement of Corporate Governance
GRI 2-11: Chair of the highest governance body	<ul style="list-style-type: none"> ➤ Report of the Supervisory Board 	The Chairman of the Supervisory Board has no executive function. Other information: ➤ Statement of Corporate Governance
GRI 2-12: Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> ➤ Report of the Supervisory Board ➤ Performance Indicators and Performance Management ➤ Stakeholder Engagement ➤ The Board of Management's collaboration with stakeholders to identify and manage impacts 	<p>The Board of Management is made aware of stakeholder feedback and positions through a variety of channels, for example in regular Board meetings, in direct dialogue with stakeholder groups (such as investors or political decision-makers) and, last but not least, through briefings conducted by the company's specialist departments, especially prior to attending major events such as OECD conferences or the Group's Annual General Meetings. The Chairman of the Supervisory Board in particular maintains contact with stakeholders (e.g. investors). The members of the Supervisory Board attend the Annual General Meeting, and many of them also interact with stakeholders as part of their other activities and mandates.</p> <p>Other information: ➤ Statement of Corporate Governance</p>
GRI 2-13: Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> ➤ Cornerstones of the Strategy ➤ Performance Indicators and Performance Management 	Other information: ➤ Statement of Corporate Governance
GRI 2-14: Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> ➤ About This Report ➤ Report of the Supervisory Board 	<p>Overall responsibility lies with the Board of Management of the BMW Group. The Supervisory Board is responsible for reviewing the information as part of the non-financial statement (NFS). The external audit supports the Supervisory Board in fulfilling its auditing duties.</p> <p>Other information: ➤ Statement of Corporate Governance</p>
GRI 2-15: Conflicts of interest	<ul style="list-style-type: none"> ➤ Report of the Supervisory Board 	<p>Other information:</p> <ul style="list-style-type: none"> ➤ BMW Group Code of Conduct ➤ Statement of Corporate Governance
GRI 2-16: Communication of critical concerns	<ul style="list-style-type: none"> ➤ Regular Compliance Reporting to the Board of Management and Supervisory Board ➤ Compliance and Reporting Systems 	<p>The number and type of critical concerns is deemed confidential under competition law and is not communicated externally by the BMW Group.</p> <p>Other information: ➤ Statement of Corporate Governance</p>
GRI 2-17: Collective knowledge of the highest governance body	<ul style="list-style-type: none"> ➤ Report of the Supervisory Board 	<p>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.</p> <p>Other information: ➤ Statement of Corporate Governance</p>

GRI Standards	BMW Group Report 2023	Notes
GRI 2-18: Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> ➤ Report of the Supervisory Board ➤ Remuneration Report 	Other information: ➤ Statement of Corporate Governance
GRI 2-19: Remuneration policies	<ul style="list-style-type: none"> ➤ Performance Indicators and Performance Management ➤ Remuneration Report ➤ Attractive Employment Conditions 	
GRI 2-20: Process for determining remuneration	<ul style="list-style-type: none"> ➤ Report of the Supervisory Board ➤ Remuneration Report 	
GRI 2-21: Annual total compensation ratio	<ul style="list-style-type: none"> ➤ Attractive Employment Conditions 	The annual remuneration of the highest paid employee and the average annual remuneration of the workforce as a whole are reported on the basis of remuneration levels at BMW AG in accordance with the Remuneration Report. As a result of our global approach, the ratio of the annual remuneration of the highest paid employee to the average across the workforce is in line with the market but may still vary widely between countries, depending on the market spread between countries. It is not possible to issue disclosures for individual countries because this information is not recorded systematically throughout the Group. For 2024, we are preparing to determine the annual total compensation ratio throughout the Group in line with ESRS standards.
Strategy, policies and practices		
GRI 2-22: Statement on sustainable development strategy	<ul style="list-style-type: none"> ➤ Statement of the Chairman of the Board of Management 	
GRI 2-23: Policy commitments	<ul style="list-style-type: none"> ➤ Compliance as a Corporate Function ➤ CMS Monitoring and Controls ➤ Respect for Human Rights ➤ Electromobility ➤ Decarbonising the Entire Value Chain ➤ Quality Management ➤ Social and Environmental Responsibility ➤ Resource Management at All BMW Group Sites 	<p>The BMW Group is committed to respecting internationally recognised human rights. In addition to local requirements, the BMW Group recognises the following international standards in its business activities:</p> <p>The International Bill of Human Rights, comprising the United Nations 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), The UN Guiding Principles on Business and Human Rights, The ILO Declaration on Fundamental Principles and Rights at Work, The ILO's Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) and ILO Standard 169, The Guidelines for Multinational Companies issued by the Organisation for Economic Cooperation and Development (OECD), and The Ten Principles of the UN Global Compact, which we signed in 2001.</p> <p>Through this external framework, we place specific demands upon ourselves, our supply chain and other business partners, which are anchored within our Group-wide regulations.</p> <p>Other information:</p> <ul style="list-style-type: none"> ➤ BMW Group Code of Conduct ➤ BMW Group Value-based HR Policy ➤ BMW Group Joint Declaration on Human Rights and Labour Conditions ➤ BMW Group Code on Human Rights and Working Conditions ➤ BMW Group Environmental Policy ➤ BMW Group Supplier Code of Conduct ➤ BMW Corporate Values

