

**BMW
GROUP**



ROLLS-ROYCE
MOTOR CARS LTD



CHINA SUSTAINABILITY REPORT 2023

ABOUT THIS REPORT

REPORTING PERIOD

This Report is the second voluntary Sustainability Report of the BMW Group China, covering the calendar year from January 1st, 2023 to December 31st, 2023, with some contents extended over to 2024. The BMW Group China will report sustainability progress on an annual basis.

ABBREVIATIONS

For ease of presentation and readability, Any joint activities for BMW entities in China within the reporting scope are also referred to as “BMW in China”, the “BMW Group China”, and “We” in this report. For content beyond China entities, it will refer to “BMW Group” or others.

REPORTING SCOPE

Since 2013, BMW has been disclosing sustainability information in China. From 2013 to 2021, the report disclosure subject was mainly BMW Brilliance – the BMW Group’s largest manufacturing base in China. In the reporting year of 2022, the BMW Group China took a further step by expanding the scope of its Sustainability Report across seven entities of the BMW Group in mainland China, including BMW Brilliance Automotive Ltd. (BMW Brilliance) and its wholly-owned subsidiary LingYue Digital Information Technology Co., Ltd. (LingYue), BMW China Investment Ltd. (BMW China Investment), BMW China Automotive Trading Ltd. (BMW China), BMW Automotive Finance (China) Co., Ltd. (BMW Automotive Finance), BMW China Services Ltd. (BMW China Services) and Herald International Financial Leasing Co., Ltd. (Herald Leasing).

This report is addressed to stakeholders in China and is available in simplified Chinese and English.

REPORTING STANDARD

The BMW Group China 2023 Sustainability Report provides stakeholders with comprehensive information about the company’s sustainability ambitions and progress. The topics included here have been selected and weighted in accordance with the findings of a systematic materiality process. The content of the Report was prepared to comply with the GRI Standards by the Global Sustainability Standards Board (GSSB). Using the GRI Content Index helps to show how we are implementing the communication requirements of the United Nations Global Compact.

The BMW Group China supports and promotes the achievement of the Sustainable Development Goals (SDGs) through its business operations, in particular SDG 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17. The beginning of each section will use icons to illustrate the connection between our business and these SDGs.

THIRD-PARTY ASSURANCE

PricewaterhouseCoopers Zhong Tian LLP. has provided limited assurance on selected key performance indicators in this Report.



COVER NOTE

The eastern cattle egret, a national second-class protected animal, is mostly a resident bird in the regions south of the Yangtze River in China, while in the areas north of the Yangtze River, it is mainly a summer migrant. The BMW Lydia plant in China, with nearly 1.5 million square meters of green area, provides abundant food resources for a large number of eastern cattle egrets, making it an ideal habitat for these birds. As of August 2023, more than a hundred cattle egrets have been living here. Some of them regularly forage in the factory area from morning to noon, and the cover picture of this report captures the scene of a cattle egret flying over the BMW Brilliance factory.



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

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EMBRACING RESPONSIBILITY

WITH LONG-TERM THINKING

In 2023, we experienced renewed inflation, environmental, and economic challenges leading to significant market volatility worldwide. These challenges, however, may spark innovations for rapid development, making decisive and measurable actions critical.

BMW Group China is committed to leading industry transformation, aligning with China's vision for sustainable development and the UN's 2030 Agenda. We aim to integrate sustainability throughout our value chain, ensuring trends like diversification, localisation, decarbonisation, and digitalisation benefit our stakeholders.

BMW's sustainable journey in China began over two decades ago. China is now central to market trends and the future of mobility. It's more than BMW's largest sales market; it is essential to our global operations, innovation, and production. We collaborate with China's academies, suppliers, dealers, and communities to achieve sustainable growth.

By acting responsibly and thinking long-term, BMW Group China believes that investing in China is investing in the future. In a changing market, we

focus on long-term goals by investing in innovation, adhering to sustainable practices, and partnering for shared success.

BMW Group China offers a robust electric car portfolio, showcasing our commitment to E-mobility. By the end of 2023, we introduced six fully electric models in China and will add a seventh in 2024. Electromobility is vital for climate-neutral mobility, and we aim to have electric vehicles comprise 50% of our global sales by 2030. Digital transformation is key to improving supply chain efficiency, production, and customer service through AI, data science, and virtualisation. Circularity is also crucial, and BMW Group China is rapidly adopting a circular economy model to enhance resource efficiency and reduce waste.

This is the 11th annual Sustainability Report by BMW in China. Over the past decade, our sustainability initiatives have diversified whilst the strategic direction has grown more focused. This demonstrates our commitment to impactful sustainability across our operations in China, emphasising a scientific approach to accountability and ambitious actions for sustainable development.



Mr. Sean Green

President and CEO, BMW Group China

EMBARK TO THE FUTURE

COLLABORATE TO GROW

Over the past decades, BMW Brilliance has experienced significant growth alongside China's economy. As an integral part of the Chinese industrial ecosystem, BMW Brilliance has forged close collaboration with our partners, jointly creating opportunities and achieving mutual growth. Looking ahead, BMW Brilliance's development concept is aligned with China's innovation focus, the "New Quality Productive Forces," and incorporates digitalisation, electrification, and sustainability into our core business.

We understand sustainability is a complex challenge that requires multidisciplinary solutions. Deeper collaboration is therefore critical. Through knowledge sharing, talent development, and technology we can break down barriers, spark innovation, and accelerate progress. BMW Brilliance will continue to contribute to society by bringing systematic change to the automotive sector in three aspects – decarbonisation, circularity, and stakeholder engagement.

ACCELERATE DECARBONISATION.

We have passed numerous milestones on China's journey to carbon neutrality, and we are well-prepared to play our role and help face this challenge. The BMW Group understands the level of transformation required to meet global climate goals and has taken an ambitious and science-based approach to setting our targets, which is reflected in joining the "Business Ambition for 1.5°C" pledge.

Accelerating progress by raising standards that benefit the industry. We continued to encourage local suppliers to join us in building a circular and low carbon supply chain. BMW Group specifies 100% renewable electricity usage for future BMW product as part of the direct-supplier (Tier 1) nomination requirements. At the end of 2023, around 50% of the electricity consumed by local direct-suppliers (Tier 1) for existing derivatives was committed to renewable sources. By the end of 2023, these efforts have helped BMW Brilliance to reduce supply chain emissions by over 400,000 tCO₂.

Dr. Franz Decker

President and CEO, BMW Brilliance Automotive Ltd.

“ Only with collaborations we can safeguard future generations.”

Through our retail initiatives, over 250 dealers were awarded the Network Transformation Green Star certificate after taking steps to build more sustainable operations, including reducing their energy consumption and switching to green power – ultimately using 1,530,000 MWh of renewable electricity.

CIRCULARITY: DRIVING RESOURCE EFFICIENCY ACROSS THE VALUE CHAIN

Circular economy redefines resources. To promote resource efficiency, we started with our own production process. Water, a finite resource, is not discharged, but kept in use, and since 2016, we have continued to expand reclaimed water usage in our production. In 2023, the total volume of recycled wastewater reached 159,325 m³ across all plants, representing a 51.4% increase from last year.

To turn waste into a reusable resource, through operational optimisation and cooperation with third-party facilities, the Powertrain Plant achieved zero landfill waste in January 2023.

BMW Brilliance is collaborating with its partners to help make green supply chains a reality. By signing Memorandums of Understandings (MoU) for low carbon aluminium we support the use of renewable electricity in electrolytic aluminium production thereby reducing emissions by 14 tonnes per ton of aluminium produced. Furthermore by using recycled aluminium materials, we can reduce emissions by 18 tonnes per tonne of aluminium produced. Concurrently, all our retired high voltage batteries (HVBs) in China are recycled in a closed loop. During 2023, 1,041 tonnes of HVB raw materials were secured and re-processed into brand-new battery packs for 2,400 BMW i3 vehicles – meeting the same quality standard as every other BMW i3 battery pack.

ENGAGE STAKEHOLDERS THROUGH SOCIAL RESPONSIBILITY INITIATIVES

BMW Brilliance aims not only for business growth, but also for the mutual growth of people, cultures, and communities. We collaborate with various stakeholders, including business partners, industry associations, think tanks, and others, to drive innovation and mutually beneficial agendas that support China's sustainable development goals.

We are dedicated to protecting local culture and biodiversity while providing solutions to society and communities through education and support for environmental and cultural causes. In 2023, there were 35,542,888 beneficiaries of our Corporate Social Responsibility (CSR) activities, increasing 11.47% from 2022. In April 2024, the BMW Group China, in collaboration with the Network of International Cultural Link Entities of Ministry of Culture & Tourism and the China Education Development Foundation, jointly launched the “BMW China Culture Journey - Grand Canal Cultural Protection and Education Public Welfare Programme.” This initiative aims to extend our 18-years of experience helping to protecting China's intangible cultural heritage to the Grand Canal.

Looking ahead, with an open mindset and practical action, we will play our role to shape a responsible and sustainable future together with our stakeholders, employees, and society as a whole.

Responsible and sustainable behaviour is one of our core values and is firmly anchored in BMW Group's corporate strategy. For the BMW, one thing is certain: we want to lead the way when it comes to sustainability. That's why it is critical that our **Purchasing, Development and Production divisions work together** on delivering on our commitments for carbon emissions reduction, the circular economy and environmental and social responsibility. To continue achieving the best results, we pursue well thought-out, effective and flexible solutions in product development, production and collaborations with our supplier network. Together, we will continue to focus on the best outcomes to enable 360-degree sustainability solutions.



Ms. Nicole Guenther

President, BMW China Services Ltd.

A sustainable supply chain provides the foundation for a long-term business success. The sustainability activities of the BMW Group China start with our supplier network, which accounts for more than 60% of total value added, making a significant contribution to sustainability. Responsible, sustainable, and lawful behaviour is one of our core values and is firmly anchored in BMW Group China's supply chain. We commit to compliance with environmental and social standards, not only at our own company, but also in our supplier network. We continuously define clear and verifiable measures across the whole supply chain to contribute to our BMW Group carbon reduction targets. To ensure low carbon and circular concepts are integrated into the design and manufacture of the components, we closely collaborate with Research and Development (R&D) and Production as well as with suppliers to advance in three aspects - optimise material recyclability, increase the use of secondary raw material, and use low carbon material produced by renewable energy. Over the last several years, we have expanded our strategic collaborations with local suppliers to ensure the availability of low-carbon materials by signing Memorandums of Understanding (MoU) and establishing closed-loop recycling for different types of materials, including batteries, steel and aluminium.

Dr. Robert Kahlenberg

Senior Vice President, BMW Research & Development China

R&D are the enabler for sustainability. Design and engineering are the fundamental stage to initiate sustainability concept. By integrating sustainability into product development, rather than treating it as an afterthought, we are reducing costs and time investment through efficient use of resources. From interiors to electromagnetic protection, we ensure no toxic substances inside the vehicles, and no harmful emissions from interior parts, while keeping low magnetic emissions. From product materials to energy efficiency, we aim to increase the material recyclability and secondary raw material usage, reduce energy consumption and carbon footprint. By redesigning components, from alloy-cast wheels made from continually increasing secondary aluminum, to innovative sustainable 3D textile that is completely plant-based, mineral based and petroleum-free for Vision Neue Klasse X concept, we keep pushing the limit to make luxury sustainable and inspiring.



Mr. Robert Kuessel

Senior Vice President, Technology and Manufacturing, BMW Brilliance Automotive Ltd.

For automotive manufacturing sector, advanced technologies can promote resource and energy efficiency and reduce the carbon footprint of vehicles. Tailored to the unique dynamics of the Chinese market, our Shenyang manufacturing base harmonises expertise and resources across Research & Development, Purchasing, and Production functions. This approach not only redefines precision and flexibility, but also enables environmental stewardship. By consistently applying resource efficiency and circularity concepts, we can set clear and trackable targets for decarbonisation, energy, resource use, and waste reduction. This approach allows us to optimise energy use, material sourcing, logistics, and more. To further reduce carbon emissions, we tested a geothermal-well in 2023 to explore the use of renewable energy for heating at our Gen 6 Battery Powertrain Plant. In 2023, water consumption per vehicle produced was 1.72 m³, 40% less compared to 2019. For logistics, we used sea freight throughout 2023 for inbound production supplies, and the total sea freight transportation volume increased by 10% compared with 2022. For packaging containers, we seek process optimisation and lean production throughout their lifecycle, and last year 50,719 plastic container parts were recycled. With every step we take, sustainability and responsibility are deeply embedded into every aspect of our operations.

BMW Group China strives to provide the industry's best customer experience. Not only do we integrate quality and sustainability into our products and services, we help customers make the most sustainable decisions throughout their journey. Sustainability is central to the premium experience we provide to customers.



Mr. Steven Shao

Senior Vice President of Sales and Marketing at BMW Brilliance Automotive Ltd.

We deliver a holistic approach toward a sustainable customer journey with products and services. The concept of “no premium without sustainability” is also reflected in BMW’s Sales and Marketing in China. With China now at the forefront of technology trends and defining future mobility, BMW is dedicated to meeting this demand by inspiring our customers to make appropriate, sustainable decisions about product selection, and making our employees and retail partners to become ambassadors for BMW’s sustainability ambition. We continue to expand the public charging infrastructure to increase charging convenience. By end of 2023, 580,000+ public charging pillars were connected, and the number has reached 710,000+ by June 2024. On top of that, BMW Brilliance established a High Power Charging Joint Venture in China together with Mercedes-Benz to set up at least 1,000 charging stations by the end of 2026, using renewable energy where possible to create a sustainable charging experience for Chinese customers.

Ms. Rebecca Li

Head of Customer Interaction Services at Lingyue Digital Information Technology Co., Ltd.

Digitalisation enhances sustainability solutions. As an innovation incubator and data service provider, Lingyue prioritises digital channels to effectively enhance customer engagement and optimise customer-centric services. By leveraging the potential of technology - from seamless user experience to resource allocation optimisation - digitalisation fosters positive outcomes for both the environment and society. At the same time, we consider our customer's information security and privacy protection to be the foundation of a reliable, steady yet effective value creation journey.



Mr. Jörg Friebe

President, Financial Services Region China and CEO, BMW Automotive Finance (China) Co., Ltd.

BMW's financial services offer tailored financing options, leasing solutions, and insurance products specifically designed for New Energy Vehicles (NEVs) that enable customer demands. Through the digital financial customer platform, we can provide a fully digitalised experience and end-to-end financial process that makes the switch to NEVs and more efficient vehicles easier than ever before. Our offerings go beyond financial support. They enable customers, inspired by our products, to make more sustainable choices, which ultimately helps shape a better future for us all.

AN OVERVIEW OF BMW GROUP CHINA

In April 1994, the BMW Group set up a representative office in China – the BMW Automotive Trading Ltd. Beijing Representative Office, marking its official entry into the Chinese market. In May 2003, BMW Brilliance Automotive Ltd. was founded as a joint venture of the parent companies BMW Group and Brilliance China Automotive Holdings Ltd. Now, it has become BMW Group's largest manufacturing base worldwide. In October 2005, BMW (China) Automotive Trading Ltd. was established, marking another milestone in the BMW Group's long-term commitment to the Chinese market.

The BMW Group's business in China includes research and development (R&D), procurement, manufacturing, aftersales service, and comprehensive services, such as financial services, leasing, digital solutions and services, and the import and sales of BMW branded cars, MINI cars and Rolls-Royce.

The BMW Group underlines its long-term commitment to "At Home in China", through continuous investment and a determination to integrate high-quality development driven by digitalisation and sustainability. The BMW Group China will continue to promote industrial upgrading, and support China's automotive industry to achieve intelligent, sustainable and high-quality development.



LEGEND

Headquarter & Manufacturing Base ²	🌐
Branch Office	○
Sales Regional Office	○
Research and Development Centre	●
Finished Vehicles Decentralised Distribution Area	△
Finished Vehicles Distribution Centre	△
Spare Parts Distribution Centre	▲
Training Centre ³	■
Brand Experience Centre	■

OUR LOCATION

1	Beijing	🌐 ○ ● ▲ ■
2	Shenyang	🌐 ● ▲ ■
3	Tianjin	△ △
4	Zhengzhou	△
5	Xi'an	△ ■
6	Hefei	▲
7	Nanjing	○
8	Shanghai	○ ● ▲ ■
9	Ningbo	△ ▲
10	Chengdu	○ ▲ ▲
11	Chongqing	○
12	Wuhan	△
13	Guangzhou	△ ○ ▲ ■
14	Foshan	▲

2023 AT A GLANCE

728,562
Vehicles produced.

824,932
Retail vehicle deliveries.¹

28,074
Total workforce at year-end.

937
Authorised dealership outlets and agents nationwide.

1. Include BMW brand and MINI brand vehicles delivered to customers.
2. Include Plant Tiexi, Plant Dadong and Plant Lydia.
3. Managed by BMW to deliver trainings for employees and dealer partners.

HIGHLIGHTS IN 2023

JANUARY

- 2023 LingYue China IT DepOps Hub Innovation Summit held successfully.



FEBRUARY

- The Shenyang Production Base reached a cumulative production milestone of 5 million vehicles.
- The All-New Fully Electric BMW i3 was unveiled.
- BMW was recognised as the only exemplary entity from the automotive industry for "Cyberspace Green and Low-carbon Initiative 2023" during the 2nd China Digital Carbon Neutrality Summit.
- The BMW Group China "Culture Journey Intangible Cultural Heritage Protection Innovation Deliverables Exhibition" opened.

BMW GROUP AWARD FOR SOCIAL RESPONSIBILITY

MARCH

- BMW Group Award for Social Responsibility 2023 applications opened, encouraging employee participation in volunteer activities.

APRIL

- During the China EV100 Forum, BMW shared achievements and experiences in green transformation.
- Five BMW Brilliance models received CAQ's (China Association for Quality) "2022 China Automobile Customer Satisfaction Index Award."
- Advancing BMW Brilliance's digital transformation with "Data Pioneer Program 2023 kick-off" and "Data Driven @Business Open Day."



MAY

- "The BMW Brilliance 20th Anniversary Press Conference" and "BMW Gen6 Battery Project groundbreaking" ceremony was held.
- During the BMW Brilliance's 20th Anniversary press conference, the BMW Group announced the NEUE KLASSE vehicle would be produced by BMW Brilliance in Shenyang starting in 2026.

JUNE

- 3rd BMW Group China Sustainability Summit held in Wuxi, with the 1st Comprehensive BMW Group China Sustainability Report released.
- "BMW Group China Culture Journey Traditional Handicraft Creative Design Competition" officially kicked off.



JULY

- BMW Group China has supported rural education in two counties in Yunnan for the third time.
- "2023 BMW Group China Culture Journey - Fujian Tea Tour" promotes sustainability through cultural protection.
- BMW Brilliance became one of the first automakers to join the "Auto Low Carbon Initiative".
- "BMW Beautiful Homeland Initiative" supported Liaoning Liaohekou and Shandong Yellow River Delta National Nature Reserve.



AUGUST

- BMW added 5 NEVs to its line-up at the Chengdu Motor Show (CDMS).
- BMW Group China immediately donated 15 million RMB to support Beijing flood relief efforts.



OCTOBER

- BMW honoured as "2023 China Green Point Case of the Year" by YICAI.com.
- BMW Brilliance crowned for five models at the 2023 Chinese Automotive Customer Satisfaction Index (CACSI) ICE¹.
- The New BMW X1 was awarded a 5-star rating from Euro-NCAP and earned straight-A results in the C-IASI safety tests.
- BMW Group presented the "Supply Chain Sustainability Award" in China for the first time.



SEPTEMBER

- BMW Brilliance e-Invoice Portal practicing the BMW Group strategy of "Digital, Circular".
- The first-ever BMW iX1 rolled off the assembly line.

NOVEMBER

- BMW Brilliance signed dual MoUs to secure a sustainable supply of low-carbon aluminium.
- Construction of the Gen6 Battery Project at the BMW Shenyang production base was completed.
- BMW and Mercedes-Benz established a joint supercharging network in China.
- BMW Group brought its hydrogen fuel cell product to the China International Import Expo for the first time.