GRI Standards	BMW Group Report 2023	Notes
GRI 2-24: Embedding policy commitments	<ul style="list-style-type: none"> ➤ Further Development of the CMS ➤ Group-wide Compliance Network ➤ Compliance Training ➤ Social and Environmental Responsibility ➤ Respect for Human Rights ➤ Due Diligence in the Supplier Network ➤ Diversity, Equal Opportunities and Inclusion 	<p>Within Group Compliance, there are clear responsibilities for the overarching concept to ensure compliance with human rights and associated environmental rights, as well as for guiding our due diligence processes within our own business division and by other business partners. The Purchasing and Supplier Network area is responsible for guiding our due diligence processes within the supplier network. Other divisions, such as Occupational Health and Safety and Environmental Protection, issue regular and ad-hoc reports not only to the people in the relevant responsible roles, but also to the Human Rights Officer in accordance with defined criteria within the scope of the German Supply Chain Due Diligence Act.</p> <p>Regular, comprehensive training within the company helps to support the effective implementation of human rights-related and environment-related due diligence processes. Human rights-related and environment-related due diligence are covered in the onboarding process for new members of staff and are part of web-based training such as the Group-wide online training in the fundamentals of compliance. Participation in basic training every two years is mandatory for all employees in indirect areas worldwide.</p> <p>We also ensure that the relevant expertise is communicated within the respective divisions. Supplementary training specific to the target group is also used based on risk; for example, in the Compliance, Purchasing and Production departments. We created a training programme, for example, that uses modular learning formats on the subject of sustainability in the supply chain and is targeted at purchasers, internal process partners and suppliers. More information about this can be found online.</p> <p>Furthermore, international purchasing conditions and General Terms of Purchasing, as well as global dealership and importer contracts, all include specific clauses on compliance and human rights. The sustainability assessment of the supplier's site is a major criterion in selecting a supplier, for example.</p>
GRI 2-25: Processes to remediate negative impacts	<ul style="list-style-type: none"> ➤ Further Development of the CMS ➤ Compliance and Reporting Systems ➤ Diversity, Equal Opportunities and Inclusion ➤ Social and Environmental Responsibility 	<p>BMW Group employees can contact their manager or the Compliance department if they have any questions relating to the topic of compliance. In addition, the BMW Group Compliance Contact is also available to employees and non-employees. Phone: +49 (0)89 3826 0000 E-mail: compliance@bmwgroup.com</p> <p>The BMW Group also offers the opportunity to submit information relating to possible infringements of the law at the Company anonymously and confidentially via the BMW Group SpeakUP Line. The same applies for risks and weak points that could lead to legal violations. All information is reviewed carefully in line with the relevant regulations. Compliance with the ban on discriminating against whistleblowers acting in good faith is particularly important to us, and we are guided by a presumption of innocence. The local freephone BMW Group SpeakUP Line is available in 30 different languages in all countries in which BMW Group employees work. For more information about this, please visit the BMW Group website.</p>
GRI 2-26: Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> ➤ Further Development of the CMS ➤ Compliance and Reporting Systems ➤ Diversity, Equal Opportunities and Inclusion ➤ Social and Environmental Responsibility 	
GRI 2-27: Compliance with laws and regulations	<ul style="list-style-type: none"> ➤ Compliance Management System (CMS) ➤ Compliance and Reporting Systems ➤ Risks and Opportunities 	<p>Where applicable, significant administrative proceedings are covered in the Risk and Opportunity Report. For reasons of confidentiality (protection of trade secrets), no results or details of internal compliance investigations are published.</p>

GRI Standards	BMW Group Report 2023	Notes
GRI 2-28: Membership associations	<ul style="list-style-type: none"> ↗ Worldwide Cooperations and Partnerships ↗ Stakeholder Engagement ↗ Further Development of the CMS ↗ Digitalisation in the Supply Chain ↗ Social and Environmental Responsibility ↗ Investments in Resource-Friendly Technologies 	
Stakeholder Engagement		
GRI 2-29: Approach to stakeholder engagement	<ul style="list-style-type: none"> ↗ Cornerstones of the Strategy ↗ Dialogue with Stakeholders ↗ Stakeholder Engagement ↗ Employee Involvement 	The BMW Group continuously communicates with a large number of different stakeholder groups. This communication shapes our Stakeholder Engagement Policy. Stakeholders are identified on the basis of guidelines set out in the relevant AA1000 Standard. Depending on the situation, different forms and methods of engagement are applied.
GRI 2-30: Collective bargaining agreements	<ul style="list-style-type: none"> ↗ SASB Index: Working Practices ↗ Share of employees represented by a trade union or falling under collective agreements 	

GRI 3: MATERIAL TOPICS

GRI Standards	BMW Group Report 2023	Notes
GRI 3-1: Process to determine material topics	↗ About This Report	
GRI 3-2: List of material topics	↗ About This Report	