DECEMBER

- BMW Group China donated 3 million RMB for earthquake relief in Gansu.
- BMW received a test license for L3 automated driving on highways in China.
- BMW's high-voltage battery lifecycle management platform for integrated data and real-time monitoring was upgraded.
- The BMW M HYBRID drive system received the "Global New Energy Vehicles Innovative Technology 2023 Award" at the World New Energy Vehicle Conference (WNEVC).

1. Internal Combustion Engine we need to keep it

Featured topic #1 Part 1

ACTION TO CLIMATE CHANGE

BMW CARBON ACCOUNTING POSITION

Introduction

Scientists are observing changes in across the Earth's climate system, according to the latest Intergovernmental Panel on Climate Change (IPCC 2021) report¹. Many of the changes observed in the climate permeating almost all aspect of our lives – such as continued sea level rise, forest loss, ocean acidification, spread of vector-borne diseases and heightened food insecurity (IPCC, 2022). However, strong and sustained reductions in emissions of carbon dioxide (CO₂) and other greenhouse gases would limit climate change. Understanding the basics of climate science is key to take actions to mitigate its worst impacts. As science and regulation evolves, so too must our responses to it. Enhance transparency and accountability can directly help society to analyse climate change developments and swiftly embark on the journey of decarbonisation.

External environment & challenges

Following the global consensus of Paris Agreement, numerous countries and governments, investors, and companies are increasingly adopting net zero commitment and started to translate the agreements into policies and targets. However, it can be challenging for nations, governments, and companies to accurately measure and benchmark their carbon emission reduction objectives. Multiple regulations and proposals² have been drafted simultaneously with separate legal texts, which in most cases are not aligned with one another especially on the accounting methodology.

Lack of accounting standardisation. The reporting and verification for the data along the value chain remains challenging in the past as most of the reporting was voluntary and certain regulations³ might pose difficulties for firms to seek detailed information from an n-Tier supply chain. This could potentially result in data in-transparency, overburdening and restricting competitive international social and economic development.

One element of the solutions is to standardise an internationally harmonised carbon accounting and reduction approach. Under such framework conditions, the GHG Protocol⁴ standard rightly allows companies to supplement measured data or supplier-specific data with industry-average data from independent data providers.

Lack of primary data. While this enables guesstimates which provides a good start, due to the lack of internationally recognised accounting method, the use of secondary data and industry average data oftentimes lead to high variability of results of same products and inaccurate accounting of supply chain decarbonisation effort.

Reckoning with the China government's leadership position on R.E. with greater effort to address environmental issues. In 2024, China remains with the highest levels of investment in the low-carbon energy transition⁵. The continued reliance on regional or data providers' default-average values could pose challenges to reflect and make mitigation deductions measurements accountable. This can deprive companies' key lever to pursue a specific decarbonisation strategy across its value chain.

BMW GROUP POSITION: STANDARDISED CARBON ACCOUNTING & RELIABLE PRIMARY DATA & DIGITALISATION

We support the creation of a methodological framework that clearly focuses on the measured benefits for the climate, that relies on an internationally accepted standards and enables the compatibility of internal management and external reporting logic.

We support the standardisation of CO₂ calculation and auditing methods but not the values themselves and support their exchange of CO₂ related data along the value chain. Such framework needs to allow the firm to report emissions unique to its supply chain taking into account the mitigation results achieved by the firm and its suppliers. This leaves the incentives in the system for firms to deploy their market power and initiatives for emission reductions, which would also get reflected in product and emissions reporting against mandatory requirements (regulations) or voluntary reporting (reputation).

We support Data digitalisation including internationally agreed data platform and initiative. As a uniform data rulebook and database is crucial step to provide a cooperative environment where transparent, reliable, and complete CO₂ data can be exchanged and respectively be measured and reported across the entire value chain.

BMW Group supports and drives forward pursuing primary data instead of secondary and average emission factor for product carbon footprint calculation at corporate level. Hence BMW Group China fully support local suppliers' efforts on decarbonisation such as using green power and secondary material can be more accurately tracked and recognised. In turn, sustainability action takers can fully engage the effort to contribute the part on the journey of decarbonisation.

1. IPCC. (2021). Climate Change 2021: The Physical Science Basis. <https://www.ipcc.ch/report/ar6/wg1/>

2. Corporate Disclosure (CSRD), Battery Regulation (Battery PCF) and Carbon Border Adjustment Mechanism (CBAM) etc.

3. Such as (vertical) competition laws

4. Greenhouse Gas Protocol. (2016). What is GHG Protocol? <https://ghgprotocol.org/about-us>

5. BloombergNEF. (2024). Energy Transition Investment Trends 2024. <https://assets.bbhub.io/professional/sites/24/Energy-Transition-Investment-Trends-2024.pdf>

Featured topic #1 Part 2

ACTION TO CLIMATE CHANGE

To scale-up our decarbonisation efforts, we advocate for transparency and accountability across the value chain. This starts from upstream material sourcing through to new, high-quality and innovative production.

SUPPLIER



SUPPLIER ENVIRONMENTAL MANAGEMENT FRAMEWORK

Our approach to decarbonisation prioritises energy efficiency, the use of renewable electricity (R.E.), and product electrification.

ACCELERATING RENEWABLE ELECTRICITY TRANSITION IN SUPPLY CHAIN

~50% nominated local direct-suppliers electricity consumption for existing derivatives was committed to renewable sources.

100% High Voltage Battery (HVB) cell suppliers adopted renewable electricity in their production.

100% aluminium ingot foundry shop suppliers adopted renewable electricity.

SUPPLY CHAIN DECARBONISATION TRANSPARENCY



BMW Group China achieved over 400,000 tCO₂e carbon emissions reduction in the upstream supply chain through first contractually agreed decarbonisation measures during this reporting period.

PRODUCTION OPERATION AND LOGISTICS



BMW iFACTORY STRATEGY

It facilitates flexible, efficient production to minimise the use of resources and setting new standards in climate protection.

CONTINUOUS IMPROVEMENT IN ENERGY EFFICIENCY



AI based technology has been piloted to steer daily operations and check monthly energy targets.

- In-time energy consumption analysis
- Energy consumption forecast
- Potential energy efficiency improvement measures

TRANSITION TO RENEWABLE ENERGY



Starting 2019
Renewable electricity



Starting 2022
Heating: Coal to Gas



Starting 2023
Green heating:
Geothermal



Starting 2023
Biomethane
Exploration

90.2 MWp

2023 on-site solar PV capacity
↗20.6% vs 2022

LOW-CARBON TRANSPORTATION MODE



14 parts inbound logistic suppliers committed to
100% rail freight.

UPSCALING THE USE OF ELECTRIC CARRIERS

20

E-Trucks deployed in inbound logistics.

40

E-Trucks used in finished vehicles and aftersales logistics.

H₂

Trucks co-developed with a strategic partner. The fleet will be operational in 2024.



GREEN WAREHOUSE MANAGEMENT

Shenyang RDC solar PV installations construction plan

4,000 m² warehouse roof space covered

400 kW photovoltaic installed

- 100% R.E. in all Spare Parts Distribution Centres, Vehicle Distribution Centres, Decentralised Distribution Centres, as well as Relife Point.
- Beijing Regional Distribution Centre BMW Brilliance Automotive office awarded "LEED Gold Certificate for Interior Design and Construction."

PRODUCT & SERVICES

EXPAND NEV PRODUCT PORTFOLIO

BMW Group China have expanded its NEV product portfolio to total of seven models in China.

ENERGY EFFICIENCY IMPROVEMENT FOR ICE¹ VEHICLES



Average fleet CO₂ emission
↘0.83% vs 2022

142.9 g/km

Domestics

↘3.46% vs 2022

165.7 g/km

Imported

CAFC

↘0.82% vs 2022

6.03 L/100km

↘3.45% vs 2022

6.99 L/100km



Aerodynamics

Various technology is adopted to further reduce aerodynamic drag.

BMW NETWORK TRANSFORMATION (NT) GREEN STAR

251 dealers were been awarded the NT Green Star by the end of 2023.

GREEN CHARGING SERVICES

Easy Charge Technology: Equipped on 150,000 public high-power direct current (DC) charging stations.

1. Internal combustion engine

Featured topic #2

RESOURCE EFFICIENCY & CIRCULAR ECONOMY

We view the circular economy as a key approach for designing more resource-efficient vehicles. As an alternative to traditional linear economies, the idea is to find the best way to keep materials in the cycle – ensuring resources are not lost, but retain their value for long-term use.

To decouple growth from resource extraction and waste, the BMW Group China is taking steps to increase circularity and use secondary materials.

1 RESEARCH AND DEVELOPMENT

Sustainable product design
 Light weight construction contributes to lower fuel consumption, greater range, and more enjoyable driving experience.

- Innovative bio-based material**
 Upholstery variant offered in Neue Klasse includes textile dashboard and vegan leatherette.
- Recycled material**
 BMW iX1 is equipped with wheels utilising 70% recycled aluminium.
- Sustainable product customer protection rating**
 BMW i5 eDrive 35L given a 5-star rating in the China-Green Car Assessment Program (C-GCAP) review

3 PRODUCTION

Water reuse and recycling

- Scale up waste water recycling volume**
 Our path to zero potable process water, by continues commissioning onsite treatment plants.
- Diversify reclaimed water use case**

Waste utilisation
 Waste for disposal per vehicle produced decreased 14% vs 2022.

Recycled ceramic and iron mud from engine factories as raw materials for cement production through cooperation with third-party cement factories.

VOCs control
 Paint shop discarded solvent recycled through distillation for reuse and further reduce VOCs emissions.

5 SALES AND UTILISATION

Deliver circularity concepts and services though dealers

- Green environment**
 Saving energy and resource by: integrating interior design and architecture, ground source heat pump, car wash water recycling system, photovoltaics, and LED lighting, etc.
 Practice environmental conservation by: rainwater harvesting system, light pollution control for glass curtain wall, etc.
- Green operation**
 Provide recycling services including HVB and spare parts.



2 SUPPLY CHAIN

Secondary Raw Material Use Achievements

- Precious metals**
 70%+ secondary raw material use of Palladium and Rhodium since 2022.
- Aluminium ingot**
 50% secondary raw material use for aluminium ingot foundry as of the end of 2023.
- HVB**
 Retired HVB closed loop for nickel, cobalt,

and lithium recycling in 2023, secondary Aluminium and nickel are used in battery cell production.

- Plastic**
 30% secondary thermoplastic material utilised in interior and exterior parts at pilot vehicle project.

Innovation and material recycling & reuse
 Recycled scrap steel and scrap aluminium. 82,639 t recycled scrap steel in 2023

4 LOGISTICS AND TRANSPORT

Green packaging
 Recycled packaging materials, including steel and non-steel containers.

Packaging planning defined standardisation for reuse based on container status. 1,159 containers were reused.

6 DISPOSAL AND RECYCLING

Pioneer HVB closed-loop recycling and reuse

- HVB recycling**
 100% retired HVBs recycled to produce 1,041 tons of raw material. Enough to make 2,400 new i3 eDrive35L battery packages.
- HVB reuse**
 Scale up secondary use of HVBs: forklifts, pallet trucks, power storage station

Expand the scope of remanufactured parts
 351,634 pieces of parts collected for remanufacturing, 766 t of material recycled

Featured topic #3

STAKEHOLDER EMPOWERMENT

A sustainable future cannot be created by one company alone. BMW recognises the urgent need to collaborate across our value chain to unleash partnerships and innovations. By acting together and doing what is right to the joint goal, we can help accelerate progress.

INDUSTRY



Government

Supported the Ministry of Ecology and Environment's Department of Communication and Education to host sustainable development related activities, such as the 'National Low Carbon Day'.

NGOs

Participate in the UN Global Compact GDI for Sustainable Development Goals (SDG) Series Report: A white paper on the carbon footprint of electric vehicle batteries and low-carbon circular development.

Industry Association

BMW Group China hosted a series of technical expert conferences and workshops to promote technical exchange with leading business partners.

Thinktanks

China Development Research Foundation Supported Research Project

In order to promote the low-carbon transformation and development of China's economy, the China Development Research Foundation (CDRF) and the BMW Group have set up the "Green Transformation of Industrial Chains" project. The project focuses on key industries such as iron and steel, automobile, green power and power battery, systematically researches the path and standards of green transformation of the industrial chain.

International Sustainable Mobility Research Platform

BMW collaborated with Tsinghua University and international academic scholars to

1. Address critical topics of relevance to BMW Group China's sustainability goals.
2. Cultivate a shared thematic arena, fostering cross-collaboration and exchange among different research fields, projects, and partners.
3. Establish four research areas, leveraging the unique strengths of each research partner.

SUPPLIER



Partnership & Collaboration

Enabling Green Transformation

1. At the end of 2023, around 50% of the electricity consumed by nominated local direct-suppliers (Tier 1) for existing derivatives was committed to renewable sources.
2. Secondary raw material use achievements in 2023: 70% in precious metals, 50% in Aluminium ingot for foundry plant, continued closed loop for high voltage battery, 30% secondary thermoplastic material utilised in exterior & interior.

Accelerating Supply Chain Partnership

Memorandums of Understanding (MoU) for electrolytic aluminium and for recycled aluminium.

Appreciation & Engagement

Grand Supplier Day held by BMW Brilliance Automotive to enhance the supply chain cohesion and stimulate supply chain resilience development.

Environmental Health and Safety (EHS) Training

Offline and online offline training in Chinese and English on social responsibility, EHS, and decarbonisation was provided to suppliers.

DEALER



Dealer Empowerment

- Reshape comprehensive capabilities
- Enable talent development
- Accelerate NEV transformation and digitalisation
- Empower partners to open up new sales model
- Implement a retail transformation strategy

Dealer Corporate Social Responsibility (CSR) Activities

Enhancing stakeholder engagement through dealerships CSR activities. In 2023, 355 dealerships participated in 603 CSR activities.

Dealer Sustainability Summit Award

To encourage more dealers to join BMW Group China's climate action.

PUBLIC AND COMMUNITY



Biodiversity Beyond the Value Chain

- Promote natural conservation
- Yellow River Delta National Nature Reserve
- Liaohokou National Nature Reserve

Enhance public awareness

- Grand Canal Cultural Protection and Education Welfare Programme
- Traditional Handcraft Creative Design Competition
- Fujian Tea Culture Tour

EMPLOYEE



Continuous Innovative Training

Employee learning and development through innovative models, technologies, resources, and engagement.

Digital Online Learning to Enrich Innovative Training

The Digital Boost programme focused on helping non-production employees enhance their digital knowledge.

All-around Training

- Leadership training
- Technical training



CHAPTER 1

FUNDAMENTAL

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01



From Strategy to Action

1.1

FROM STRATEGY TO ACTION

FACING THE FUTURE, ACCELERATING SUSTAINABILITY AT HOME IN CHINA

In the face of accelerating change in the world, the BMW Group China remains steadfast in our commitment to sustainability. Our sustainable development strategy continuously adapts to the evolving business environment and external challenges. Facing complex challenges, we maintain close dialogue with our stakeholders to ensure that their expectations are taken into account in the company's development objectives. We strive to establish a robust governance system, built on cross-departmental collaboration and open communication to ensure dynamic growth.

1st

In 2023 China's Automotive Industry Green Development Index for five consecutive years.

"2023 Green and Low-Carbon Public Education Base"

BMW Brilliance Shenyang Production Base was awarded by Ministry of Ecology and Environment.





From Strategy to Action

SUSTAINABILITY MEGA TRENDS

Global sustainability has faced severe challenges in recent years. The economic hardships, and environmental crises have all hampered progress towards the Sustainable Development Goals (SDGs). In 2023, in the face of increasing levels of global greenhouse gas (GHG) emissions, extreme weather conditions and loss of biodiversity, efforts to respond are accelerating. With digital transformation, increasing public awareness of sustainability, and inclusive development, focuses are shifting from safeguarding livelihoods to enhancing quality of life. Governments, businesses, and other institutions are taking important measures to move global sustainability towards a more harmonious relationship with nature and create a more prosperous society.

The automotive industry is transitioning towards connectivity, autonomy, and electrification. There are both opportunities and challenges posed by decarbonisation process, as well as digital transformation. In 2023, BMW focused its investments on the electric and digital development of vehicles, along with advancements in autonomous driving technology. With significant progress in its electrification transformation, the BMW Group continues to strengthen its business foundation, confidently striding towards the new era of mobility.

Following the 20th National Congress of the Communist Party of China, 2023 was the first full year of implementation of policy guidance and a critical period for achieving a greener and more coordinated economic and social development. As an automotive company deeply rooted in China, the

BMW Group China's future is intertwined with the Chinese market. Adhering to our philosophy of "At Home in China," we align our strategies with China's national sustainability priorities, taking concrete action to accelerate the adoption of electrification, digitalisation, and sustainable practices.

DIALOGUE WITH STAKEHOLDERS

As the sustainability concept continues to grow, governments, customers, employees and other stakeholders pay close attention to a company's performance in environmental protection, social responsibility, and corporate governance. As the BMW Group China, we continue to expand the scope of our sustainable development and disclosure, broaden our range of communication channels, and maintain close engagement with various stakeholders.

Adhering to the commitment of "at Home in China", we engage in dialogue with local governments, customers, employees, and suppliers to foster long-term, mutually beneficial partnerships built on trust. In 2023, we made a notable appearance at the National Low-Carbon Day, as the only luxury automaker showing our comprehensive sustainability efforts. We shared our insights on carbon reduction across the value chain, sustainability, and green mobility. As a pioneering member, BMW Brilliance joined the Green and Low-Carbon Development Initiative for Automobiles, reaffirming our dedication to green development and decarbonisation and aligning with China's blueprint for new energy industries.

Our stakeholders, how we communicate with them, and their focuses, are listed in the adjacent table:



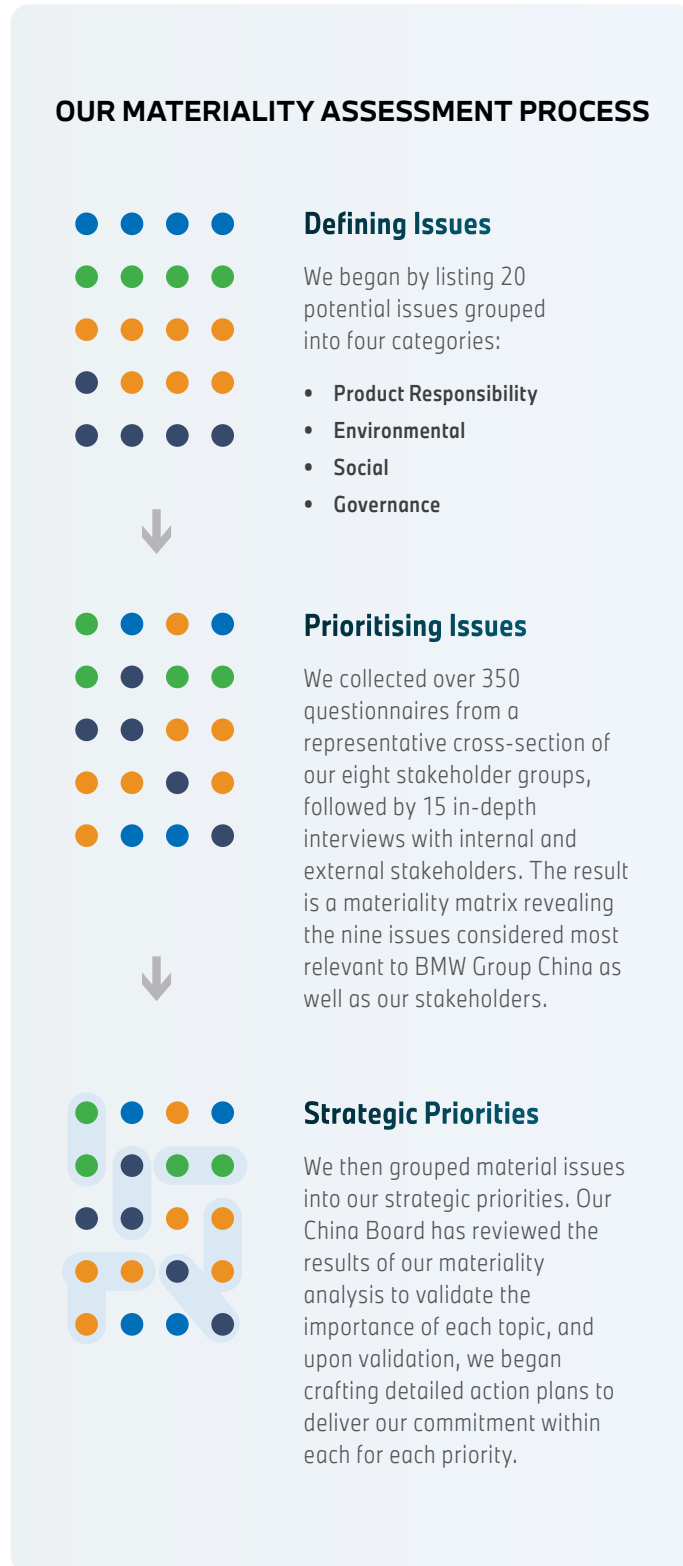
OUR STAKEHOLDER GROUPS AND ENGAGEMENT APPROACH

Stakeholders	Communication channels	Focus topics
Employees	Trade Union, Digital Union platform, employee surveys, test-drive experiences, BMW Brilliance's 20th anniversary, Social Days, all-round training, WeChat, internal webpage, etc.	<ul style="list-style-type: none"> Occupational health and safety Employee development and retention Product quality and safety Diversity, equity and inclusion
Customers	Surveys and research, social media, auto shows, mass media, My BMW App, Brand Experience Centre, JOYCUBE, Mission i, Voice of Customer Mechanism, etc.	<ul style="list-style-type: none"> Product quality and safety Air pollution Information security and privacy protection Compliance
Government	Regular communication with local authorities, meetings with government officials, visits and management forums, etc.	<ul style="list-style-type: none"> Product quality and safety Compliance Air pollution Sustainable product portfolio
Civil Society	Roundtables, lectures and discussions with experts, and scholars, specialised local programmes, traineeships, vocational opportunities, mass media, etc.	<ul style="list-style-type: none"> Product quality and safety Decarbonisation across the value chain Environment, ecology and resource management Compliance
Suppliers	Regular interaction, trainings, risk assessments, forums, Grand Supplier Day supplier media visits, etc.	<ul style="list-style-type: none"> Responsible sourcing Decarbonisation across the value chain Sustainable product portfolio Environment, ecology and resource management
Dealers	NT Green Star Project, regular interaction, conferences, online forums, dealer environment, health and safety (EHS) self-assessments, training, etc.	<ul style="list-style-type: none"> Occupational health and safety Compliance Product quality and safety Information security and privacy protection
Local Residents	One-on-one meetings, plant visits, press events, traineeships, corporate social responsibility programmes, volunteering, etc.	<ul style="list-style-type: none"> Information security and privacy protection Product quality and safety Occupational health and safety Air pollution
Mass Media	Surveys, social media, trade fairs, auto shows, press releases, etc.	<ul style="list-style-type: none"> Product quality and safety Diversity, equality and inclusion Sustainable governance Information security and privacy protection

MATERIALITY ASSESSMENT

A materiality assessment serves as the starting point for identifying the topics to be disclosed in a sustainability report. It offers enterprises efficient action directions and key topics for sustainability reports, and is essential for disclosure.

In 2022, the BMW Group China conducted a materiality assessment to identify and prioritise the sustainability issues that matter most to our business and key stakeholders. The assessment formed a matrix, with the horizontal axis representing the significance of the environmental and social impact of the BMW Group China, and the vertical axis representing relevance to the BMW Group China's business success. This matrix provides us with clear guidance, enabling us to focus more on advancing sustainability efforts and contributing to the harmonious coexistence of the economy, society, and the environment.



BMW Group China 2022 Materiality Matrix



- | Product Responsibility | Environmental | Social | Governance |
|-------------------------------------|--|---|--|
| 1 Sustainable product portfolio | 5 Decarbonisation across the value chain | 9 Responsible sourcing | 16 Compliance |
| 2 Product quality and safety | 6 Circular economy | 10 Diversity, equality and inclusion | 17 Information security and privacy protection |
| 3 Urban mobility and infrastructure | 7 Air pollution | 11 Occupational health and safety | 18 Sustainable governance |
| 4 Connected and autonomous driving | 8 Environment, ecology and resource management | 12 Employee development and talent retention | 19 Public policy participation |
| | | 13 Attractive workplace | 20 Stakeholder engagement |
| | | 14 Corporate citizenship & community engagement | |
| | | 15 Human rights | |



From Strategy to Action

OUR ACTIONS ON MATERIAL ISSUES

Material Issues	Actions and initiatives
Sustainable product portfolio	<ul style="list-style-type: none"> Launched six fully electric models in the Chinese market: the BMW i7, the all-new BMW i3, the BMW i4, the BMW iX, the BMW iX3 and the BMW iX1. Provided low-carbon services and shared mobility to cultivate sustainability awareness among customers. Installed 588,550 public charging pillars, with green charging promoted via State Grid EV Service.
Decarbonisation across the value chain	<ul style="list-style-type: none"> 100% renewable electricity¹ at all manufacturing sites and 36 non-manufacturing sites. Decrease of over 400,000+ tCO₂e emissions in the supply chain. 251 dealers awarded NT Green Star status for their outstanding performance of providing green services.
Responsible sourcing	<ul style="list-style-type: none"> On-site supplier CSR audits. Assessment of the origin of 3TG metals (tantalum, tin, tungsten and gold) as well as other critical raw materials and request suppliers to follow suit.
Circular economy	<ul style="list-style-type: none"> Expand different types and values of secondary raw materials usage in our products through partnerships with suppliers. Established 100% closed-loop recycling of HVBs in China, including customer car batteries, batteries sourced via dealers, and production test batteries from BMW plants in Shenyang. Amplifying parts remanufacturing.
Compliance	<ul style="list-style-type: none"> Implemented a Compliance Management System (CMS) at each entity with strong enforcement of the "three-lines model". Fostered a culture of compliance through Tone from the Top Videos, executive dialogues, regular compliance periodicals, and Compliance Interface Workshop. Launched ESG Risk Management System (ERMS) to monitor supplier ESG risks.
Product quality and safety	<ul style="list-style-type: none"> Fortified total quality system through QC-QMS, ensuring products and services meet the highest standards. Strengthen connections with Auditor community which covers German Association of the Automotive Industry, business partners and BMW worldwide. Enhanced the interior environment by minimising VOCs, PM2.5, hazardous materials and noise etc.,
Air pollution	<ul style="list-style-type: none"> Paint shop discarded solvent recycled through distillation for reuse and further reduce VOCs emissions. Rigorous monitoring of every production stage, thorough checks for volatile organic compounds (VOCs) and odours in the vehicle, ensuring compliance with the standards outlined in GB/T 27630.
Environment, ecology and resource management	<ul style="list-style-type: none"> In 2023, wastewater recycling achieved total volume of 159,325 m³ for all plants, representing a 51.4% increase compared to 2022. Grey water achieved multipurpose use, expanding use case from plants irrigation to paint shops and cooling towers. Recycled ceramic and iron mud from engine factories as raw materials for cement production through cooperation with third-party cement factories.
Sustainable governance	<ul style="list-style-type: none"> A comprehensive, top-down management and collaboration mechanism.

Material Issues	Actions and initiatives
Information security and privacy protection	<ul style="list-style-type: none"> Elaborated policies, standards and processes to safeguard the security and accuracy of data. Robust process to respond to potential data security incidents. Maintain a high standard of data protection, employing rigorous procedures, tools, and instructions to safeguard customer privacy. Conducted comprehensive Security Process & Privacy Impact Assessments (PIA) for all products prior to their launch and subsequent iterations.
Occupational health and safety	<ul style="list-style-type: none"> Robust Occupational Health and Safety Management System. Optimise security management using the E-Safety platform. Company-wide safety activities and organised trainings to improve associates' safety awareness and capability. Implemented a dual-prevention mechanism for classification, investigation, and governance of hidden safety hazards that affect OHS management. Conducted health initiatives for guiding healthier employee behaviours.
Diversity, equality and inclusion	<ul style="list-style-type: none"> Enhanced Associate Handbook, adding prevention of harassment in the work environment, etc. Embraced the hiring of persons with disabilities, fostered an inclusive culture through indirect support and financial assistance. A series of "Diversity Day" online events and offline experiential activities.
Employee development and talent retention	<ul style="list-style-type: none"> With an inextinguishable employer branding culture, conducted candidate-centric recruiting, i.e., BMW Needs Youthful You, Sparkling Internship Summer Camp, etc. Utilised digital tools and cutting-edge AI technology to accurately reach outstanding talents.
Attractive workplace	<ul style="list-style-type: none"> Offered well-rounded and diverse benefits. Undertook diverse employee communication and engagement activities. Gamified experience to co-build ideal workplace by Lego with Core Values as framework. Invited social media influencer with disabilities to visit our Plant Lydia and share his/her experience of our barrier-free workplace on social platforms.
Public policy participation	<ul style="list-style-type: none"> Strengthened communication with the government. Hosted philanthropic events to promote environmental protection.
Stakeholder engagement	<ul style="list-style-type: none"> Embedded sustainability in dialogue with government, employees, suppliers, dealers, community members etc.,
Connected & autonomous driving	<ul style="list-style-type: none"> Strengthened R&D and research partnerships in cutting-edge technology.
Corporate citizenship & community engagement	<ul style="list-style-type: none"> Cultivated concept of Associate Social Responsibility with Social Drive activities. Four flagship CSR programmes. BMW Corporate Volunteer Association. Public welfare donations and emergency assistance.
Human rights	<ul style="list-style-type: none"> Protected the labour rights and interests of employees. We have formulated our Supplier Code of Conduct in accordance with environmental and social standards.

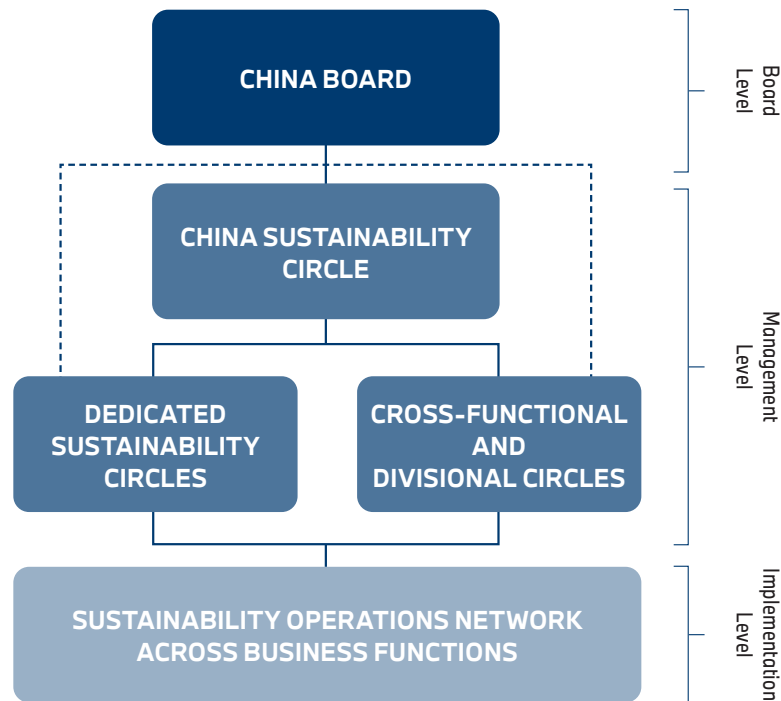
1. Both externally sourced and internally generated electricity is renewable, including solar PV, Green PPAs and I-RECs.

SUSTAINABLE DEVELOPMENT MANAGEMENT

SUSTAINABILITY GOVERNANCE

The BMW Group China has put its commitment to sustainability into action through comprehensive, top-down management and collaboration. At the core of our leadership stands the BMW China Board, which directs the integration of sustainability into all key business decisions, leading our company on a path of sustained growth and advancement.

Sustainability Governance at the BMW Group China



The annual target-setting process, where sustainability holds a central feature, necessitates business functions to establish and achieve specific targets. This allows us to systematically implement the China Board's guidance, ensuring accountability within each business function. The China Board also shoulders the crucial responsibility of ensuring our company's operations adhere to the law and internal regulations, along with carrying out adequate risk management and control measures.

To guide our sustainable development, we have a dedicated China Sustainability Circle that provides regular updates and progress reports to the China Board, assigns tasks, and solicits feedback to ensure that sustainability remains at the forefront of our business.

Our Dedicated Sustainability Circles focus on our production and supply chain, while cross-functional and divisional circles strive to implement sustainability initiatives across the company. We foster feedback channels for our operations to facilitate collaborative efforts toward sustainable development across the organisation.

On a daily basis, our internal business functions spearhead the implementation of sustainability-related decisions made by the China Board. This process is also guided and monitored by Management Circles across various business functions. Regular evaluations by these Circles guarantee that Board of Management directives are transformed into concrete action plans, and are then implemented at the operational level for implementation.

ENHANCING CLIMATE RISK ASSESSMENT AND RESILIENCE

The Earth's climate is undergoing significant changes. Extreme weather events, such as heatwaves, floods, droughts, and rising sea levels, are becoming more frequent. Climate risks not only pose a threat to the balance of natural ecosystems but also create serious challenges to the operational stability of businesses, supply chains, and even global social security. As a crucial part of the socio-economic landscape, enterprises must recognise the risks brought by climate change and take corresponding measures to enhance climate resilience.

In 2023, we maintained our commitment to the ongoing evaluation and management of climate risks. By analysing risks against relevant standards, conducting physical risk and transition risks assessments for the whole company, we implemented countermeasures across plants, projects, and daily operations, building climate risk capacity, and encouraging employee efforts to address climate change.





1.2

CORPORATE GOVERNANCE

As an integral part of a multinational enterprise, BMW Group China strictly adheres to international and local laws and regulations, operating under stringent management standards. With a comprehensive and well-defined compliance governance framework, we have implemented specific measures to address key areas of concern, including antitrust compliance, corruption and fraud prevention, data governance, information security, export control, and anti-money laundering. Our unwavering commitment ensures efficient compliance with all regulatory requirements while maintaining robust management practices, exemplifying our dedication to ethical business conduct.

BMW Group China Honour List

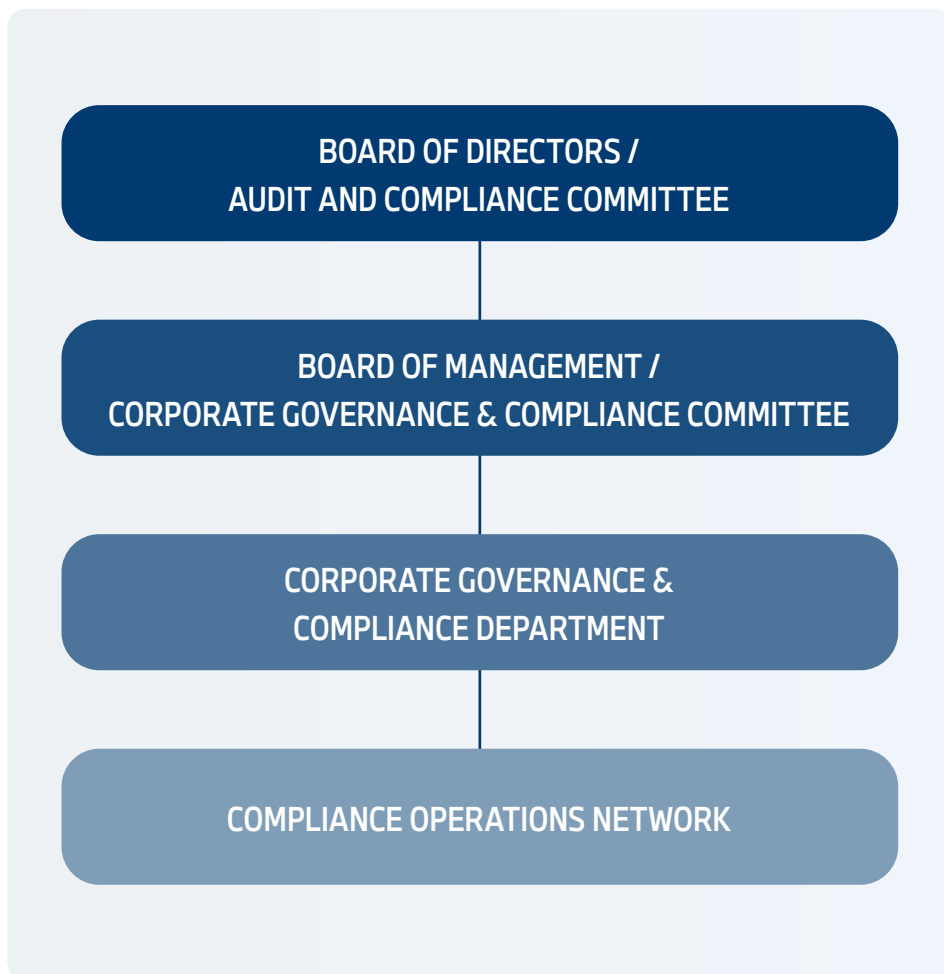
Advanced Authorised Economic Operator	General Administration of Customs
A-Level Tax Payer	State Taxation Administration
Level A Entity	State Administration of Foreign Exchange
Enterprise Quality Level A	China Quality Certification Centre
Labour Protection Level A	Ministry of Human Resources and Social Security
Honest Entity	Ministry of Ecology and Environment



COMPLIANCE MANAGEMENT

At BMW Group China, compliance extends beyond conforming with laws and company regulations. It is the foundation of our culture of integrity and an essential framework for all our business endeavours. Compliance forms the cornerstone of our long-term success, fosters trust in our products and brands, and shapes the public’s understanding of the sustainability of our company.

Compliance Governance Structure



ROBUST GOVERNANCE STRUCTURE

At BMW Group China, our governance structure encompasses a wide network of compliance management boards, functions and roles to implement an effective Compliance Management System (CMS) at each entity. Based on the “three-lines model”, the CMS is embedded in each entity’s overall risk management system.

- **Business departments** are the “first line”, which is responsible for lawful conduct during the performance and operation of the daily business to ensure compliance requirements and processes are implemented accordingly.
- **The Compliance organisation** is the “second line”, which supports the “first line” business departments with exercising their compliance responsibilities. A multi-layer comprehensive compliance organisation is in place, consisting of **Group Compliance and Divisional Compliance** functions, as well as **local compliance** functions and **Compliance delegates/ambassadors**.
- **Corporate audit** is the “third line”, which is responsible for independent auditing of compliance structures, processes and systems that support company management, monitoring functions and operational management.
- **Compliance committees** are management boards that supervise and approve activities, as well as manage compliance and reputation risks.

BMW Group China has implemented a robust organisational framework to uphold accountability across its operations. At the joint venture BMW Brilliance, for example, compliance accountability at the shareholder level resides with the Board of Directors (BoD) and the Audit and Compliance Committee (AC). The Board of Management (BoM) and the Corporate Governance and Compliance Committee (BCC) provide primary oversight.

Across all BMW Group China entities, there are clearly defined roles and responsibilities to enable effective compliance implementation. Business departments, the first line, are responsible for identifying compliance



risks within their daily operations, assessing these risks in alignment with corporate objectives, and implementing controls to mitigate them. All departments also have a designated Compliance Interface role (Compliance Interfaces), to serve as a bridge between business units and the central compliance function.