MATERIAL TOPICS

GRI Standards	BMW Group Report 2023	Notes
Compliance		
GRI 3-3: Management of material topics	<ul style="list-style-type: none"> ➤ Compliance as a Corporate Function ➤ Compliance Management System (CMS) ➤ CMS Monitoring and Controls 	
GRI 205-1: Operations assessed for risks related to corruption	<ul style="list-style-type: none"> ➤ Compliance Management System (CMS) 	For reasons of confidentiality (protection of trade secrets), we do not disclose the number or percentage of operations assessed for risks related to corruption, or the risks identified.
GRI 205-2: Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> ➤ Compliance Training 	The BMW Group Code of Conduct enshrines the BMW Group commitment to compliance with valid legislation and the relevant internal regulations in place. It applies to all BMW Group sites and thus forms a binding framework for all employees worldwide. The BMW Group Code of Conduct is communicated to the employees via the BMW Group Intranet. Upon their appointment, the members of the Board of Management of BMW AG receive a letter with information on their corporate governance duties. They are required to dutifully and responsibly comply with the principles for preventing compliance violations set out in the BMW Group Code of Conduct and to see to it that these principles are implemented within the company. The BMW Group Code of Conduct also covers anti-corruption measures. Furthermore, members of the Board of Management are required to participate in online compliance training in "Antitrust Compliance" and "Compliance Essentials" and to sign the relevant declaration of compliance. For reasons of confidentiality, no further disclosures are made beyond the training statistics reported in the chapter "Compliance and Human Rights". The ➤ BMW Group Supplier Code of Conduct includes a reference to corruption prevention activities. It is not possible to quantify the business partners informed in detail for reasons of confidentiality so that no conclusions can be drawn about the exact size of the supplier network, for example.
GRI 205-3: Confirmed incidents of corruption and actions taken	<ul style="list-style-type: none"> ➤ Compliance Management System (CMS) 	The BMW Group has no information about proceedings regarding active cases of corruption. Furthermore, we do not make statements on the results and details of internal investigations for reasons of confidentiality (reasons of competition and protection of trade secrets). In general, confirmed cases of corruption – as with other compliance violations – result in sanctions of the employees responsible, provided violations can be attributed to an individual or individuals. Sanctions are determined in accordance with defined processes and cover the whole range of possible measures, including HR measures such as reprimands, written warnings, reduction of bonuses, relocation and (immediate) dismissal, in order to avoid their being repeated and to punish the individual's misconduct.
GRI 206-1: Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	<ul style="list-style-type: none"> ➤ Legal Risks ➤ Compliance Management System (CMS) 	Significant administrative proceedings are covered in the Risk and Opportunity Report. Furthermore, we do not make statements on the total number of cases or the major results of concluded proceedings for reasons of confidentiality (reasons of competition and protection of trade secrets).

GRI Standards	BMW Group Report 2023	Notes
Alternative drivetrain technologies		
GRI 3-3: Management of material topics	↗ Electromobility	
Responsible digitalisation		
GRI 3-3: Management of material topics	<ul style="list-style-type: none"> ↗ Further Development of the CMS ↗ Customer Data Protection ↗ Secure Connectivity ↗ Digitalisation – An Opportunity for Innovation and Customer Orientation ↗ The Vehicle as a Digital Experience ↗ Digital connectivity and automation ↗ Digitalisation Supports Compliance 	Digitalisation plays a focal role throughout the entire BMW Group. As a result, responsibilities for the topic are distributed through the individual departments. Some areas of focus include the digitalisation of processes, data and information security and the increasing connectivity of vehicles, combined with the safeguarding of digital processes and services. The BMW Group wants to continue to shape the development and application of digital solutions based on responsible criteria. We generally digitalise where it makes business processes or roles more efficient while guaranteeing quality and security. We also apply this approach to digital connectivity in our products and services. In doing so, we align ourselves with our customers' needs. In the BMW Group, the protection of data and information is based on the relevant laws and standards, particularly the General Data Protection Regulation (GDPR) and the ISO/IEC 27001 international security standard.
GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	↗ Customer Data Protection	For reasons of confidentiality in competition, we do not report on the number of complaints regarding data privacy issues. In order to ensure fast response times throughout the Group, internal processes for measuring incidents relating to data privacy and customer data are continually optimised. In the event of the loss of customer data, the BMW Group informs the relevant supervisory authorities within the scope of the applicable legal requirements.
Product and road safety		
GRI 3-3: Management of material topics	↗ Product Quality and Safety	
GRI 416-1: Assessment of the health and safety impacts of product and service categories	<ul style="list-style-type: none"> ↗ Quality Management ↗ Product Quality and Safety 	During development and production, all BMW Group vehicles are subjected to strict testing with regard to product safety, conformity and health.
GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	↗ Quality Management	

GRI Standards	BMW Group Report 2023	Notes
Decarbonisation along the value chain		
GRI 3-3: Management of material topics	<p>The BMW Group Strategy Climate Change and Decarbonisation ↗ Position – What Does the BMW Group Stand For? ↗ Performance Indicators and Performance Management ↗ Managing Sustainability</p> <p>Products ↗ Carbon Emissions ↗ Reducing Carbon Emissions across the entire Value Chain ↗ As in Previous Years, Statutory Carbon Emissions Limits during the Use Phase are met again</p> <p>Production and Supplier Network ↗ Carbon emissions generated at BMW Group Locations ↗ Carbon Emissions in the Supply Chain ↗ Energy Use and Carbon Emissions</p>	The BMW Group strongly encourages its suppliers to set themselves targets in accordance with the Paris Climate Agreement and thus to help limit global warming. In addition to measures within the supply chain, carbon reductions are also actively managed at all stages of the value chain, primarily in vehicle manufacturing, during their use phase and in recycling.
GRI 201-2: Financial implications for the organisation and other risks and opportunities due to climate change	↗ Climate-related Risks and Opportunities ↗ Carbon emissions generated at BMW Group Locations	The financial measurement of climate-related risks constitutes a competitive factor and is therefore not disclosed for reasons of confidentiality. For this reason, the results are published in qualitative form through external reporting.
GRI 302-4: Reduction of energy consumption	↗ Energy Use and Carbon Emissions ↗ Carbon emissions generated at BMW Group Locations ↗ Resource Management at All BMW Group Locations ↗ Energy Management and Efficiency	
GRI 302-5: Reductions in energy requirements of products and services	↗ Electromobility ↗ As in Previous Years, Statutory Carbon Emissions Limits during the Use Phase are met again ↗ Making Conventional Drivetrains More Efficient and Lowering their Emissions ↗ Reducing Carbon Emissions across the entire Value Chain	
GRI 305-1: Direct (Scope 1) GHG emissions	<p>Products ↗ Energy Use and Carbon Emissions ↗ Reducing Carbon Emissions across the entire Value Chain ↗ As in Previous Years, Statutory Carbon Emissions Limits during the Use Phase are met again</p> <p>Production and Supplier Network ↗ Carbon emissions generated at BMW Group Locations ↗ Further GRI Information</p>	The BMW Group only reports on carbon emissions, not CO ₂ e, in accordance with the “Operational Control” option of the GHG Protocol. The occasional combustion of wood pellets results in biogenic carbon dioxide (CO ₂) emissions; however, these are deemed carbon-neutral as a result of their origin.