Legal and responsible conduct is fostered through coordination between the central compliance function, designated compliance oversight roles, and business departments. For all entities of BMW Group China, the Corporate Governance & Compliance department oversees compliance programs. Other departments, such as Legal Affairs, Controlling, Tax, Customs and Export Control, IT, Corporate Quality, and Human Resources, also broadly serve as compliance steering functions by providing guidance on compliance-related matters within their respective areas of expertise.

THREE-STAGE APPROACH TO COMPLIANCE MANAGEMENT SYSTEM AND COMPLIANCE TOPICS

The BMW Group China's Compliance Management System (CMS) is based on the Prevent, Detect, and Respond Model, which defines specific measures for prevention, monitoring, control and response.

The CMS is customised to BMW Group China entities' risk situation and addresses all relevant compliance topics. These topics include antitrust compliance, corruption prevention, fraud prevention, data compliance, export control, and anti-money laundering, among others.

Our compliance management system is well-rounded. At the corporate level, the BMW Group Code of Conduct integrates the corporate principles of the BMW Group. For employees and the public, it offers transparency about key compliance areas. Based on the Code, we have internal policies and processes that reflect the legal requirements for compliance concerns. Through compliance risk assessment, we can identify business-specific compliance risks and mitigation measures. We attach great value to training and compliance awareness promotion to support the integration of compliance in our business culture.

IT-driven compliance systems enable transparent and efficient documentation, assessment, and approval of compliance-related issues. The BMW Group China SpeakUP Line notification system is promoted to address questions and concerns appropriately. In addition, we have various monitoring levels to periodically review adherence to and implementation of compliance rules and processes.

BMW Group China also encourages business departments to take more proactive measures related to anti-fraud, including job rotation for high fraud-risk positions, and enhancement of subcontracting management. At the same time, we actively identify fraud leads and address root causes.

The BMW Group urges all employees to avoid situations that may result in a conflict of interest. Any risk of conflicts of interest should be disclosed and documented in a transparent manner. Local company-level instruction on conflicts of interest is in place to form a sound basis and provide immediate guidance to this topic. In 2023, a series of actions have been implemented on conflicts of interest, including trainings, all-staff communications, and declaration, to further raise awareness, mitigate risks and ensure transparency.

In 2023, stronger collaboration between Group and local compliance functions ensures various Group compliance initiatives are effectively implemented with local adaption and customisation. Among other initiatives, the Group Compliance Management System Certification Project aims to enhance and provide further assurance of compliance management system effectiveness at both Group and local level. Under Group Compliance's guidance and support from an external consulting service, compliance programs of Anti-Corruption and Antitrust Compliance of BMW Group China have been further optimised with continuous and cohesive measures. Besides, localisation with bilingual

version of Group compliance regulations and Compliance Essential online training facilitate easy understanding at local entities. Local Legal Framework Monitoring integrated general compliance management standards into the local legal context, which continuously enhanced the overall compliance management maturity.

COMPLIANCE MANAGEMENT IN FINANCIAL SERVICES

At BMW Group China, Financial Services is subject to specific regulations and risks. We focus on comprehensive compliance risk assessments and adhering to China's financial supervisory authority requirements. To ensure streamlined compliance management, Financial Services has its own compliance governance and collaborates closely with internal departments and external authorities.

Financial Services also has a comprehensive compliance management team to communicate and implement regulatory requirements, support overall compliance matters, and promote compliance culture within the Financial Services segment.

2,800+

associates were provided
customised classroom training.

40

one-on-one sessions were arranged
for all newly onboard Compliance
Responsible and Interfaces.



COMPLIANCE AWARENESS PROMOTION

Fostering a culture of compliance within BMW Group China is achieved through internal communication and training initiatives. By empowering employees to take personal accountability for ethical and lawful conduct within their respective domains, a robust compliance mindset permeates the workforce. Tailored online training modules and classroom sessions help to ensure a comprehensive understanding and adherence to regulatory frameworks across all levels of the organisation.

Strong compliance messages from our leadership are an essential element in compliance culture promotion. In 2023, the importance of compliance and clear expectations was conveyed through Tone from the Top videos and Executive Dialogues by top management across

BMW Group China. "Compliance – Our Mutual Commitment. "We Count on YOU" was the main theme of the Tone from the Top videos and it conveyed the strong commitment and enthusiastic sponsorship of integrity from top management. The videos were communicated through multiple internal channels, such as the Associates Communication Letter, BMW China Intranet Newsletter and E-poster, JoyChat App, Compliance Day Event, as well as, the new associates onboarding compliance package.

The Annual Compliance Quiz, which incorporated both a self-learning package and interactive questions in the form of materials such as notebook, pen, or calendar, was another well-recognised and innovative campaign. This regular compliance campaign aims to refresh compliance knowledge and raise awareness in an engaging and timely manner. Furthermore, compliance communication letters focusing on various

compliance topics are sent to all associates or target groups to remind them of compliance risks and requirements on a regular basis, which also effectively helps to enhance compliance awareness and competence.

We are dedicated to speaking directly to all associates on topics that matter to them. The regular compliance periodicals, including Legislation Express, Case Study, News Clippings, Quiz & Interaction keep them informed of the latest developments relevant to the industry. The 40 periodicals published in 2023 drew 661,604 clicks on the "WeCompliance" JoyChat account. More than sixty joint classroom training sessions were provided to more than 2,800 associates across -entities who have specific business needs or need to manage certain compliance risks. Our Compliance Interfaces/Ambassadors took part in the 2023 Joint Compliance Interface/Ambassador Workshop to reinforce requirements, exchange opinions on challenges and hot topics, and share best practices. A total of 153 Compliance Interfaces / Ambassadors attended the event. In 2023, 40 one-on-one sessions were arranged for all newly-onboarded compliance interfaces or responsables at division or department level. At BMW Automotive Finance, to increase understanding and awareness of compliance, a monthly industry newsletter is emailed to all employees, with content relating to compliance and sustainability.

DATA COMPLIANCE AND INFORMATION SECURITY MANAGEMENT

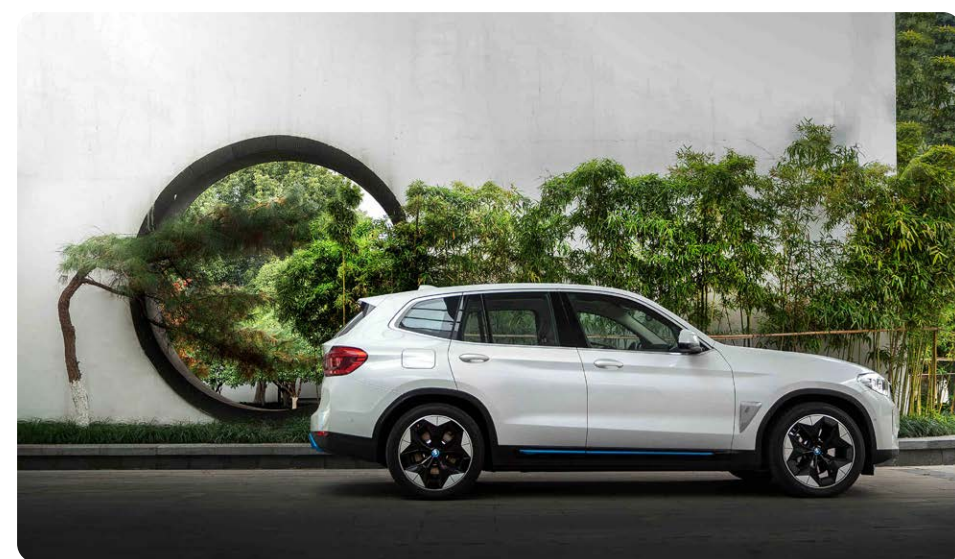
BMW Group China's product and service development integrates stringent data protection standards in the early stages. We emphasise transparency, openness, and security, underpinned by a robust governance framework. To uphold the trust of our customers and partners, we prioritise effective and efficient management of our data assets through responsible teams, practices, and policies. Protecting privacy is closely aligned with delivering exceptional customer service and experience. Our policies, standards and processes are crafted to ensure the security and accuracy of data and to comply with China's and other market-specific regulatory requirements.



GOVERNANCE AND MANAGEMENT APPROACH

BMW Group China's data protection complies strictly with applicable laws and regulations, particularly the Personal Information Protection Law (PIPL) of the People's Republic of China (PRC), the Data Security Law of the PRC and the Several Provisions on Vehicle Data Security Management (Trial)¹. At the management level, to serve cross-entities' and cross-functions' needs regarding data and ensure compliance, A cross-functional governance project was established in 2021. The overall governance role transferred to the central department of Data Governance in 2023 to oversees implementation and compliance throughout the organisation.

The department of Data Governance was established to help the company meet its data compliance commitments as we develop and implement new technologies, products, and services. The Data Compliance Officer (DCO) ensures conformity of design and implementation of overall data compliance and conducts compliance reviews of data processing activities. In 2023, BMW Brilliance Automobile Limited was selected as a typical data security case by the Ministry of Industry and Information Technology for the overall design and implementation of the data security system.



INFORMATION AND DATA SECURITY MANAGEMENT

BMW Group China takes information and data security very seriously. We are committed to continuously reinforcing our information security management, specifically cybersecurity, IT security and production network security. We set up an enterprise-level supply chain cybersecurity process to protect the BMW Group China from supply chain cyberattacks. Moreover, regarding high-risk data leakage scenarios, we successfully deploy data loss prevention (DLP) tools. In order to continuously improve cloud security maturity, we utilise an advanced automatic cloud security management tool. We have a mobile app compliance process for apps published in Chinese iOS and Android app stores. Before apps are published, we ensure that mobile app compliance requirements are thoroughly tested, using actual regulatory authority inspection criteria. We also adhere to norms and standards that ensure quality. BMW Group China entities, BMW Brilliance and LingYue, hold ISO/IEC 27001 and 27701 certifications. LingYue also holds ISO/IEC 27017, ISO/IEC 27018 and ISO/IEC 38505 certifications.

Cybersecurity is vital for digital transformation. In 2023, we participated in, and passed, the Intelligent Connected Vehicles (ICV) Cybersecurity & Data Security Inspection and Panshi Cybersecurity

Attack and Defense Drill, organised by the Shanghai Communications Administration. Following the Panshi activity, we received the reward of "excellent response" for our outstanding response capabilities. In addition, we participated in credible risk frameworks and standards, and earned 39 certifications under China's Multi-Level Protection Scheme (MLPS) for cybersecurity, covering more than 86 applications.

Focusing on data security, our data management guidelines, the Data Governance Instruction, comply with the requirements of the BMW Group and are in line with domestic regulations in China. With the central data governance structure, all aspects of data management have been enhanced, including data strategy, data standards, data quality, data architecture, and data security. As a result, we became the first original equipment manufacturer (OEM) and foreign automotive enterprise to receive the Data Management Capability Maturity Certification (DCMM) Level 3 (Managing Level) from the China Academy for Information and Communication Technology. We also won the China 2023 Data Management Top 100 Excellent Case Award from the China Federation of Electronics and Information Industry, confirming our leading position in data management in the industry.

BMW Group China certifications for information and data security management:

Certified Entities	Certification Scheme	First issuance	2023 Certified
BMW Brilliance and LingYue	ISO/IEC 27001:2022 Information security, cybersecurity and privacy protection - Information security management systems - Requirements	2020	Recertification Audit
	ISO/IEC 27701:2019 Security techniques - Extension to ISO/IEC 27001 and ISO/IEC 27002 for privacy information management - Requirements and guidelines	2020	Recertification Audit
LingYue	ISO/IEC 27017:2015 Information technology - Security techniques - Code of practice for information security controls based on ISO/IEC 27002 for cloud services	2021	Recertification Audit
	ISO/IEC 27018:2019 Information technology - Security techniques - Code of practice for protection of personally identifiable information (PII) in public clouds acting as PII processors	2021	Recertification Audit
	ISO/IEC 38505:2017 Information technology - Governance of IT - Governance of data	2021	Recertification Audit

1. The Various Provisions on Vehicle Data Security Management (Trial) mainly aims to standardise the management of automotive data security, safeguard the personal information security of vehicle owners, and ensure the security of vehicle networks.

AWARENESS PROMOTION AND COMMUNICATION

Our entities also promote relevant compliance communication and training for their staff. For example, at BMW Brilliance and LingYue, compliance training and communication programmes are designed and delivered to every level of their compliance operation networks, to equip the business with adequate compliance capabilities to achieve business goals.

Information security is a core of our compliance culture. We provide onboarding training for employees, dealers and suppliers, and promote a security-aware company culture. Via our online platforms, we ensure appropriate behaviour and understanding of policies with training and communications, such as the Learning Management System, the E-learning System, and in-person meetings.

For example, a phishing awareness session targeted 18,721 employees and partners. We also engaged more than 1,300 professionals in cybersecurity awareness and professional skills training in 2023.

18,721

employees and partners included in our phishing awareness session in 2023.

1,300

professionals participated in cybersecurity training in 2023.

FORECAST

As the regulatory environment is dynamic and constantly evolving, the CMS requires continuous adaption and improvement. Faced with a host of external challenges, we are taking systematic measures in a variety of compliance areas, with special attention to high-risk sectors.

While we have made steady progress on various issues, we are aware that in some compliance areas, there is higher risk of misconduct. For

this reason, the fight against non-compliance remains a priority for us for the foreseeable future. That is why we must practice constant vigilance and redouble our efforts to ensure thorough, effective and timely implementation of all compliance programs and processes. We are committed to continue empowering business through endeavours that demonstrate compliance as foundations.





CHAPTER 2

PRODUCTS AND SERVICES

BMW Group China goes beyond automobile manufacture. We innovate sustainable products and provide customer-centric experience throughout the entire business chain. We are committed to being a pioneer in promoting sustainable mobility and lifestyles, contributing to the sustainability of society and our planet.

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02



2.1

PREMIUM QUALITY AND SAFETY

At the BMW Group China, we integrate quality and safety standards into the entire lifecycle of our products. With our unwavering commitment to the highest standards and a quality-first culture, we take every measure to ensure the health and safety of our customers.

台车2
Framing 2

#1

Topped the China Automobile Customer Satisfaction Index (CACSI).

5 models

Won first place in their respective segments of the China Automobile Customer Satisfaction Index (CACSI).

0 defects

The BMW X1 received an excellent performance in the China Insurance Automotive Safety Index (C-IASI) for structural crashworthiness.



SDG 3

QUALITY-FIRST CULTURE

Our quality-first culture is a core strength of our business, from R&D supply chain, and production, to final products and services delivery. BMW Brilliance promotes the BMW iFACTORY strategy in the automotive manufacturing process, striving for a 'zero-defect' mindset and ensuring the highest standards of precision-targeted work.

This quality-first culture in our business units, divisions and industry partners, drives our joint pursuit of excellence. In 2023, we strengthened collaboration and partnerships with the auditor community which covers the German Association of the Automotive Industry, business partners and BMW worldwide, in our unwavering pursuit of the highest quality.

TOTAL QUALITY MANAGEMENT

The BMW Group China maintains a rigorous quality management framework to ensure all products and services meet the highest standards for quality and safety. All our manufacturing bases in China are ISO 9001 certified, with the latest renewal audit in 2023. We continually fortify our total quality management system, with the Quality Management System Quality Circle (QC-QMS) playing a pivotal role. QC-QMS facilitates regular meetings to assess and enhance our quality control practices.

1. Plug-in hybrid electric vehicle.
2. Integration of R&D, Procurement, and Production.

PRODUCT SAFETY PRACTICES

Product safety serves as a fundamental foundation for the BMW Group China. Based on research of a wide range of real-life accidents, we are always refining the safety performance and features of our products. We adhere to stringent yet practical quality and reliability standards and conduct thorough tests based on real-life incidents assessment to ensure maximum safety for drivers and occupants at all times.

ENSURING PRODUCT QUALITY

We craft premium-quality vehicles that meet highest standards, using advanced processes and technology and rigorous quality checks. We constantly monitor and interpret all regulations that apply to high-quality design and production. Starting with product design and R&D, we use more than 70 test benches to conduct over 100 distinct approval tests, covering areas such as emissions, safety, and NEVs, for stringent quality control.

The Shenyang production base sits at the core of our manufacturing excellence. The Tiexi Plant employs cutting-edge digital tools, including 3D modelling, virtual reality (VR) technology, and virtual debugging, to facilitate efficient product development and in-process testing. The plant uses an industry-leading production management system and real-time location tracking technology to provide instant, transparent information during the vehicle assembly process. Every vehicle's quality data, such as geometric data, is tracked at different stages of production to ensure the highest product quality from the first process to the final vehicle roll-off. For China's local manufacturing, we developed the EMT² practice for faster decision-making and problem-solving on quality issues. If a risk is identified, an independent quality management team collaborates promptly with R&D and the procurement teams on corrective measures. This ensures that non-conforming parts or vehicles do not proceed to the next stage until the issue is resolved. By adhering to this comprehensive quality management system, we demonstrate our commitment to innovation and technological leadership, ensuring that every BMW product delivered to Chinese customers meets our high standards of safety and quality.

TOPPED THE CHINA AUTOMOBILE CUSTOMER SATISFACTION INDEX (CACSI)

Five of our models defended titles in their own segments of the China Automobile Customer Satisfaction Index in 2023.



BMW 3 Series
Top B-class Luxury Sedan



BMW 5 Series
(Long-ranged and PHEV)
Top C-class Luxury Sedan



BMW X1
Top A-class Luxury SUV



BMW X3
Top B-class Luxury SUV



BMW X5
Top C-class SUV

CARING FOR CUSTOMER HEALTH

We maintain rigorous standards, constantly seeking advanced technologies to provide customers with products that sustain comfort and safety. By using components crafted from high quality materials, we ensure that our products meet evolving design and standards requirements.

Our comprehensive approach to protecting the health of our customers begins with tight monitoring of every production stage, from raw materials to finished vehicles. This process includes thorough checks for volatile organic compounds (VOCs) and odours in the vehicle, ensuring compliance with the standards outlined in China's Guideline for Air Quality Assessment of Passenger Car (GB/T 27630). All BMW Brilliance vehicles undergo testing under extreme conditions that simulate customer usage, which follows our stringent standard that exceeds the industry compliance level.

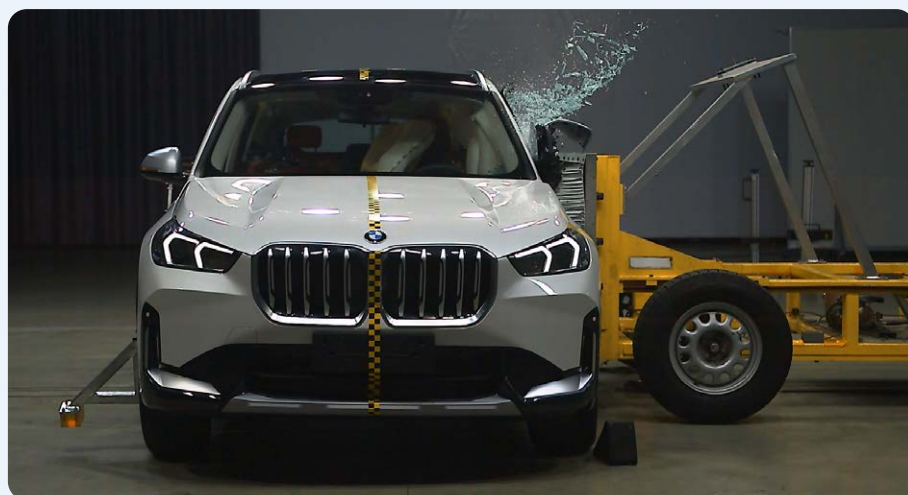
We ensure that all hazardous materials are managed according to the BMW Group's Global hazardous material approval process. We strictly comply with European Union (EU) and China regulations for hazardous material management, including Directive 2000/53/EC on of End-of-Life Vehicles (ELV), REACH¹, China's GB/T 30512 Requirements for Prohibited Substances in Automobiles, and the Ministry of Industry and Information Technology's (MIIT) Management Requirements for Hazardous Material and Recyclability of Automobiles. By complying, we effectively manage hazardous substances in parts and components, reducing or replacing these substances when necessary, to provide customers with safer and healthier transportation options. Our hazardous materials data is submitted in accordance with the China Quality Certification Centre Material Database System (CQC MDS) and China Automotive Material Data System (CAMDS) requirements. We have also established a hazardous material exemption list,

with suppliers completing exemption applications in advance each year, reflecting our continuous efforts to optimise our supply chain management. We are committed to improving the efficiency of hazardous material management, contributing to vehicle safety and environmental protection.

Over the years, we have developed many hardware measures to create a more comfortable passenger experience by reducing interior noise. For instance, we are bringing in more sound insulating materials for new local projects, with a specific goal to improve the acoustic comfort for our Chinese customers. We have also invested in digitalised methodologies, such as active noise cancellation (ANC) which uses software to reduce interior noise. We believe from an acoustic perspective, this is a significant advancement from conventional solutions to a more sustainable approach for the future. ANC reduces the need for hardware measures, which means lower weight and emissions.

EXCELLENT PERFORMANCE IN CHINA INSURANCE AUTOMOTIVE SAFETY INDEX (C-IASI)

In structural crashworthiness, the BMW X1 received an excellent rating and achieved zero defects. In maintainability, the BMW X1 was the only vehicle to receive an excellent rating in 2023.



Structural crashworthiness:
0 defects



Safety index of passengers in the vehicle:
excellent



Safety index of pedestrians outside the vehicle:
excellent



Total vehicle assisted safety score:
scoring rate of 96.6%

PROMOTING DRIVING SAFETY

Enhancing driving safety is crucial to safeguarding the lives of our customers. We actively engage with our customers to jointly promote the concept of safe driving. Through the BMW M Driving Experience China programme, we provide comprehensive training to cultivate safe driving habits and enhance drivers' skills in navigating complex road conditions. In 2023, the programme attracted 15,062 participants.

FORECAST

We will continue to uphold the quality-first culture and enhance our product safety practices. Through continuous technological innovation and quality enhancement, we aim to deliver high quality products to enable the best driving experiences for our customers. To further deepen customer understanding of product health and safety, we are planning to launch a marketing campaign to promote a healthy and well-being lifestyle in 2024 and beyond.

1. Registration, Evaluation, Authorisation and Restriction of Chemicals, an EU regulation.

#生物材料

VISIONARY DIRECTION

FUNDAMENTAL

PRODUCTS AND SERVICES

PRODUCTION AND OPERATION

DEALER AND SUPPLY CHAIN

EMPLOYEE AND SOCIETY

OTHER INFORMATION

Sustainable Products

2.2 SUSTAINABLE PRODUCTS

Effecting global change begins with transforming ourselves, and we have embraced this notion by enhancing our products, business practices, and services through technological innovation. These efforts align with our goals of mitigating the impacts of climate change, paving the way towards a sustainable future.

重构想象

宝马集团秉承可持续设计理念
采用橄榄叶萃取物代替传统的鞣制剂
将“无限循环利用”的理念运用至车内
在整个生命周期内减少汽车的碳足迹

351,634
Pieces of spare parts recycled,
weighing over 766 t in total.

100%
Retired HVBs recycled in China.

99,972
Retail NEV deliveries in 2023
Increase of more than 69.1% since 2022.





SUSTAINABLE PRODUCT PORTFOLIO

We fully support the Group's strategic objective to be the most sustainable manufacturer for individual premium mobility. Aligned with local governments goals, we are accelerating the transition to E-mobility and dedicated to further increase efficiency for conventional drive technologies.

We believe the future of transport is electric, digital and circular. We are optimising our product portfolio. BMW Group plans to increase its share of all-electric vehicles in the global sales to 50% at latest by 2030.

With sustainability in mind, BMW Vision Neue Klasse concept vehicles adopted much wider use of raw and secondary materials produced with reduced CO₂, the Neue Klasse will also provide significant impetus for resource-efficient individual mobility. The Vision Neue Klasse is BMW's vision of the future of mobility.

BMW Group China offers a diversified and strong electric car portfolio demonstrating BMW's resolute transition to E-mobility. As of the end of 2023, we have introduced six fully electric models in the Chinese market: the ground-breaking BMW i7, the all-new BMW i3, the BMW

i4, the BMW iX, the BMW iX3 and the BMW iX1. BMW Group China achieved 99,972 retail NEV deliveries throughout 2023, representing a year-on-year increase of more than 69.1%. Our entire fleet from ICE to BEV upholds BMW's distinctive driving pleasure while aiming for less energy consumption and being more environmentally and socially responsible.

At BMW, our goal extends beyond simply offering means for transportation: we aim to provide innovative and sustainable mobility solutions to lead the future of individual mobility. By accelerating the global electrification of the BMW Group, we are paving the way for a future that prioritises environmental responsibility and sustainability.

We are fully committed to optimising fuel efficiency and curtailing CO₂ emissions. Compared to 2022, corporate average fuel decreasing from 7.24 l/100km to 6.99 l/100km for imported models, and from 6.08 l/100km to 6.03 l/100km for domestic models. These remarkable achievements reflect our unwavering commitment to advanced automotive electrification and sustainability.



AAAAA

BMW Brilliance has been awarded the AAAAA rating in the China Automotive Technology and Research Centre's Green Development Index for five consecutive years.

CARBON FOOTPRINT REDUCTION AND INNOVATIVE SOLUTIONS

BMW Group China is at the forefront of sustainable automotive innovation, seamlessly integrating global strategies with local advancements. The company's commitment to sustainability is evident in its use of recyclable and bio-based materials, as well as its efforts to enhance both environmental stewardship and consumer awareness. Coupled with our innovations in energy efficiency, aerodynamics, and lightweight design, we ensure that our vehicles deliver exceptional performance while reducing environmental impact.

PRODUCT LIFE CYCLE ASSESSMENT

BMW Group China has undertaken a comprehensive Life Cycle Assessment (LCA) of our models, identifying opportunities to reduce carbon dioxide (CO₂) emissions along the value chain. In 2023, BMW Brilliance has strengthened its commitment to sustainability by conducting a comprehensive LCA analysis of the New X1 model. This analysis has included the assessment of the full life cycle carbon footprint, a crucial step that has contributed significantly to our CO₂ reduction efforts. Additionally, BMW i5 eDrive 35L has acquired a 5-star rating in China-Green Car Assessment Programme (C-GCAP) review in 2024.

BMW i5 eDrive35L 5-STAR RATING IN CHINA-GREEN CAR ASSESSMENT PROGRAMME (C-GCAP) ASSESSMENT

It provides an independent, impartial, professional, and comprehensive evaluation of automotive green indicators, starting from in-vehicle air quality, electromagnetic protection, range, charging, carbon footprint, and other measurement indicators of industry and consumer concern.

SUSTAINABLE DESIGN CONCEPT

BMW Group China's design philosophy for sustainability aligns with BMW's global design strategy, ensuring customers receive an outstanding experience in China and worldwide. Our "At Home in China" innovation approach tailors the globally established design concept to local cultural nuances that cater to the needs of the Chinese market.

At the core of BMW's design concept lies a commitment to strengthening circularity. This practice, aligned with the BMW Group's

initiatives, emphasises the use of recyclable and innovative materials. In addition to rethinking processes and manufacturing technologies, BMW aims to raise customer awareness of a product's environmental impact.

Sustainable design at BMW goes beyond conservation to achieve more with less. Collaborating with worldwide innovators and artisans, BMW designers strive to deliver premium driving experiences with sustainable concepts, embracing innovative and inspirational aesthetics.



ENERGY EFFICIENCY

BMW aims to improve vehicle energy efficiency and range through innovative solutions.

Max Range Mode: The BMW iX1 and i5 vehicles are equipped with the new Max Range drive mode. It can maximise range efficiency for unexpected situations where owners are unable to fully charge the car's battery, such as when the charging station is out of order. By activating this mode, users can increase the range by 15% to 25%.



Panel heating: BMW iX's panel heating is automatically controlled by the intelligent automatic air conditioning. It supports heating of the interior and heats the instrument panel, the glove compartment, the door trim panel above the armrest, the armrest itself as well as the center armrest and the steering wheel. The provision of heat can be done quickly and quietly. The heat is distributed via thermal radiation, which, compared with the traditional heating method, helps to increase passenger comfort while increasing energy efficiency.

AERODYNAMICS

Aerodynamics is an important factor in optimising vehicle performance and energy consumption. For our new BMW X1/iX1, various technologies have been adopted to reduce aerodynamic drag.

LIGHT WEIGHT CONSTRUCTION AND DESIGN

Light weight construction contributes to lower fuel consumption, greater range, and more enjoyable driving experience. For instance, the new BMW X1 sport utility vehicle features multiple measures to achieve lightweight construction for reduced weight and improved energy efficiency.



Aluminium bonnet to increase transverse and longitudinal dynamics.



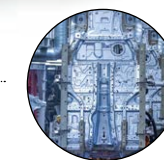
Optimised **roof spoiler** and aeroblade in the standard package for all models in X1/iX1 series.



High-strength steels side impact beams to further increase car body strength.



Wheel design optimisation and tyre selection for various wheelbases to reduce air and rolling resistance.



Underbody assembly customised for both BEV and ICE models to reduce air resistance and reduce uplift.



PRODUCT RESOURCE UTILISATION AND CONSERVATION

PROMOTING SECONDARY MATERIALS USAGE

BMW Group China is dedicated to maximising the incorporation of secondary materials across our product lines through strong collaborative partnerships with our supplier base. Our supply chain practices, and material standards align closely with BMW Group's global guidelines, prioritising an increased usage of recycled and repurposed materials while fulfilling stringent safety requirements, ensuring our vehicles and components adhere to all relevant performance and quality criteria.

By working closely with our manufacturing partners, we achieved an accumulative scrap steel recycling volume of 82,639 t in 2023. At the same time, we are able to recycle a total volume of 1,041 t raw material¹ through High Voltage Battery closed-loop recycling. Materials used in the production process are recycled to the raw material manufacturers, and then remanufactured and reused in the production process.

Plastic is one type of secondary material in which we have made significant progress. Over the years, we made significant research achievements in the industrial processes of plastic, as well as product development and verification. We also gained valuable experience in applying recycled materials to existing products, including the BMW 3 series, the BMW iX3, and the BMW X5. This research has been a major step forward in our commitment to sustainable development.

82,639 t

Scrap steel recycled from production process.

1,041 t

Raw material recycled through High Voltage Battery closed-loop recycling.

We also raise customer awareness of secondary materials through material labelling. Sustainable products are also about rethinking. By helping customers consider their views about sustainable materials, we can help to strengthen their connection with products that use secondary materials. Premium sustainable materials are always BMW's goal while also achieving low carbon and environmental targets.

INNOVATIVE BIO-BASED MATERIAL

We launched innovative research with our suppliers to add bio-based materials into plastic, including coffee grounds and other plant fibres. High-quality textile finishes and leather alternatives are already available today for seat and interior surfaces of various types. We offered an upholstery variant, including vegan leatherette², in the new BMW 5 Series. At the same time, we are also developing new bio-based surfaces as part of our materials research in cooperation with start-up companies.



PIONEERING IN SUSTAINABLE BATTERIES HVB

The accelerated adoption of new energy vehicles (NEVs) has led to a corresponding surge in the retirement volume of high-voltage batteries (HVBs) year over year. Implementing a robust system for the recycling and repurposing of these HVBs is of paramount importance to safeguard the ecological environment and ensure the sustainable, healthy growth of the NEV industry. BMW Group China is proactively collaborating with industry partners to cultivate a sustainable, circular, and high-quality ecosystem for the lifecycle management of China's HVBs. Through these strategic partnerships, we aim to drive the responsible end-of-life processing and value extraction from retired battery packs, strengthening circularity for electrified mobility solutions.

BATTERY SECONDARY USE

BMW Group China evaluates different use case scenarios for retired HVBs before they are dismantled to maximise their lifecycle value. One application is their use in forklifts in BMW Group China's manufacturing base. By replacing lead-acid batteries with used lithium batteries, the performance of forklifts is improved, and maintenance requirement reduced. Further research is being done with partner companies to optimise the potential of relevant applications. Other scenarios for retired HVBs include their use as stationary batteries for energy storage. Batteries are reinstalled and re-purposed for energy storage at the end of their product cycle.

1. Raw materials collected from HVB include: lithium hydroxide, nickel sulfate, cobalt sulfate, copper, aluminium, and manganese.
2. BMW Group innovative vegan interior materials with leather-like properties.

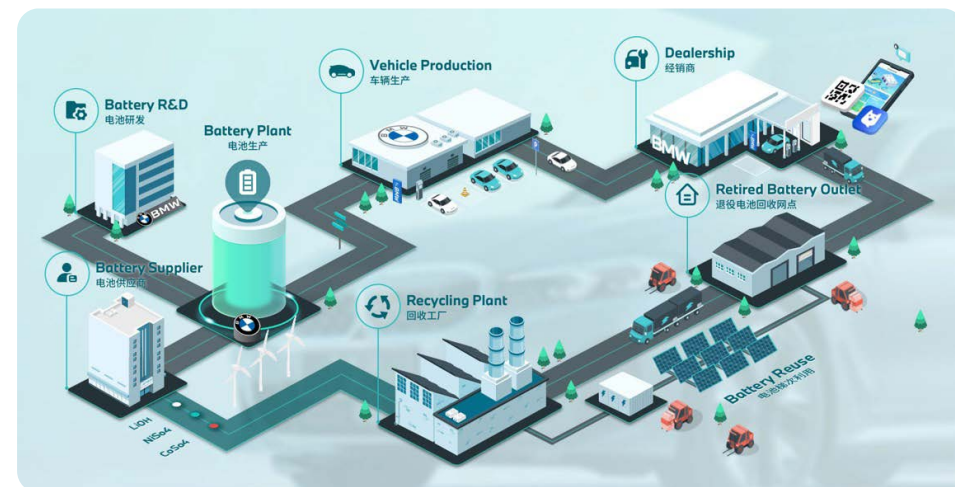


BATTERY RECYCLING

Through deepening cooperation with professional battery transportation and battery recycling partners, BMW has established a sound management process for high-voltage power battery recycling. Through continued closed-loop recycling, we facilitate the recycling of critical materials, including nickel, lithium and cobalt, which will be returned to our battery suppliers for the production of new HVBs. In 2023, our HVB closed-loop agreement extended coverage from cars made in China to include all imported vehicles. BMW Group China currently recycles 100% of its retired HVBs in China, including customer car batteries, batteries sourced via dealers, and production test batteries from BMW plants in Shenyang. It is estimated that CO₂ emissions can be reduced by 70% by implementing a closed-loop system that maximises the resale value of retired HVBs and reduces the need to mine raw materials.

BATTERY INTEGRATED IT SYSTEM TO IMPROVE TRACEABILITY AND RECYCLING EFFICIENCY

Our IT system assists the company comply with national battery regulations, including tracing and coding. By connecting different stakeholders, including dealerships, logistics services providers, and raw material recyclers, our smart IT system can efficiently and effectively achieve closed-loop traceability.



Meanwhile, we integrate digital solutions onto existing tracing platform to streamline logistics routing for collecting retired HVBs to ensure logistic operation efficiency. Currently, the entire BMW Group China dealer network has been fully integrated into the HVB lifecycle management ecosystem for better recycling efficiency.

AMPLIFYING PARTS REMANUFACTURING

The underlying idea behind a remanufactured part is recycling. The BMW remanufacturing process accurately repairs old parts that meet the recycling requirements, and the standardised process significantly reduces carbon emission and wastewater emissions as well as the use of raw materials in the production process. BMW Group China is strengthening its position as a leader in circularity by accelerating the expansion of our remanufacturing capabilities and scope. In 2023, we expanded our parts return programme and enhanced research and development efforts in remanufactured parts within our aftersales division. This has bolstered our inventory of remanufactured parts and led to increased material recycling efficiency.

ADVANCING PARTS REMANUFACTURING AND MARKET DEPLOYMENT

In 2023, beyond promoting and accelerating the development of remanufactured parts, we focused on speeding up remanufactured parts' deployment in the market. With parts like electronic steering gear, transmission, four-wheel drive transfer cases, air condition compressors etc., our remanufactured parts are accepted by the market. Our synergy between cutting-edge research and development coupled with a strategic market go-to market approach positions BMW Group China at the forefront, poised to lead the industry and shape consumer trends. We take immense pride in the progress we have made thus far and remain unwavering in our commitment to promoting sustainable practices through comprehensive recycling initiatives and the remanufacturing of automotive components.

100%
Retired HVBs recycled in China.

REMANUFACTURED PARTS PRACTICE

Original standard, same guarantee

BMW remanufactured parts adopt highly demanding technologies and techniques and use the same assembly process as the original new products. They follow BMW's unified standards for strict functional testing and enjoy the same 2-year unlimited-mileage warranty policy as the original new parts.



PROMOTING PARTS REMANUFACTURING AND RECYCLING PROGRESS

At BMW Group China, proactive actions were promoted to realise the precise management of parts remanufacturing and recycling in a highly effective manner. We expanded the scope of recycling parts. As a result, we collected 351,634 pieces of parts for remanufacturing and recycled an impressive 766 tons of material, including 285 tons of iron and steel, 230 tons of aluminium, 177 tons of plastics, 57 tons of paper, seven tons of fabric, five tons of rubber, and five tons of glass in 2023.

FORECAST

Looking ahead to 2024, the BMW Group is positioned to introduce even more captivating NEVs in the China market. Furthermore, our plans involve developing sustainable materials tailored specifically to the needs of the Chinese market and increasing the percentage of secondary materials utilised in our vehicles. By prioritising sustainability across all facets of our operations, we are committed to creating a better future for our planet and delivering exceptional value to our customers.

Regarding materials, our collaboration with suppliers will persist in promoting the utilisation of secondary raw materials, while ensuring standardised energy and CO₂ management through verification audits. We are steadfast in our commitment to prioritising sustainability across all facets of our operations, thereby contributing to a brighter future for our customers and the planet.

At the same time, our ongoing investments in research and design for remanufactured parts aim to expand our offerings to include pumps, and electrical air conditioning compressors. Continuing the progress from previous year, the new online platform system for parts reverse logistic evaluation will be completed in 2024 and ready to proceed for the launching phase.





Customer-centric Services

2.3

CUSTOMER-CENTRIC SERVICES

Premium customer-centric service drives our pursuit of excellence. Our dedication to meeting and exceeding customer expectations shows in every aspect of our operation. We incorporated sustainable innovations into our service processes, prioritising responsible marketing, a seamless digital customer experience, tailored financial solutions, and effective customer engagement to foster deeper connections.

276,682

Of NEV users connected on the My BMW App.

588,550

Public charging pillars in more than 320 cities in China in 2023. ↗ 25% vs 2022



↗ SDG 7 and 9

CUSTOMER-CENTRIC APPROACH

Guided by customer-centric ethos, we strive to establish a lasting bond and enrich engagement with our fans, supporters and potential customers. We expanded our charging infrastructures providing multiple charging options. Leveraging the power of digitalisation, the My BMW App delivers a seamless digital experience to our customers. Hearing the voice of customers, we continuously improve financial and aftersales services, and use AI technology to enhance our products as well as our customers' experiences.

CHARGING INFRASTRUCTURE

A vital component of our low-carbon services is a comprehensive, convenient, and efficient charging experience tailored to meet the evolving needs of our customers. In 2023, we collaborated with State Grid EV Service to provide renewable electricity for charging NEVs, advance charging technology research and innovation, and promote exceptional charging service. Through this ecosystem, we aim to be a leader in sustainable charging solutions.

EXPANSION OF CHARGING NETWORK

As China's NEV market blooms, there is a critical need to expand charging infrastructure. BMW Group China is dedicated to providing customers with a seamless experience by enhancing our charging infrastructure and providing multiple charging options.