GRI Standards	BMW Group Report 2023	Notes
GRI 305-2: Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> ➤ Reducing Carbon Emissions across the entire Value Chain ➤ Carbon emissions generated at BMW Group Locations ➤ Further GRI Information 	The BMW Group only reports on carbon emissions, not CO ₂ e, in accordance with the "Operational Control" option of the GHG Protocol.
GRI 305-3: Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> ➤ As in Previous Years, Statutory Carbon Emissions Limits during the Use Phase are met again ➤ Further GRI Information 	Carbon emissions in the supply chain, including in transport logistics, as well as in the upstream fuel production (well-to-tank) are referred to as CO ₂ e.
GRI 305-4: GHG emissions intensity	<ul style="list-style-type: none"> ➤ Carbon emissions generated at BMW Group Locations ➤ Further GRI Information 	
GRI 305-5: Reduction of GHG emissions	<ul style="list-style-type: none"> ➤ Electromobility ➤ As in Previous Years, Statutory Carbon Emissions Limits during the Use Phase are met again ➤ Further Reduction in Pollutant Emissions ➤ Carbon emissions generated at BMW Group Locations ➤ Further GRI Information 	
Responsible sourcing		
GRI 3-3: Management of material topics	<ul style="list-style-type: none"> ➤ Purchasing and Supplier Network ➤ Raw Materials Security and Strategy 	<p>The ➤ BMW Supplier Code of Conduct defines the minimum requirements and expectations of suppliers and is contractually anchored as part of the purchasing terms and conditions.</p> <p>The aim is to further reduce any potential negative impacts of our business activities in our supply chains. In addition to avoiding, substituting or reducing the use of primary risk raw materials, we also rely on a close relationship with our partners in the supplier network. In order to continually improve our due diligence processes, the BMW Group is also involved in various initiatives, such as Drive Sustainability and the Responsible Business Alliance (RBA) with the aim of achieving standardisation (e.g. sustainability surveys, RBA assessment programme and the RBA Voices complaint mechanism). Furthermore, the BMW Group is active in multi-stakeholder initiatives, such as the Initiative for Responsible Mining Assurance (IRMA), the Aluminium Stewardship Initiative (ASI), the Global Platform for Sustainable Natural Rubber (GPSNR) and the Responsible Mica Initiative (RMI) in order to establish and develop certification systems for suppliers, among other things.</p>
GRI 204-1: Proportion of spending on local suppliers	<ul style="list-style-type: none"> ➤ Regional Distribution of the BMW Group's Purchased Volumes 	The organization's geographic definition of "local" and the definition used for "significant locations of operation" are not reported for reasons of confidentiality.
GRI 308-1: New suppliers that were screened using environmental criteria	<ul style="list-style-type: none"> ➤ Purchasing and Supplier Network ➤ Sustainability Assessment of Relevant Supplier Locations 	The BMW Group uses a risk-based approach at the sites of direct and indirect suppliers. One central component in the evaluation of the potentially negative impacts of the supply chain is the sustainability survey that is part of the Drive Sustainability initiative. This requires suppliers to issue disclosures on their sustainability activities and the preventive measures they have put in place to minimise risks.

GRI Standards	BMW Group Report 2023	Notes
GRI 308-2: Negative environmental impacts in the supply chain and actions taken	<ul style="list-style-type: none"> ➤ Purchasing and Supplier Network ➤ Sustainability Assessment of Relevant Supplier Locations 	<p>During the reporting year, 7,650 (2022: 7,183*) supplier sites were evaluated using an industry-specific sustainability survey. The minimum requirements of the BMW Group must be implemented by an agreed date and no later than the start of production.</p> <p>Assessments were also carried out on environmental and social standards at selected supplier locations with risk as a criteria. The top three areas of focus determined as part of the supplier assessments in terms of environmental protection relate to the management of hazardous waste, waste management, water management and emissions.</p> <p>* The number of supplier sites evaluated in the previous year using the sustainability survey was reported at 4,260. This was adjusted for reasons of comparison because the method for calculating the figure was developed in 2023.</p>
GRI 407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<ul style="list-style-type: none"> ➤ Social and Environmental Responsibility ➤ Further GRI Information 	<p>The BMW Group recognises the right of all employees to representation and to conduct collective bargaining in order to negotiate working conditions. At locations where employees do not have representation, the BMW Group promotes regular dialogue between employees and the company. Beyond our own processes, we also champion the right to freedom of association and collective bargaining within our supplier network. The relevant requirements for our suppliers are set out in the BMW Supplier Code of Conduct. Compliance is regularly monitored based on risk via the sustainability survey and the assessment programme. Risks to human rights (including risks regarding the right to freedom of association and collective bargaining) are reported on the website.</p>
GRI 408-1: Operations and suppliers at significant risk for incidents of child labour	<ul style="list-style-type: none"> ➤ Social and Environmental Responsibility ➤ Further GRI Information 	<p>In line with the ILO's fundamental working standards, the BMW Group complies with the minimum working age and absolutely rejects child labour. Beyond our own processes, we also advocate for the ban on child labour within our supplier network. The relevant requirements for our suppliers are set out in the BMW Supplier Code of Conduct. Compliance is regularly monitored based on risk via the sustainability survey and the assessment programme. Risks to human rights (including risks regarding child labour) are reported on the website.</p>
GRI 414-1: New suppliers that were screened using social criteria	<ul style="list-style-type: none"> ➤ Purchasing and Supplier Network ➤ Social and Environmental Responsibility ➤ Sustainability Assessment of Relevant Supplier Locations ➤ Further GRI Information ➤ Due Diligence in the Supplier Network 	<p>See GRI 308-1</p>
GRI 414-2: Negative social impacts in the supply chain and actions taken	<ul style="list-style-type: none"> ➤ Purchasing and Supplier Network ➤ Social and Environmental Responsibility ➤ Sustainability Assessment of Relevant Supplier Locations ➤ Due Diligence in the Supplier Network 	<p>For the sustainability assessment of supplier sites in general, see GRI 308-2. The top three focus areas relating to working conditions that were identified in the supplier assessments are working hours, emergency preparedness and occupational health and safety.</p>