PRIVATE CHARGING

For private charging, we provide high-quality Wallboxes and installation services. The new generation of smart Wallboxes has been designed to offer customers intelligent features, including plug and charge functionality, remote control capabilities, remote diagnostics, and the ability to perform over-the-air (OTA) upgrades. These Wallboxes can be shared among multiple users by activating the sharing function under a common administrator. The smart charging Wallboxes provide customers with the option to schedule charge times during off-peak electricity pricing periods. This feature aims to raise customer awareness about peak and off-peak electricity usage times, thereby helping to reduce the strain on the electricity grid.



PUBLIC CHARGING

For public charging, we worked with additional Charging Point Operators (CPO) to widen the application of Easy Charge technology. As of the end of 2023, BMW customers could access more than 588,550 public charging points in China. In August 2023, BMW launched the BMW Super Charging Station project, with high-power charging stations, supporting up to 600 kW charging power, open to all brands of electric vehicles. A joint high-power charging network has also been established in China. The joint venture will deliver a premium, seamless and digital experience to customers. The partnership was announced in 2023 and the first stations are planned to begin operating in 2024 in the top NEV regions. At least 1,000 stations nationwide with around 7,000 charging piles are targeted to be installed by the end of 2026.



CHARGING AT DEALERSHIPS

We implemented charging at dealerships to better demonstrate charging services to customers. By the end of 2023, 615 dealer charging stations were available nationwide. Advanced 3-in-1 dealer charging stations were introduced to engage more dealerships. These integrated stations combine solar power generation, energy storage, and vehicle charging capabilities into a single solution. By prioritising the use of green electricity at dealership charging stations, the BMW Group China reinforces its commitment to sustainability goals.

GREEN CHARGING SERVICES

To effectively reduce BMW vehicles' CO₂ emissions in the use phase, the BMW Group China is continuing its partnership with State Grid to provide charging services. To ensure traceability and transparency, State Grid has implemented a blockchain system for renewable electricity source tracing. The system encompasses details such as renewable electricity type, electricity generation province, energy consumption province, charging station location, and the amount of renewable electricity consumed. To encourage the adoption of

renewable electricity practices, State Grid issues Green Electricity Tracing Certificates to BMW customers and provides opportunities and incentives for customer engagement, aiming to inspire customers to embrace sustainable behaviours in their daily lives. Aligned with the increasing sales of all-electric BMW vehicles and the promotion of renewable electricity, BMW NEVs charged a total of 89,708 kWh of green energy with 3,179 green charging orders generated in 2023.

DIGITAL CHARGING SERVICE

Digitalisation is essential when it comes to connecting BMW's customers, products, services and brands. The BMW Group China provides comprehensive charging services to customers and dealers through the My BMW App. This one-stop platform supports customer usage, experience, and dealer business operations, granting both customers and dealers access to a charging portal. The portal offers a wide range of services, including charging guides, digital services, charging community and membership, online charging support, and more. By the end of 2023, 276,682 of NEV users connected on the My BMW App.

An in-app customer feedback mechanism for private and public charging services has been added to the My BMW App, with functionalities such as satisfaction surveys, online evaluations, and a Charging FAQ portal. Additionally, the BMW Instant Charging Circle, an open community within the app, serves as a platform where the official account "Charging Power Bank" periodically provides users with charging service information, professional knowledge, Q&As, as well as thoughtful gifts and holiday greetings. This community allows users to enjoy reliable and intelligent charging services.

DIGITAL CUSTOMER JOURNEY

Through digital transformation, such as the implementation of automatic activity notifications and other service tools functionalities, we have fortified our online operational capabilities. We have seamlessly integrated traditional business models with technology, resulting in a more comprehensive and intelligent comprehensive service experience. This digitalisation process has not only elevated the quality of BMW's services but also fostered a dynamic and efficient ecosystem among customers, diverse products, comprehensive services, and the BMW brand.

The My BMW App enables us to engage with customers throughout the day. Through continuous upgrades, it offers convenient features for customer activities, such as making car down payments, scheduling services, remotely controlling vehicles, and accessing BMW-related news. In 2023, we introduced personalised "Monetary Credit", which offers customers select deals in the E-commerce section. The app also launched local lifestyle products tailored for Chinese consumers, to provide customised and diversified products. The My BMW App also

introduced innovative functionalities such as a digital key, which enables consumers to easily start the car with their mobile phone. The app has maintained a consistent rating of 4.9/5 star rating in the Apple Store and its total registered user has exceeded 10 million, reflecting high user recognition and satisfaction.

BMW dealers are an extension of our customer-focused services, and their connections to customers are important to us. We have bolstered the SPARK-DMO digital platform to support BMW dealers to have seamless and personalised online to offline services.

Our digital transformation has also played a role in mitigating our environmental impact. As we transition our traditional services to paperless process, the SPARK-DMO platform avoided the consumption of 97 million pieces of paper in 2023, contributing to the achievement of our sustainable development goals.

276,682

of NEV users connected on the My BMW App.



BMW FINANCIAL SERVICES IN CHINA

Financial services continue to play a pivotal role in BMW Group China's long-term sustainable growth. We recognise that providing customers with diversified financial products and services encourages customers to make more responsible purchasing choices.

In 2023, we have taken several measures to enhance BMW's sustainable financial services in China, following the Environmental, Social and Governance (ESG) framework aligned with the BMW Group. We provided support for the promotion of NEVs through competitive campaign programs on loan and leasing offerings. We focus on comprehensive risk assessments, adhering to China's financial supervisory authority requirements and promoting compliance awareness through internal communication and training activities.

To accelerate electrification in China, we collaborate closely with original equipment manufacturers (OEMs) to provide customers with more flexibility and foster customer enthusiasm for non-fossil-fueled transportation by offering competitive financing solutions tailored for Battery Electric Vehicles (BEVs). In 2023, our loan and leasing products covered a wide range of BEV models, such as the BMW iX1, BMW i3, BMW iX3, BMW i4, BMW iX and BMW i7.

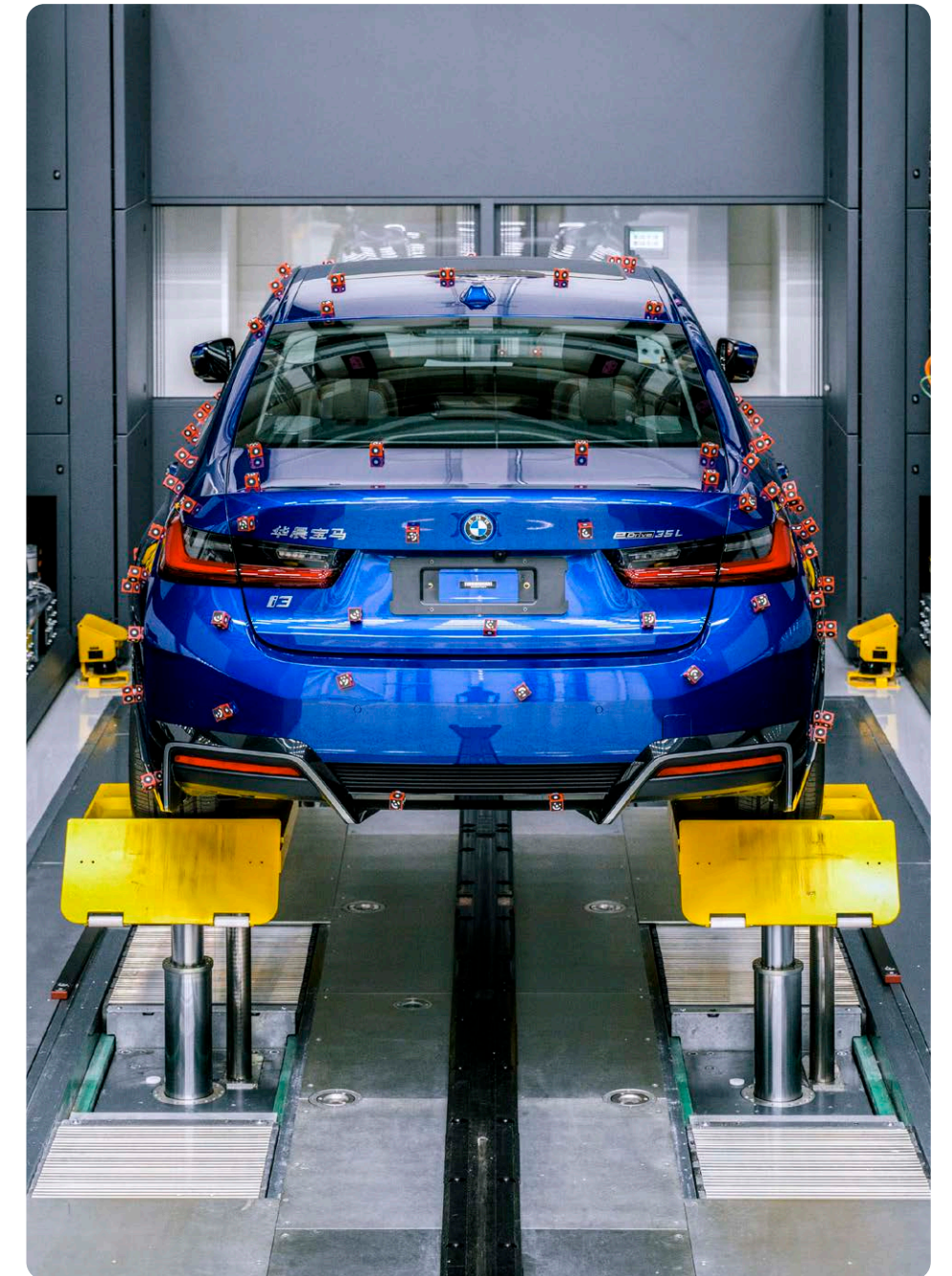
We provide attractive loan and leasing offerings in seasonal campaigns with marketing activities across digital and traditional

channels, featuring lower interest rates for selected BEV models. In 2023, Herald Leasing – the leasing service provider of BMW Group China – further embraced the innovative BEV sales concept of the "Deep test drive" for 1 or 2-year residual value-based leasing products for BMW i3 and BMW iX3. For example, the "2+2" Joy Select Plus product provides customers with two years' balloon payment extension after the initial leasing contract term of two years, giving them greater flexibility in the way they pay for usage. Additionally, Herald Leasing launched Joy Select Plus for the BMW iX with a combination of attractive monthly payments and low down payments. In July 2023, BMW iX Joy Select customers received a complimentary virtual charging card. All these activities provide our customers with a diverse range of flexible financial options for BEVs.

AFTERSALES SERVICE QUALITY

A superior customer experience is the main touchpoint for the BMW Group China to earn customer trust and enhance our brand value. We adhere to a customer-centric approach, pursuing excellence in service quality management, and delivering service experiences that exceed customers' expectations.

We have innovated and upgraded the feedback collection functionality of our Customer Board Platform to continuously boost customer satisfaction and dealer performance. This measure has optimised



our operational procedures, elevated service quality, and laid a solid foundation for the ongoing improvement of customer experience. In 2023, over 300 dealers actively used this platform and implemented more than 911 after-sales action plans, demonstrating our deep understanding of customer needs and our relentless pursuit of service excellence.

We also connected customer feedback with sophisticated problem-solving engines using data analytics techniques and artificial intelligence (AI) to optimise our service quality. In 2023, our customer feedback analysis was strengthened by incorporating Voice of the Customer data, customer surveys, and outbound calls. This analysis was used to drive continuous improvement in customer experience.

HEARING THE VOICE OF CUSTOMERS

At BMW Group China, we recognise the importance of genuinely listening and understanding our customers to provide excellent products and services. Adhering to a customer-centric approach, we continually innovate in technology by upgrading our customer feedback collection channels, analytical platform and closed-loop mechanisms. This allows us to strive towards delivering product and service experiences that exceed our customers' expectations, while consistently enhancing our product & service quality.

Throughout the entire customer journey, from product inquiries, showroom visits to test drives, offers, vehicle handover, and post-handover services, we gather feedback to ensure we comprehend our customers' needs at every touchpoint. Additionally, we maintain close communication with our dealers to enhance their capability to deal with customer issues. To streamline operational procedures, we have enhanced the feedback collection functionality of our Customer Board Platform, introducing additional tools and best practices tailored for our dealers.

Furthermore, we have introduced a Voice of the Customer Mechanism that uses AI to analyse customers' pain points and expectations of service quality and product improvement. This ensures seamless collaboration across all facets of our business, allowing us to continuously refine our offerings based on the direct input from our valued customers.



CUSTOMER PRIVACY PROTECTION

At BMW Group China, consumer privacy holds paramount importance in our approach to data governance. We firmly believe that protecting privacy is integral to delivering exceptional customer service and experiences.

To maintain the trust of our valued customers and partners, we prioritise customer privacy at BMW Group China. We use policies, standards and processes to safeguard the security and accuracy of our data while ensuring compliance with all pertinent regulatory requirements across China and beyond. To process customer data in a clear and consistent manner, we have established a robust process to respond to potential data security incidents. When an incident occurs, the incident manager will immediately assess the scope of the impact and coordinate with relevant departments to act. Through these measures, we strive to maintain transparency and accountability in our data management practices, fostering trust and confidence among our stakeholders.

DATA SECURITY RESPONSIBILITY IN INTELLIGENT CONNECTED VEHICLES

We maintain a high standard of data protection, employing rigorous procedures, tools, and instructions to safeguard customer privacy. With the rise of OEM digitalisation, compliance requirements have been raised to address Intelligent Connected Vehicle (ICV) data privacy and security. We have responded by enhancing compliance measures to address the challenges of ICV data privacy and security. This involves adhering to both EU and Chinese regulations, such as UN Regulation 155 and in China, The Several Provisions on Vehicle Data Security Management (Trial). We also anticipate upcoming approval requirements, such as the Technical Requirements for Vehicle Cybersecurity and General Requirements for Vehicle Data. To mitigate the risks associated with ICV security and customer data privacy, we conduct comprehensive Security Process & Privacy Impact Assessments (PIA) for all products prior to their launch and subsequent iterations. This ensures that information security factors will be considered from the product design stage onward, reflecting our commitment to delivering safe and secure intelligent connected vehicles.



Compliance of the BMW Group China with data protection laws and regulations:

National and industry levels	The Personal Information Protection Law (PIPL) of the People's Republic of China (PRC)	The Data Security Law of the PRC	The Several Provisions on Vehicle Data Security Management (Trial)
Corporate level	The interdisciplinary Data Governance Project		

CUSTOMER ENGAGEMENT

RAISING AWARENESS OF SUSTAINABILITY

We offered multi-layered experiences at events, such as World Environment Day, MISSION i and the China International Import Expo (CIIE) in 2023, which enabled customers to experience our brand.

BMW has always been concerned with environmental issues, exploring and innovating through the "circularity" concept. On World Environment Day, we leveraged online creative videos and BAVA, a pair of art toys crafted from recycled materials - BMW's Chief Entertainment Officer, to tell the story of recycling in an entertaining manner and convey our sustainability vision to customers. BMW also participated in the CIIE, by designing a special corner themed "No Premium without Sustainability". It showcased BMW's strategy in sustainability, its R&D footprint in China, and the BMW iFactory strategy for E-mobility, including a display of the iX5 hydrogen-powered model and other models.

WORLD ENVIRONMENT DAY AND BAVA

World Environment Day was an opportunity to convey BMW circularity concept to customers. Through a combination of online creative video and BAVA, BMW's Chief Entertainment Officer, we told the recycling story. BMW's Chief Entertainment Officer, The Limited Edition BAVA, a series of art toys crafted from recycled materials, delivered this message in a fun and joyful engaging way.



FORECAST

Looking ahead to 2024, BMW remains committed to actively listening to our customers' voices through optimised communication channels, and using AI technologies to respond to customer needs more precisely. We will also promote sustainable financial services, making NEVs accessible to diverse customer segments. By enhancing customer engagement, we will raise awareness of sustainability, contributing to a greener future in alignment with the Paris Agreement.



During our customer engagement events, we introduced our climate-friendly concept to emphasize our commitment to sustainability. In 2023, our "MISSION i" event was launched in Shanghai. Central to the event was the showcase of BMW's BEV family, while simultaneously highlighting our strides in electric vehicles. We had a surge in interest in our electric vehicles following the event.





CHAPTER 3

PRODUCTION AND OPERATION

Environmental stewardship is a core responsibility that guides our actions. We assess the environmental footprint of our vehicles across the entire value chain – from the sourcing of raw materials to production, facility management, distribution logistics, and the vehicle's sale to customers at the dealership. Our focus is on maximising energy efficiency, conserving resources, and promoting circularity through reuse and recycling. We are continually improving production through sustainable methods to deliver an outstanding product while being mindful of our planet.

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03

3.1 RESOURCE CONSUMPTION AND EFFICIENCY

At the BMW Group China, we aligned with China's national decarbonisation targets as well as those of the BMW Group. We evaluate the potential impacts and risks in all phases of our production and operation. By fostering a highly adaptable production line, we not only conserve resources but also promote transparency and circularity in the production process.

100%

Use of renewable electricity for all manufacturing sites and 36 non-manufacturing sites.

-5.3%

CO₂ emissions per vehicle produced vs 2022.

-1.3%

Energy consumption per vehicle produced vs 2022.

-8.3%

Volatile organic compounds (VOCs) emissions per vehicle produced vs 2022.

-14%

Waste for disposal per vehicle produced vs 2022.

-2.8%

Water consumption per vehicle produced vs 2022.



↗ SDG 7, 9, 11, 12, 13 and 15

BMW iFACTORY STRATEGY

BMW iFACTORY utilises innovative technologies that facilitate flexible, efficient production with the aim of minimising the use of resources and promoting digital solutions. BMW iFACTORY is not only redefining the orientation of our plants but is also setting new standards in climate protection.

BMW iFACTORY IN CHINA

Our approach in China is incorporated with local culture and strength to be faster and more effective in industrialising products with the best fit for local production and customers. Our five China oriented strategic pillars underpin our commitment to pioneering sustainable manufacturing practices tailored to the unique dynamics of the Chinese market, harmonising economic progress with environmental stewardship and human capital development.



EFFICIENT AND HIGHLY FLEXIBLE PRODUCTION

Our production increased by more than 250% within just nine years by following the principles of efficient and highly flexible manufacturing, seamless integration, and variability across processes. The constant improvements in our production ensure the highest standards for our customers.

RESOURCE-SAVING AND CIRCULAR

We are continuously optimising energy and resource utilisation while minimising emissions across all processes. The impressive savings of over 65% CO₂ emissions and 30% water consumption per vehicle produced within six years shows our commitment to resource-efficient and circular practices. Our close collaboration with partners to recycle, reuse materials and procure secondary materials constantly increases the percentage of recycled content in our products and parts packages.

DIGITALISATION TOWARDS SUSTAINABLE MANUFACTURING

Digitalisation is a key-enabler for the sustainable optimisation of the entire production process. We develop an organisation with digital talents to implement digital solutions which add clear value to our manufacturing processes. For instance, AI based technology boosts our production quality and enhanced visualisations improve our speed, accuracy, efficiency and collaboration.

MASTERING COMPLEXITY WITH THE RIGHT MINDSET AND EXPERTISE

Our associates and our unique blended international culture are the most valuable assets for our successful future. We create opportunities for talent growth to nurture a diverse workforce with resilience and adaptability to succeed in an ever-changing, complex business landscape.

FASTER DECISION-MAKING AND PROBLEM-SOLVING

We perform as cohesive unit by harmonising expertise and resources of our Research and Development, Purchasing, and Production teams. This cross-functional approach enables prompt and effective measures to address risks and seize opportunities, with a sharp focus on the unique needs of our Chinese customers.

ENVIRONMENTAL GOVERNANCE AND RISK MANAGEMENT

The Technology & Manufacturing Sustainability Steering Circle within the BMW Group China and BMW Brilliance is a senior management group that meets monthly to review our sustainability strategy and key projects. The Circle oversees and directs efforts to reduce CO₂ emissions, improve energy efficiency, minimise waste and water consumption, improve secondary material application, and other aspects. A Green Plant Circle at each plant continuously optimises environmental key performance indicators (KPIs) through developing innovative projects and enhancing production efficiency. We are dedicated to improving environmental management and overall performance by exchanging ideas with plants around the world.