GRI Standards	BMW Group Report 2023	Notes
Environmental and resource management in line with the principle of the circular economy		
GRI 3-3: Management of material topics	<ul style="list-style-type: none"> ➤ Circular Economy, Resource Efficiency and Renewable Energy ➤ Closing Material Loops ➤ Investments in Resource-Friendly Technologies ➤ Resource Management at All BMW Group Locations ➤ Social and Environmental Responsibility 	<p>Descriptions of our own processes can be found in the chapter ➤ Circular Economy, Resource Efficiency and Renewable Energy.</p> <p>Beyond our own processes, we promote the responsible use of resources and the reduction and proper handling of waste within our supplier network. The relevant requirements for our suppliers are set out in the ➤ BMW Supplier Code of Conduct. Compliance is regularly monitored via the sustainability survey (for example, in the form of an environmental management system) and the RBA audit programme.</p>
GRI 301-1: Materials used by weight or volume	<ul style="list-style-type: none"> ➤ Closing Material Loops ➤ Further GRI Information 	<p>Materials used by weight or volume: ➤ Closing Material Loops. Division of the total weight into non-renewable and renewable materials is not possible since this information cannot be reliably compiled at present. We are currently examining whether, and by when, the data can be collected with reasonable effort.</p>
GRI 301-2: Recycled input materials used	<ul style="list-style-type: none"> ➤ Closing Material Loops 	<p>Division of the total vehicle weight into primary and secondary materials is not possible since this information cannot be reliably compiled at present. The BMW Group already knows the proportion of secondary materials in select materials and components. The BMW Group is specifying product, material and supplier requirements and is expected to report the proportion of secondary materials in select vehicles at the launch of the NEUE KLASSE.</p>
GRI 301-3: Reclaimed products and their packaging materials	<ul style="list-style-type: none"> ➤ Closing Material Loops 	<p>Packaging: No packaging is used when vehicles are delivered to end customers. For transport to dealerships, the BMW Group uses closed wagons or protective film. If parts are sent to regional distribution centres, redundant packaging material (used in transport and to protect separate parts) is disposed of professionally by certified waste disposal experts. In the wider supply chain from regional distribution centres to BMW Group dealerships, disposal of redundant packaging materials (including protective films) is the responsibility of dealerships, though it is organised, paid for and monitored centrally by the BMW Group. Customers who buy replacement parts or lifestyle items have the option of returning the packaging materials via the dual system that is regulated by law in Germany. The basis for this is the system participation requirement for sales and shipping packaging.</p> <p>The exact percentage of reused packaging categories cannot be disclosed since these data are only required by law and collected in Germany. As a result of country-specific systems for collecting recyclables, there is no comprehensive system available to provide global figures. The precise percentages of recycled products therefore cannot be recorded. For the reasons mentioned above, it will not be possible to adjust the data collection in the future.</p>
GRI 302-1: Energy consumption within the organisation	<ul style="list-style-type: none"> ➤ Energy Management and Efficiency ➤ Further GRI Information 	<p>At a few Group locations, heat is generated to a small extent via steam. However, data by type of externally sourced district heating supply are not collected. The calorific values of the fossil fuels are, in some cases, taken from the invoices of the energy providers. The BMW Group provides balancing power to stabilise the public power grid. However, energy sales are not part of the BMW Group's business model.</p>
GRI 302-3: Energy intensity	<ul style="list-style-type: none"> ➤ Energy Use and Carbon Emissions ➤ Energy Management and Efficiency 	

GRI Standards	BMW Group Report 2023	Notes
GRI 304-2: Significant impacts of activities, products and services on biodiversity	↗ Biodiversity	The BMW Group pays particular attention to protecting biodiversity in its production and construction activities. In order to evaluate impacts and mitigate them appropriately, we always take the local context into account. With this in mind, the BMW Group recommends that its sites use an evaluation method that factors in location-specific characteristics. Based on this, the sites can implement tailored measures to minimise their own impact and to promote biodiversity in the area wherever possible.
GRI 305-6: Emissions of ozone-depleting substances (ODS)		The BMW Group internal standard "Prohibited and declarable substances" prohibits the use of substances with ozone-depleting potential, primarily chlorofluorocarbons, in accordance with legal requirements.
GRI 305-7: Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	↗ Further Reduction in Pollutant Emissions ↗ VOC Solvent Emissions	<p>The BMW Group's sites generate emissions primarily in the form of VOC, NOx, CO and SO2 and particulate matter. Other pollutants are published in the plants' emissions declarations.</p> <p>We implement the statutory requirements in terms of the pollutants emitted by our vehicles. By way of example, in Europe the limits for pollutant emissions of particulate matter (PM) and particle count (PN), CO and NOx decreased from 1992 (Euro 1) to 2022 (Euro 6) as follows: for PM, from 140 mg/km (diesel) to 4.5 mg/km and for PN, to 6*10¹¹ particles/km; for CO, from 2,720 mg/km to 500 mg/km (diesel) and 1,000 mg/km (petrol); for NOx, from 970 mg/km* to 80 mg/km (diesel) and 60 mg/km (petrol). In accordance with legal requirements, information on pollutant emissions in the WLTP cycle as well as the declared RDE maximum values are included in the EU declaration of conformity belonging to the vehicle. In addition, RDE values obtained from type testing measurements are available on the ACEA homepage as well as in a concise summary on our own AOS homepage.</p> <p>* This is a combined value of NOx and HC (volatile organic substances), as there was still no singular limit prescribed for NOx in 1992.</p>
GRI 306-1: Waste generation and significant waste-related impacts	↗ Resource Management at All BMW Group Locations ↗ Waste ↗ Further GRI Information	See management approach ↗ Environmental and Resource Management in line with the principle of the circular economy and ↗ Responsible Sourcing .
GRI 306-2: Management of significant waste-related impacts	↗ Resource Management at All BMW Group Locations ↗ Waste	All BMW Group plants are equipped with weighbridges in order to record waste-related data. The input and output data recorded in this way are documented centrally, validated and analysed.
GRI 306-3: Waste generated	↗ Further GRI Information	See management approach ↗ Environmental and Resource Management in line with the principle of the circular economy and ↗ Responsible Sourcing .
GRI 306-4: Waste diverted from disposal	↗ Waste	<p>In countries where there is a legal requirement for recycling, the recycling facilities must have the relevant regulatory approval. In other countries, recycling processes must meet the BMW Group's requirements. With thermal recycling for example, the waste must have a minimum energy content which must be thermally utilised.</p> <p>Due to country-specific legal differences in the definition of hazardous and non-hazardous waste, an overall assessment of these criteria is considered not applicable since the same waste stream is reported differently in different countries.</p> <p>Material flows that are recirculated by the BMW Group itself are not reported since no waste status exists.</p>

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GRI 306-5: Waste directed to disposal	↗ Waste ↗ Further GRI Information ↗ SASB Index	This section only discloses waste streams that cannot be meaningfully recycled as materials or thermally. Due to country-specific legal differences in the definition of hazardous and non-hazardous waste, an overall assessment of these criteria is considered not applicable since the same waste stream is reported differently in different countries. Material flows that are recirculated by the BMW Group itself are not reported since no waste status exists.
Attractive workplace		
GRI 3-3: Management of material topics	↗ Employer Attractiveness and Employee Development	The Munich-based HR and Marketing department coordinates worldwide measures to maintain the BMW Group's attractiveness as an employer and to recruit talent. The HR departments at the respective locations are responsible for implementation of these measures. The Munich-based Employee Training and Development department coordinates worldwide measures in the area of training and further education. The HR departments at the respective locations are responsible for implementation of these programmes. Additional information: ↗ BMW Group Code on Human Rights and Working Conditions
GRI 202-1: Ratios of standard entry level wage by gender compared to local minimum wage		BMW AG remunerates all employees, including all new employees, at least according to the tariff (for metal and electrical industries, automobile sector). The collective agreement remuneration is significantly higher than the statutory minimum wage in Germany. It is not possible to issue a breakdown of entry-level pay and minimum wages in countries with BMW Group operations because this information is not recorded systematically throughout the Group. International reporting mechanisms are currently being established at the BMW Group, including in the context of the upcoming ESRS requirements. This will ensure our ability to provide reports that comply with these requirements in future. ↗ SASB Index Labour Practices Based on a voluntary memorandum of understanding, as of 2007, temporary employees at BMW AG have received current pay that is based on the collective bargaining agreements of the metal and electrical industry for the area in which they work, or based on the relevant collective bargaining agreements for the automobile industry in the sectors. As of 01/01/2018, after they work for three full calendar months, temporary employees receive a minimum wage that is 6% higher than the basic wage of the respective collective bargaining agreements in the metal and electrical industry or the relevant collective bargaining agreements for the automobile industry in the sectors. We do not centrally record any data on the remuneration of temporary employees at the BMW Group (excluding BMW AG). The systematic centralised collection of data is not currently possible.
GRI 401-1: New employees and employee turnover	↗ Attractive Employment Conditions ↗ Recruiting and supporting New Staff ↗ Further GRI Information	The number of new employees recruited, and their distribution by age group and region within the BMW Group, constitute a competitive factor in light of changing labour markets and the challenges of worker availability, and are therefore not disclosed for reasons of confidentiality. A breakdown of new employee hires at the BMW Group by gender is not available, as these data are not systematically recorded by BMW AG's HR systems and therefore cannot be evaluated. Data collection is not due to be expanded in 2024. The proportion of new employee hires at BMW AG who are women is 23% (2022: 18.8%). The absolute number and percentage of employees leaving the BMW Group, broken down by region, age and gender, are also not systematically recorded across the Group and can therefore not be reported. The fluctuation rate at BMW AG, and therefore for around 55% of all employees, is recorded centrally. The fluctuation rate at the individual international locations is partially locally determined but not consolidated at the BMW Group level. This is because the figures would not be informative due to major differences between specific labour markets and structures. Data collection is not due to be expanded in 2024.