In 2023, all our production sites were ISO 14001:2015 Environmental Management System certified. Our environmental management teams work closely with the compliance department to ensure that we comply with current regulations and policies.

TARGET-DRIVEN APPROACH

The BMW Group is progressing quickly to minimise our environmental impact, with concrete goals and comprehensive management approaches. The BMW Group China uses a systematic and scientific approach to set environmental goals that are in line with the BMW Group each year. In 2023, the BMW Group China met all our annual environmental targets related to CO₂ emissions, water consumption, waste management, energy use, and VOCs emissions.

PRODUCTION AND OPERATION CARBON STEWARDSHIP

As an integral part of the BMW Group, our operations in China are firmly committed to aligning with the organisation's sustainability goals. A paramount objective is an 80% reduction of Scope 1 and 2 CO₂ emissions per vehicle produced, compared to 2019 baseline levels, by the year 2030. Our production processes account for most of our Scope 1 and Scope 2 emissions, which includes emissions from natural gas, purchased electricity and heating. To

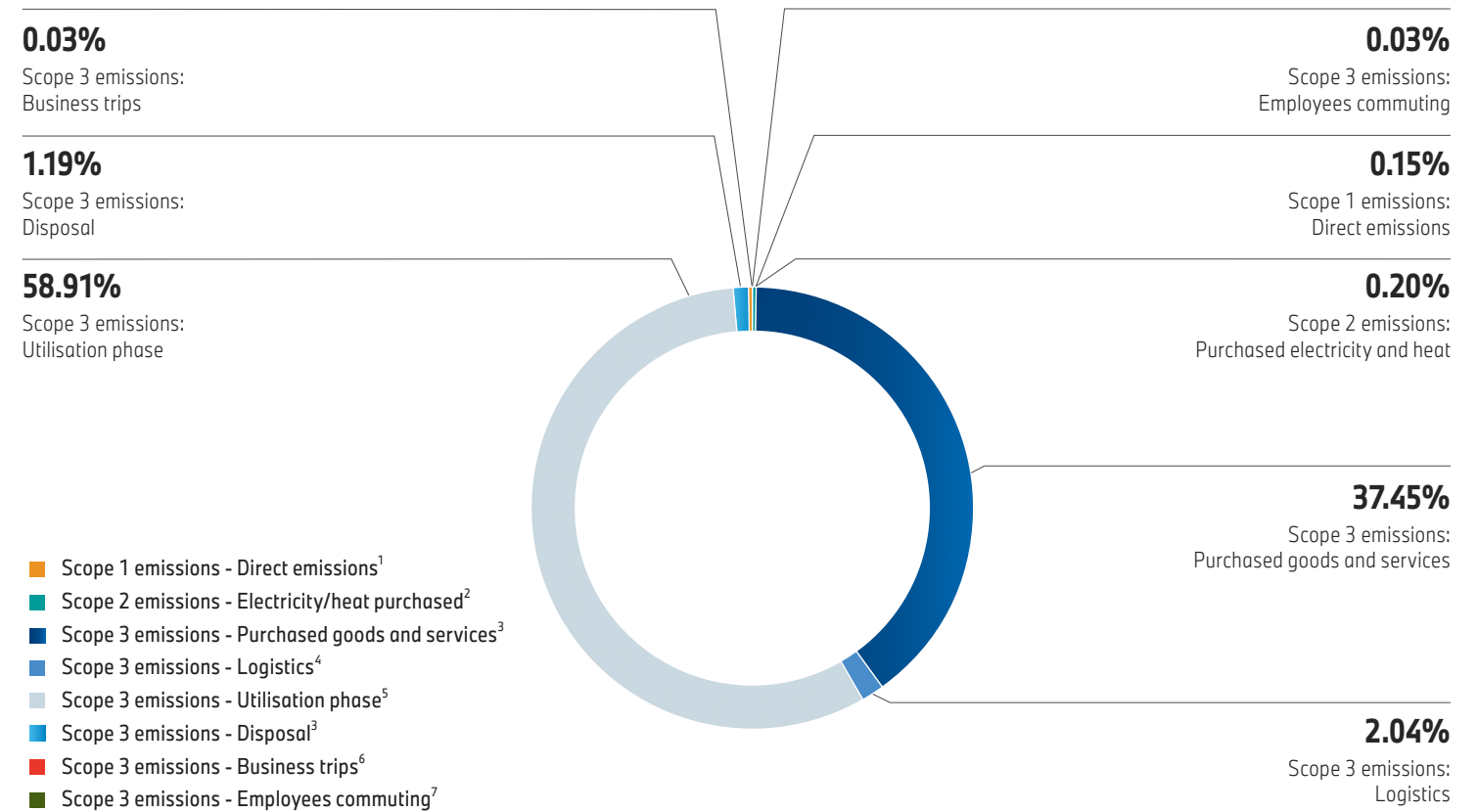
manage this, we launched a transition to renewable electricity sources in 2019. As of 2023, the BMW Group China used 100% renewable electricity¹ for all manufacturing sites in Shenyang and 36 nonmanufacturing sites across the nation. We continue to make step-by-step progress in our transition to renewable electricity. We are exploring alternative technology and resource options jointly with local governments and partners.

Total Greenhouse Gas Emissions (in tCO₂/CO₂e)

	BMW BRILLIANCE				BMW GROUP CHINA			
	2021	2022	2023	% Change	2022	2023	% Change	
Total Greenhouse gas emissions	29,201,934	32,560,605	34,780,313	6.8	39,720,941	40,211,085	1.2	
Scope 1 Greenhouse gas emissions ¹	50,937	54,306	57,309	5.5	54,306	58,532	7.8	
Scope 2 Greenhouse gas emissions ²	71,604	76,121	80,662	6.0	76,121	81,109	6.6	
Scope 3 Greenhouse gas emissions ^{3, 4, 5, 6, 7}	29,079,393	32,430,178	34,642,342	6.8	39,590,514	40,071,444	1.2	

→ See p.97 for the details of Scope 1, Scope 2 and Scope 3 Greenhouse Gas emissions.
 → See p.115 for the Basis of Reporting of Scope 1, Scope 2 and Scope 3 Greenhouse Gas emissions.

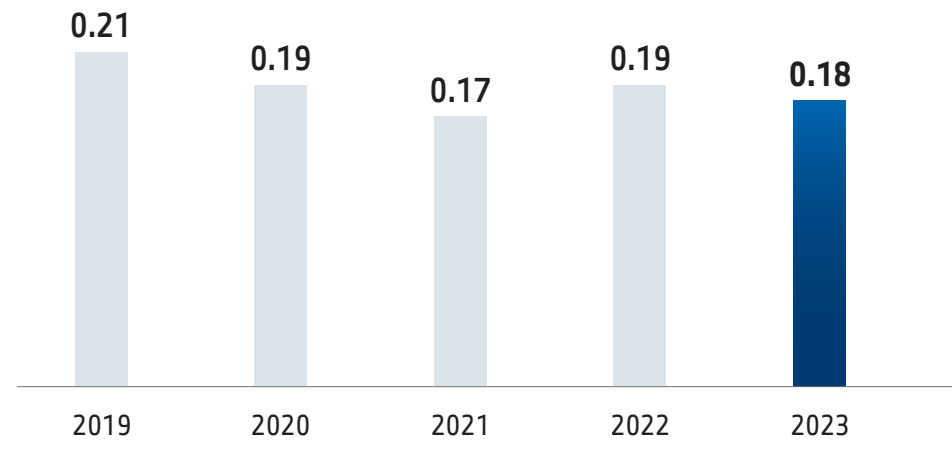
BMW Group China's Carbon Footprint in 2023



1. Direct CO₂ emissions generated by fossil fuel consumption of vehicle production (BMW Brilliance plants) and of other BMW Group China locations not directly related to production (non-manufacturing sites, e.g. Research and Development Centres, Training Centres, Office Buildings), as well as the direct CO₂ emissions of company vehicles of BMW Group China, excluding the fossil fuel consumption of construction and on-site suppliers of BMW Brilliance plants. The coefficients used for calculation are from Emission Factors for Electricity, District Heating and Fuels issued by Application of German Association of the Automotive Industry (VDA). The emissions of company vehicles refers to the direct CO₂ emissions generated from company vehicles that are controlled by BMW Group China, and the emissions are calculated based on kilometres driven and the corresponding emission factors.
2. Indirect CO₂ emissions generated by the consumption of purchased electricity and purchased heating of vehicle production (BMW Brilliance plants) and of other BMW Group China locations not directly related to production (non-manufacturing sites, e.g. Research and Development Centres, Training Centres, Office Buildings), excluding the purchased electricity and purchased heating consumption of construction and on-site third-party suppliers. Scope 2 CO₂ emissions calculated using the market-based method in accordance with the GHG Protocol Scope 2 Guidance issued by the World Resources Institute. The coefficients used for calculation are from Emission Factors for Electricity, District Heating and Fuels issued by Application of German Association of the Automotive Industry (VDA).
3. Emissions of the vehicle-related purchased goods and services and disposal are calculated based on life cycle assessment as per ISO 14040/44 of representative vehicles from the product lines using the "LCA for Experts" tool provided by Sphera which took into account Chinese market factors in the calculation.
4. Logistics emissions include the emissions from logistics of material supply of the plants, the distribution of vehicles and the aftersales. Logistics emissions are based on the mode of transport, weight transported and the distance travelled in kilometres. Emissions factors are derived from contemporary standards such as the GLEC Framework V3.0 and DIN EN 16258/ISO 14083.
5. Emissions from the utilisation phase are calculated based on the average fleet CO₂ emissions of automobiles produced and imported by BMW Group China and an assumed average mileage of 200,000 km (as per VDA 900-100).
6. Business trips emissions include employees' air travel for business purposes.
7. Employee commuting emissions include trips by shuttle bus between Shenyang downtown and BMW Brilliance plants.

CO₂ Emissions per vehicle produced

in tCO₂/vehicle



LOW-CARBON ENERGY TRANSITION

The automotive industry's transition to low-carbon production calls for significant change in our energy structure and energy consumption. Aligning operations with sustainability imperatives requires a comprehensive overhaul of energy strategies and a fundamental shift in resource utilisation approaches. In 2023, the BMW Group China's total energy consumption was 1,267,107 MWh. Fuel from non-renewable resources accounted for 24%, heating consumption for 22%, and electricity consumption accounted for 54%.

ON-SITE SOLAR INSTALLATION

In 2023, our on-site capacity of solar PV installation achieved 89.8 Megawatt peak (MWp) across our Shenyang base — a 21% increase from 74.4 MWp in 2022. In 2023, the total powered-on capacity of solar PV has reached 90.2 MWp for the Shenyang base and the Beijing non-manufacturing operative site. Electricity generated by on-site solar PV was more than 89.66 Gigawatt hours (GWh), an increase of approximately 40% year-on-year.

For direct emissions and emissions from purchased heat, our objective is to gradually transition to more efficient and clean energy options. In 2023, we accelerated the replacement of coal with natural gas, a fossil fuel with approximately 50% lower global warming potential. To increase energy efficiency, we continue accelerating the switch from coal boilers to natural gas heating and eventually electric boilers to complement our low carbon energy transition efforts. The system was installed in the Plant Tiexi and Powertrain Plant in 2023, following installation at the Plant Lydia and the Plant Dadong Extension in 2022. While the remaining GHG emissions from production operations primarily stem from natural gas consumption and purchased heat, we are actively exploring long-term solutions. Technical feasibility

assessments for various use cases are underway to evaluate alternative energy sources for heating, such as geothermal and biomethane gas, as sustainable replacements for fossil-based fuels.

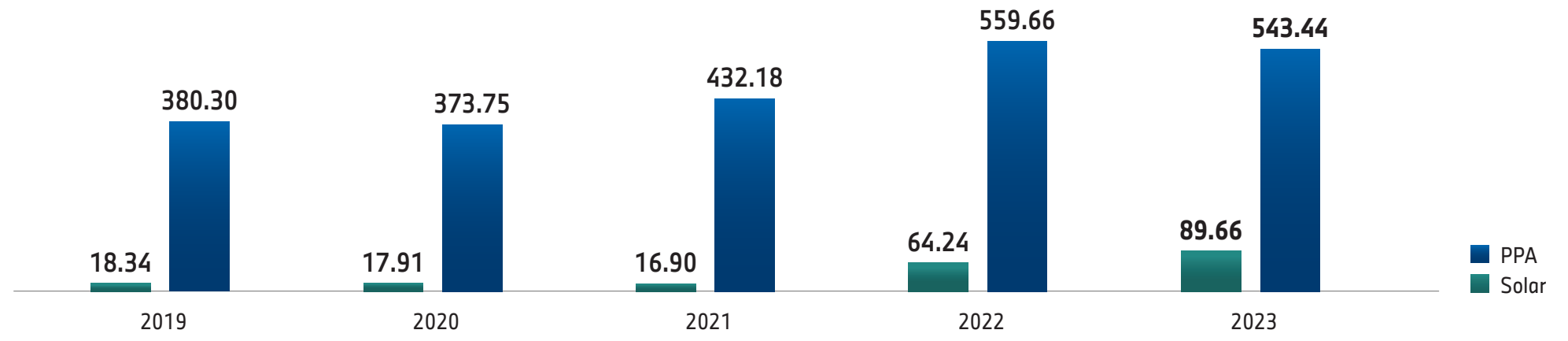
For electricity used in production, we have achieved 100% renewable electricity use. This comprehensive transition was facilitated through a multipronged approach: deploying on-site solar photovoltaic (PV) panel installations, securing green electricity via power purchase agreements (Green PPAs), and purchasing internationally recognised renewable electricity certificates (I-RECs). We continue to raise our standards for use of renewable electricity. We are committed to improve Green PPAs and the percentage of on-site solar electricity in our renewable electricity portfolio and gradually phase out use of green electricity certificates to provide more direct environmental benefits.

In addition, we are exploring the feasibility of using other forms of renewable electricity, such as biomethane, to diversify our renewable electricity portfolio. Research indicates that it would be feasible for Powertrain Plant foundry equipment to consume biomethane and a test plan is in development.

Through this multipronged strategy – spanning a fuel transition in heating, adoption of renewable electricity, and the evaluation of innovative alternative energy sources – we reinforce our dedication to minimising global warming impacts.

Green Electricity Consumption Categories at Production

In GWh



GEOHERMAL WELL FOR RENEWABLE HEATING

To further reduce GHG emissions from heating, a geothermal well test was conducted in 2023 to explore the use of green heating in the Gen 6 Battery Powertrain Plant. With extensive research and collaboration with partners, we aim to have the first CO₂ free heating plant in Shenyang, achieving a reduction in emissions of 18,000 t/year by 2025.

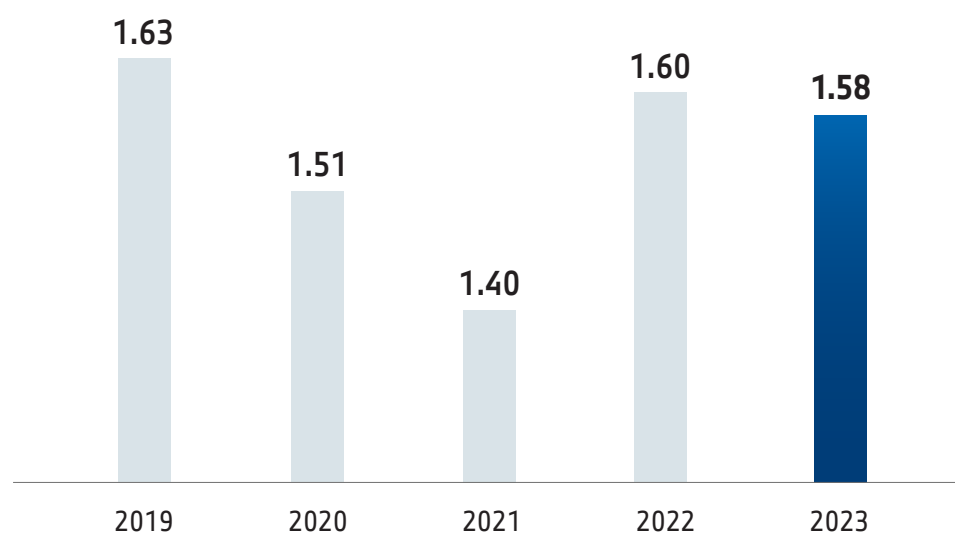
ENERGY EFFICIENCY IMPROVEMENT

In line with the ISO 50001-certified Energy Management System, we are improving energy efficiency as part of our production practices. Driving energy efficiency across our production operations is a multifaceted endeavour.

For management measures, we optimise shift schedules to stagger operational hours with peak energy demands, ensuring judicious resource utilisation. Through rigorous testing and refinement protocols, we are able to precisely calibrate energy requirements, eliminating overconsumption. For equipment and technology, we maintain regular infrastructure upgrades, such as transitioning to energy-efficient LED lighting and optimising air handling units in the heating, ventilating and air-conditioning (HVAC) system. Using intelligent energy management tools, we minimise energy drain by implementing sleep modes that reduce preheating times for energy-intensive equipment and by curtailing commissioning periods

Energy Consumption per vehicle produced

in MWh/vehicle



for non-critical systems. This synergistic approach – integrating schedule optimisation, infrastructure digitalisation, process refinement and smart energy controls – helps us to reduce energy consumption per vehicle produced and lower CO₂ emissions.

INTEGRATING DIGITAL SOLUTIONS

We recognise that reaching ambitious sustainability goals demands a systematic transformation approach, which entails a comprehensive assessment of operational performance impact. The integration of

digital solutions and data is essential for this process. In addition to existing digital platforms, which assist in acquiring data on energy consumption, AI based technology is introduced as pilot to steer daily operation and check monthly energy targets by providing intime energy consumption analysis, future energy consumption forecast and potential energy efficiency improvement measures. We are currently scaling AI based technology to Plant Lydia, including all the workshops, canteens and facilities. With optimisation of accuracy and automated reporting, it can greatly enhance operator’s work efficiency.



RESOURCE AND ENVIRONMENT

Natural resources are important to the manufacturing process, but resources are limited. Efficient use of resources and recyclability are core tenets driving our green production initiatives. Improving resource productivity and optimising resource and material use is essential element of sustainable growth.

We are minimising resource consumption across our production phases to reduce our environmental impacts. This includes conservation and recovery of water, recycling, and reduction of waste and VOCs emissions.

WATER STEWARDSHIP

Water is a key resource in the production process. Our aim is to minimise potable water consumption despite growing production demands. The water usage applies to both the plant production process and daily operation.

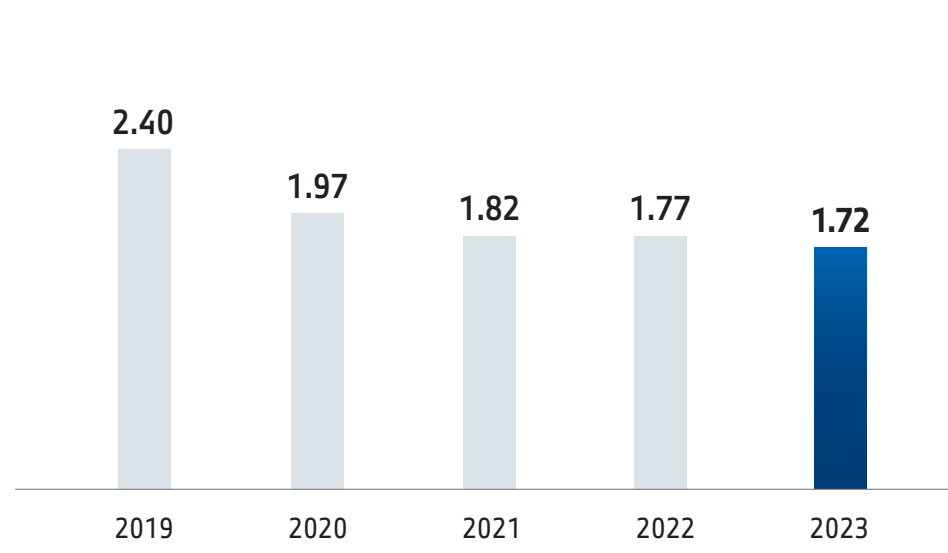
We are moving towards closed-loop water systems and expanding use cases for reclaimed water. We have established facilities to recycle wastewater, and we are scaling up our on-site water treatment stations to provide steady water supplies for production and operation. At the same time, we have expanded the scope of our reclaimed water usage scenarios. Since 2016, reclaimed water use has expanded from irrigation of landscaping plants to use in painting shops and cooling towers. In 2023, we used 100% reclaimed water for greenery irrigation, and increased use of reclaimed water in our production and operation process. Additionally, we are introducing use of municipal reclaimed water to further meet our manufacturing needs.