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GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none"> ➤ Attractive Employment Conditions ➤ Health Management on a holistic basis 	Our principles apply to all employees. There is no distinction made between full-time and part-time employees. For part-time employees, the principle of proportionate remuneration applies, with some benefits (e.g. "Jobticket" public transport passes, issue of shares to employees) even granted on a full-time basis. Due to the nature of the working relationship, temporary employees' benefit entitlements partly differ from those of full-time and part-time employees. For example, temporary workers can also benefit from health care but not accident and occupational disability insurance. Temporary workers' entitlement to parental leave and retirement benefits is regulated by the employer/recruitment agency.
GRI 404-1: Average hours of training per year and per employee	<ul style="list-style-type: none"> ➤ Developing Expertise for the Future ➤ Further GRI Information 	A breakdown by gender is not possible since the data are not systematically recorded across the BMW Group. This will also not be expanded in the future, based on the GDPR principle of data protection through minimisation.
GRI 404-2: Programmes for upgrading employee skills and transition assistance programmes	<ul style="list-style-type: none"> ➤ Developing Expertise for the Future ➤ Recruiting and supporting New Staff 	The BMW Group assists its employees in building and maintaining skills throughout their careers. This is partly achieved through an annual competence analysis.
GRI 404-3: Percentage of employees receiving regular performance and career development reviews		All non-tariff employees at the BMW Group receive a performance review at least once a year as part of the portfolio process. All BMW AG employees covered by metal and electrical industry collective bargaining agreements receive a consistent and comprehensive review of their performance to support their career development at least once a year. The existing processes can be adapted for all other employees, though this is organised locally.
Workplace health and safety		
GRI 3-3: Management of material topics	➤ Health and Performance	
GRI 403-1: Occupational health and safety management system	<ul style="list-style-type: none"> ➤ Health and Performance ➤ Certified Occupational Health and Safety Management System 	Health and occupational safety activities are combined in the Work Environment, Health, Group Safety and Group Data Protection unit and allocated to the Board of Management's Human Resources and Social Affairs area of responsibility. The managers in the various specialist departments are responsible for all related processes, supported and advised by the centralised health management and occupational safety teams. The BMW Group can provide access to the comprehensive register of legal requirements if required. Specific implementation at the individual locations is governed by internal regulations. The BMW Group's safety specialists are also qualified. Various occupational safety standards are defined in position papers and serve as a guideline. The monitoring of occupational safety standards is a component of the internal audit. This ensures that all legal requirements in terms of occupational health and safety are being implemented. The coverage provided by an occupational health and safety management system also applies to temporary workers and to cooperation with external companies via an interface agreement (contractor declaration).

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GRI 403-2: Hazard identification, risk assessment and incident investigation	↗ Recognising and Avoiding Risks	<p>The hazard assessment process is a permanent tool for preventive health and safety in the workplace. This process forms a fundamental, central element for the prevention of accidents, work-related ill health and health hazards. Occupational health and safety legislation forms the legal basis for the hazard assessment. Common tools for hazard assessment include the safety and ergonomic risk assessment (SERA), the central registration of environment-relevant substances (ZEUS) and office workstation analysis (BAPA). Hazard assessments not associated with a particular cause are integrated into the office workstation analysis and in the SERA in accordance with the German Maternity Protection Act and the safety analysis. The implementation and documentation of risk assessment for psychological stress (GePsy) is enshrined in the Act on the Implementation of Measures of Occupational Safety and Health to Encourage Improvements in the Safety and Health Protection of Workers at Work (Arbeitsschutzgesetz, ArbSchG, Sections 5 and 6). The DIN EN ISO 10075 and the Joint German Occupational Safety and Health Strategy (GDA) guidelines provide further orientation. Their implementation at BMW AG is enshrined in the GePsy works agreement.</p> <p>There are also additional measures, such as SOC (safety, organisation and cleanliness) visits, which are carried out on BMW AG premises in close partnership with relevant stakeholders. Employees are explicitly encouraged to report hazardous situations, close calls or adverse working conditions to their managers and do not have to fear disadvantages as a result. Employees are also welcome to submit suggestions for improvements via databases such as Cre8. Information can also be submitted anonymously via a compliance hotline or the occupational health and safety management functions.</p>
GRI 403-3: Occupational health services	↗ Health Management on a holistic basis	<p>All physicians at BMW AG are required to meet their professional medical duty to update and expand their medical knowledge and practical skills, and to consolidate and further develop their professional competence. The quality of the health services is also ensured by means of internal training and qualifications for physicians and occupational health assistants. There are also external training courses for emergency and rescue paramedics. At the BMW Group level, the organisation of health services is the responsibility of the relevant site. This means that medical staff may also work for external service companies in addition to being employees of the BMW Group. The legal obligation of medical staff to undergo further training varies from country to country. The organisation of advanced training and evidence regarding such obligations is therefore the responsibility of the local service provider. A monthly exchange of information on relevant topics takes place on the international level, and a workshop with physicians and health managers is held as needed, as a rule annually. Projects for the definition of new prevention campaigns are staffed with international health managers, experts and physicians, which means their knowledge also benefits our prevention work.</p>
GRI 403-4: Worker participation, consultation and communication on occupational health and safety	↗ Certified Occupational Health and Safety Management System	<p>Occupational health and safety committees exist at the BMW Group to address relevant topics, and in some cases also environmental issues. In Germany, this area is regulated by § 11 "Occupational Health and Safety Committees" of the German Occupational Safety and Health Act. Such a committee is made up of the employer or its agent, works council members appointed by the works council, company physicians, occupational safety specialists and safety representatives in accordance with Section 22 of Book VII of the Social Code. The occupational health and safety committee has the task of advising on matters of work safety and accident prevention. The committee meets at least once a quarter. Any decisions made apply to the specific site for which the committee is meeting. Similar committees exist in other countries where the BMW Group has operations.</p>
GRI 403-5: Worker training on occupational health and safety	↗ Regular Training for Employees ↗ Occupational Safety along the Value Chain	

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GRI 403-6: Promotion of worker health	➤ Health Management on a holistic basis	The preventive measures in health management focus on reducing health risks such as muscular or skeletal disorders due to a lack of physical activity or metabolic disorders as a result of an unbalanced diet.
GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked with business relationships	➤ Recognising and Avoiding Risks ➤ Occupational Safety along the Value Chain	The dangers and risks are similar to those within the BMW Group itself, e.g. tripping accidents or injuries while operating machines (e.g. crush injuries). A person nominated by the contracted party provides instruction to the employees of external companies and their sub-contractors. The BMW Group's procedural instruction on occupational and environmental protection management sets out the requirements for medical check-ups and instructions for temporary staff. The BMW Group provides a matrix with required medical check-ups and aptitude tests in a suitable form at the respective workplace (V matrix). Temporary staff are provided with instruction by the agency and the BMW Group on general topics and particular risks at the workplace.
GRI 403-8: Workers covered by an occupational health and safety management system	➤ Certified Occupational Health and Safety Management System	Internal human resources systems are used to collect the data. The percentage of employees and temporary staff covered by an occupational health and safety management system is disclosed. As a result of changing labour markets and the challenges of worker availability, the exact number of temporary workers covered by such a system constitutes a competitive factor and is therefore not disclosed for reasons of confidentiality.
GRI 403-9: Work-related injuries	➤ Further GRI Information ➤ Accident Frequency at a Low Level	Reporting focusses on the proven and internationally comparable figures of accident frequency rate and accident severity rate. During the reporting year, the accident severity rate came to 38.1 lost days due to workplace accidents per million hours worked (2022: 39.7 [The figure for the 2022 reporting year was adjusted as a result of a correction in the number of hours worked.]). The accident frequency rate for temporary employees of the BMW Group was 11.3 in 2023 (2022: 11.4). The data reported to the BMW Group by temporary employment agencies for the purpose of calculating the accident frequency rate of temporary workers are all taken into account. For the reporting year 2023, the coverage rate of temporary employees, who are included in the accident frequency rate, is 95.3%. Legislation regarding the collection of medical data varies between countries. For this reason, data on work-related injuries to employees of external companies working at BMW sites cannot be reliably collected at the BMW Group level and are therefore not reported by the BMW Group. Given the sensitivity of the data, it is not currently possible to draw direct conclusions about the causes of downtimes using the BMW Group's systems at international level. The BMW Group uses internal systems to collect the data. For the reasons mentioned above, it will not be possible to adjust the data collection in the future.
GRI 403-10: Work-related ill health	➤ Health Management on a holistic basis	There is no international definition of work-related ill health that covers all countries in which the BMW Group operates. Legislation also differs between countries with regard to the possibility of collecting medical data. Data on work-related ill health therefore cannot be reliably consolidated at Group level.

GRI Standards	BMW Group Report 2023	Notes
Diversity and equal opportunity		
GRI 3-3: Management of material topics	<ul style="list-style-type: none"> ➤ Performance Indicators and Performance Management ➤ Diversity, Equal Opportunities and Inclusion 	Responsibility for the strategic alignment of diversity and equal opportunities was transferred to the HR Business Development, Talent Development unit based in Munich. Together with the HR departments at the individual locations, the HR Business Development, Talent Development unit is responsible for control and implementation. Human Resources and the Compliance and Legal department are responsible for the topic of non-discrimination. Managers, the relevant specialist departments, the HR department and the Works Council are available to employees as direct contacts.
GRI 401-3: Parental leave	<ul style="list-style-type: none"> ➤ Further GRI Information 	Because the data are not recorded systematically throughout the Group and parental leave is not established as a social instrument in all countries, the number of employees on parental leave at BMW AG (corresponding to around 55% of employees in the BMW Group) is disclosed. 97.5% of those returning to work after parental leave remained with the company for more than twelve months; there were no gender-specific differences. For part-time employees, the principle of proportionate remuneration applies, with some benefits even granted on a full-time basis. Data collection is not due to be expanded in 2024.
GRI 405-1: Diversity of governance bodies and employees	<ul style="list-style-type: none"> ➤ Promoting Diversity ➤ Increasing the Share of Women at All Levels ➤ Further GRI Information 	As the data are not systematically recorded throughout the BMW Group, a breakdown of employees by age group is currently only available for BMW AG. Within the context of the upcoming ESRS requirements, we are currently making preparations so we can also report the figure for the BMW Group in the future.
GRI 405-2: Ratio of basic salary and remuneration of women to men	<ul style="list-style-type: none"> ➤ Diversity, Equal Opportunities and Inclusion 	<p>The same policies for remuneration and fringe benefits apply to all BMW Group companies, irrespective of gender, religion, origin, age, disability, sexual orientation or country-specific characteristics. BMW AG regularly compares the monthly salary levels and variable remuneration of women and men employed by the company. The respective degree of employment and functional level are also taken into account. The objective of the audit is to ensure that the remuneration structures result in fair pay. There were no significant differences in the overall remuneration package between the genders within BMW AG in the reporting year.</p> <p>The data cannot be disclosed for the BMW Group because the data required for the analysis is not yet available centrally. Within the context of the upcoming ESRS requirements, we are currently working with the markets so we can also report the figure for the Group in the future.</p>
GRI 406-1: Incidents of discrimination and corrective actions taken	<ul style="list-style-type: none"> ➤ Diversity, Equal Opportunities and Inclusion 	The BMW Group is currently involved in no court or arbitration proceedings which in the company's estimation might have a significant influence on its financial position. Additional information on cases of discrimination is not published for reasons of confidentiality (data protection).
Sustainable governance		
GRI 3-3: Management of material topics	<ul style="list-style-type: none"> ➤ Cornerstones of the Strategy 	Other information: ➤ Statement of Corporate Governance