In 2023, wastewater recycling achieved total volume of 159,325 m³ for all plants, representing a 51.4% increase compared to 2022. Our yearly potable water usage per vehicle produced has decreased for six consecutive years, and we plan to extend water recycling initiatives across all manufacturing sites.



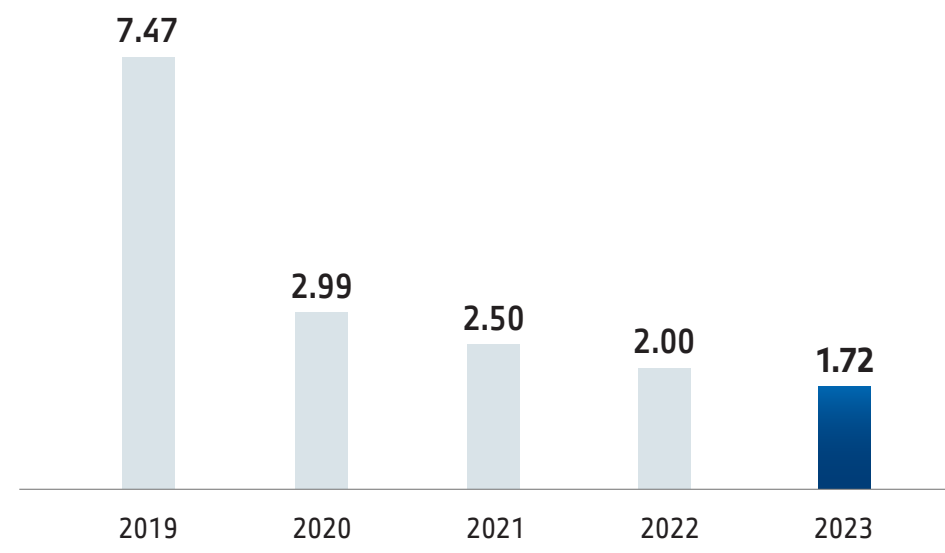
Water Consumption per vehicle produced

in m³/vehicle



Waste for Disposal per vehicle produced

in kg/vehicle



100%

process wastewater recycled
In Plant Dadong Extension, Plant Tiexi, and Plant Lydia.

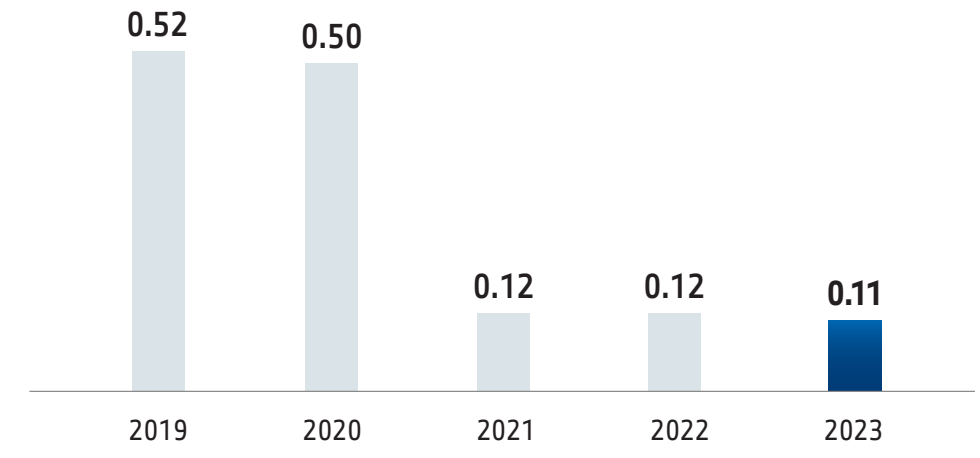
+51.4%

Total recycling volume of wastewater in all plants vs 2022.



VOCs Emissions per vehicle produced

in kg/vehicle



WASTE REDUCTION AND DISPOSAL

Proper waste management means minimising waste generation and improving resource efficiency. We prioritise waste reduction, disposal management and recycling. We believe in waste reduction at the source, and practise waste classification through employee awareness programmes. We collaborate with suppliers to recycle steel and aluminium scraps from the production process. We are also exploring innovative solutions to minimise waste disposal volume. For example, using cement kiln joint disposal technology, we are able to use ceramic and iron mud from our engine factories as raw material for cement production through cooperation with third-party cement factories. We also installed sludge dryers at all vehicle plants, which reduce waste volume and weight by 40% to 50% via dehydration. The Powertrain Plant achieved zero landfill waste in January 2023, and we aim to achieve zero landfill waste for all vehicle plants from 2024.

All potential and current waste-handling suppliers are subject to rigorous assessment to ensure regulatory compliant waste handling and disposal. This entails regular audits and on-site inspections of their documentation and waste management.

VOCS EMISSIONS REDUCTION

VOCs are organic solvents that are mainly emitted from paint shops in the vehicle production process. At the BMW Group China, we take a multilayer approach to reduce our VOCs emissions. First, by optimising our painting technique, we reduce paint usage while maintaining good coating results. Second, we are continually upgrading our coating materials to options with lower VOCs content. Third, we have on-site recycling to distil solvent¹ used in painting for reuse. With our state-of-the-art VOCs treatment facilities, we conduct real-time monitoring and digital management at all manufacturing sites.

LAND USE AND BIODIVERSITY

Sustainability is inherently intertwined with environmental and ecological preservation. In every stage of site selection, construction, and operation, we are dedicated to mitigating the footprint of our production on local vegetation, soil, and biodiversity. At our Shenyang manufacturing base, we integrate nature-based solutions into the planning and construction of new projects, such as sponge city design to collect and use rainwater and soil conservation techniques. At Plant Lydia, we have chosen indigenous plant species to reduce maintenance and watering and minimise impacts on the ecosystem. In this way, we support habitat rehabilitation for local plant and animal life. These efforts help us preserve biodiversity and minimise land degradation, while promoting ecological well-being in the surrounding environment.

1. Solvent (volatile organic compounds) emissions are especially generated during the painting process.

WORKING ENVIRONMENT AND MINDSET

BMW's commitment to sustainable practices transcends vehicle production; it encompasses our 36 non-manufacturing facilities, including offices, Research and Development Centres, Spare Parts Distribution Centres, Brand Experience Centres, and Training Centres. Creating a sustainable working environment has become essential part of BMW's daily operation in China. A sustainable workspace not only helps to reduce energy consumption and waste, but also attracts new talent and raises employee awareness on the importance of holistic sustainability.

We integrate sustainability into every aspect, from site selection and architectural design to construction and facility management. We aim to minimise the environmental impact of these sites in terms of CO₂ emissions, waste production, and resource consumption. Moreover, at BMW, we prioritise engaging our employees in sustainability. Their efforts can have a multiplier effect to drive real change within our society for a more sustainable future.

SUSTAINABLE WORKING ENVIRONMENT

The BMW Sustainable Building Standard was launched in January 2023. It has been incorporated into the whole lifecycle of the real estate management process – including site selection, design, construction and operation. It provides a set of measures to make our work environment greener and healthier and eliminate negative impacts on the environment. The standard is anchored in globally acknowledged criteria such as Leadership in Energy and Environmental Design (LEED), WELL, and the National Standard on Building Management and Environmental Protection. By adhering to this standard we aim to achieve measurable sustainability goals at every stage of a building's existence.

EMPLOYEE SUSTAINABILITY ACTIONS AND SUSTAINABLE LIFESTYLE

Fostering a sustainable culture across the BMW Group China hinges on every employee personally engaging in daily sustainability efforts. We have designed green initiatives with this imperative in mind, promoting sustainable practices through environmental campaigns. These campaigns cover a variety of topics, including energy efficiency measures, proper waste classification and disposal, resource conservation practices, green transportation options, and the adoption of sustainable lifestyles. By actively involving our workforce, we are cultivating a deep-rooted commitment to environmental stewardship and shaping a corporate culture grounded in sustainability principles.

In 2023, we continued to promote sustainable lifestyles and actions among our employees. We provided a platform for employees to share their insights on sustainability and encouraged them to adopt positive behaviours in their professional and personal lives. Through a variety of online and offline interactive experiences, reaching 3,855 associates, the campaign received overwhelmingly positive feedback, with a satisfaction rate of 99%. This feedback highlighted employees' concerns and ideas and laid the groundwork for future sustainability initiatives. By fostering collaboration across departments, such as Human Resources and the Trade Union, we achieved cost savings while further embedding sustainable practices within our organisation. Additionally, our external communication efforts garnered widespread attention, enhancing our brand image and emphasising BMW Group's commitment to advancing sustainable lifestyles and actions among its employees.

Through engaging our employees in our sustainability endeavours, we aim to cultivate a culture of environmental responsible ownership and empower our workforce to actively contribute to the achievement of our sustainable development goals. It is important to us at the BMW Group China to engage our employees in our sustainability efforts, so that collectively, they can drive real change within our society for a more sustainable future.



Green building certificates



LEED¹ Interior Design and Construction Gold certificate for the Beijing Regional Distribution Centre (RDC) BMW Brilliance Automotive (BBA) office in 2023.

LEED Interior Design and Construction Gold Certificate for Skylab Beijing in 2023.

1. Leadership in Energy and Environmental Design green building rating system.



FORECAST

In 2024, BMW will continue to promote AI-based digital solutions for production to enhance energy efficiency use. For example, our energy forecasting capabilities, based on dynamic data inflow, will enable proactive monitoring and timely alerts for abnormal consumption patterns. These initiatives will provide greater clarity on energy usage and improve energy efficiency across our production operations.

To drive our low-carbon transition, we will continue to promote use of renewable electricity sources. For heating, by exploring the use case scenarios for biomethane, we are phasing out fossil fuels step by step. For electricity in all manufacturing sites and 36 non-manufacturing

sites, we will continue use 100% renewable electricity while expanding our solar panel capacity and exploring wind turbine implications for sites with suitable conditions.

Building upon the success of our water recycling initiatives, BMW will pursue opportunities for further efficiency gains in water management. Having achieved zero landfill waste for our Powertrain Plant in 2023, we will extend this commitment to all vehicle plants starting in 2024. This ambitious goal underscores our dedication to minimising our environmental impact and promoting sustainable waste management practices. For VOCs emission reduction, we will continue to optimise

our working techniques, explore new material options and improve our solvent recycling process.

For non-manufacturing operations, we will pursue more outside recognition for green buildings guided by the BMW Sustainable Building Standard. We will continue to promote a green and healthy workplace for our employees and reinforce our commitment to environmental sustainability in all aspects of our production and operation.





3.2

GREEN LOGISTICS

Green logistics hold the promise of delivering tangible environmental benefits while safeguarding the long-term viability of our value chain. We have integrated sustainability into different aspects of our logistics operation. This includes reducing CO₂ emissions through transportation mode change, improving warehouse management and other numerous innovative initiatives to align with best sustainable practices.

H₂
Trucks co-developed with strategic partner. Hydrogen truck fleet will be operational in 2024.

40
E-Trucks used across our Shenyang production facilities.

20
E-Trucks deployed in aftersales logistics.



SDG 9, 12, 13 and 17



LOW-CARBON TRANSPORTATION MODE

Reducing emissions from transportation across our value chain is essential to achieve the BMW Group China's goal of green transformation. We are expanding the adoption of low-carbon and multimodal transportation, such as rail and sea freight, to reduce emissions and enhance operational efficiency.

We used sea freight throughout 2023 for inbound production supplies, and the total sea freight transportation volume increased by 10% compared with 2022. We are also shifting from road freight to rail freight to improve logistics efficiency. In 2023, with four more suppliers switching to rail, we had a total of 14 suppliers committed to 100% use of rail freight.

For finished vehicle logistics, we continue to optimise our distribution network to achieve a low-carbon transportation network in 2023. We use finished vehicle logistic simulation tool continuously adjust the transportation network through accurate algorithm and flexible configuration, ensure its flexibility and provide more comprehensive plan for the long-term network planning of vehicle logistics.

For aftersales parts transport, we used line-haul instead of air freight in Fujian, Guangxi and Guizhou provinces, achieving an annual CO₂ emission reduction of more than 105 t in 2023. At the same time, we refined our carbon emission statistics tool to calculate air freight more accurately. Guided by our low-carbon strategy, the 2025+ Aftersales Strategy, we have set a target to reduce our CO₂ emissions by one-third by 2026 for aftersales logistics.

ALTERNATIVE-POWERED VEHICLE EXPLORATION

To reduce CO₂ emissions from our logistics operations, we continually seek cleaner energy sources and more efficient transportation.

E-Trucks are our primary choice of clean energy vehicle for short-distance logistics. For parts logistics, our collaboration with a logistics service provider has made us China's leading automobile manufacturer for all-electric short-distance logistics. Our fleet of 40 E-Trucks provide short-distance parts transport around our Shenyang production facilities. We will continue to expand the use of E-Trucks in the long term. We have also grown our aftersales logistics fleet to 20 E-Trucks in 2023, which achieved a 40.5 tCO₂ emission reduction.

We are also exploring using hydrogen energy as an alternative fuel option for our trucks in finished vehicle logistics. We completed the evaluation of hydrogen energy and site selection for a hydrogen refuelling station, and anticipate that hydrogen trucks will start pilot operation in 2024.

GREEN WAREHOUSE MANAGEMENT LOGISTICS

Effective warehouse management is an essential aspect of green logistics, encompassing both the physical infrastructure upgrades and the efficient use of energy and resources. We actively pursue green building certifications to enhance our overall green warehouse management. In 2023, the Beijing Regional Distribution Centre (RDC) and Skylab Beijing received the LEED Interior Design and Construction Gold certification.

At BMW Group China, all the Spare Parts Distribution Centres, Vehicle Distribution Centres, Decentralised Distribution Centres, and our centralised parts recycling and removal facility, Relife Point, are powered by 100% renewable electricity¹. Additionally, we continue to make progress on sustainable production and operation through additional warehouse onsite solar PV installations. In 2023, the Shenyang RDC confirmed plans for construction of PV installations, covering 4,000 m² of warehouse roof space. The capacity of the photovoltaic installations is 400 kW, sufficient to supply electricity to the warehouse during the day, with excess power incorporated into the national electric grid.

We continue to promote paperless management by replacing paper documents with digital solutions. In 2023, we eliminated printing of transportation sheets and shipping notifications in the RDCs. By providing a digital inbound solution for 753 dealers on the Joychat mobile app, we saved 14 million sheets of paper at BMW spare parts warehouses in 2023. We will continue to implement green logistics practices in our internal warehouse operation.

Shenyang RDC photovoltaic installations construction plan

4,000m²

warehouse roof space covered.

400 kW

photovoltaic installed.

1. Both externally sourced and internally generated electricity is renewable, including solar PV, Green PPAs and I-RECs.

GREEN PACKAGING

As carriers of automobile components, containers play an important role in the supply chain, and directly affect parts quality and operational efficiency. Guided by a sustainable mindset, our packaging planning function continuously implements the 4RE principle—RE:THINK, RE:DUCE, RE:USE, RE:CYCLE—to seek process optimisation and integrate lean concepts throughout the container’s lifecycle. In 2023, this resulted in an emissions reduction of 3,766 tCO₂.

3,766 t

CO₂ emissions reduced by integrating 4RE principles in green packaging.

50,719 pieces

Recycled-plastics containers implementation in 2023.

9%

one-way packaging are returnable for aftersales parts logistics.



RE:THINK

P-container, a new plastic universal container where the components could be replaced separately if needed, was designed and implemented in the new BMW 5 Series based on the modularisation concept introduced in packaging development. 1,387 pieces of P-containers resulted in a 125 tCO₂ emissions reduction. Apart from this, C-module structure, a modularization concept for in-house containers, is partially implemented in BMW X5 and i3. Meanwhile, our bin-sharing project, which reduces container investment by recycling existing resources, reduced emissions by 181 tCO₂ in 2023. In addition, a 171 tCO₂ emissions reduction was achieved by the density optimisation of our universal bin packaging.



RE:USE

For steel containers, Packaging Planning defined the standardization to reuse based on container status. 1159 pieces of containers by 52 bin types are reused in new BMW X1/iX1, 2 series, X3/iX3, and 5/i5 series, which brings 547 tCO₂ emissions reduction. Additionally, 12 types of flexible-structure containers, totaling 332 units, have been deployed. These containers feature adjustable designs to meet varying requirements, resulting in a significant reduction of 365 tons in CO₂ emissions. For aftersales parts logistics since December 2023, Shenyang Regional Distribution Centre began using returnable packaging materials. In the initiation phase, it introduced two specific box types across 18 distribution dealers. After one month of implementation, 9% of one-way packaging are returnable.



RE:DUCE

In 2023, the mindset of Standardisation and Light-Weight remains the focus for packaging concept development. Packaging Planning strives to design the qualified concept with lean materials. Also, lighter materials are used to replace steel. 12,219 container pieces, by 85 bin types, were identified to optimise design, which resulted in an emissions reduction of 507 tCO₂.



RE:CYCLE

We have conducted feasibility studies and piloted the implementation of recycling and reutilisation of non-steel materials¹. In 2023, secondary material containers were used for new BMW 5 Series. 17,289 pieces of EPP containers have been used, which produced the mixture of 15% secondary material. It reduced emissions by 17 tCO₂. In addition, 50,719 pieces of plastic containers, including 28,358 pieces of small packaging cases, 20,513 pieces of con-pearls, and 1,848 pieces of thermos, have been implemented, which produced the mixture of 20% secondary material. It resulted in an emissions reduction of 87 tCO₂. Meanwhile, we are also exploring the organic combination of biomaterials and plastics.

SUPPLIER COMMUNICATION

To awaken the sense and raise awareness of suppliers, we have also strengthened our dialogue on sustainability issues during audits. We encourage suppliers to use sustainable measures such as green electricity and optimise waste management systems in the production and commend their performance in Annual Packaging Supplier Day. In the process of promoting green packaging, the sustainable development awareness of suppliers continues to increase.

FORECAST

For our aftersales logistics fleet, we aim to expand the use of NEV trucks in aftersales logistics to 50% of daytime deliveries for dealers in metro areas by 2026. For finished vehicle logistics, we will start a trial run for hydrogen trucks in Shenyang. Additionally, we aim to continue to reduce paper consumption, including use of paper shell boards during the logistic process and paper user manuals for end customers. For green packaging, packaging planning will continuously optimise the business module guided by the 4RE principle. We remain dedicated to the reuse and recycling of containers, the pursuit of lightweight design, and the research and deployment of low-emission containers. Concurrently, we will keep engaging suppliers to jointly explore innovative projects.

To further contribute to our action on climate change, we will work with all our partners to progress green transformation and decrease the carbon footprint of the whole value chain.

1. Non-steel materials include, but are not limited to, expanded polypropylene (EPP), plastics, con-pearl and thermos.

CHAPTER 4

DEALER AND SUPPLY CHAIN

The potential impacts from climate change are affecting the security, robustness, and resilience of the auto industry value chain. Dealers and suppliers are not only our partners, but they are also a cornerstone of the sustainability journey. Our suppliers are the backbone of our high-quality products, and our dealers are the gateway for excellent customer services. We respond to challenges in the market and jointly shape a sustainable, environmentally friendly, and resilient value chain.

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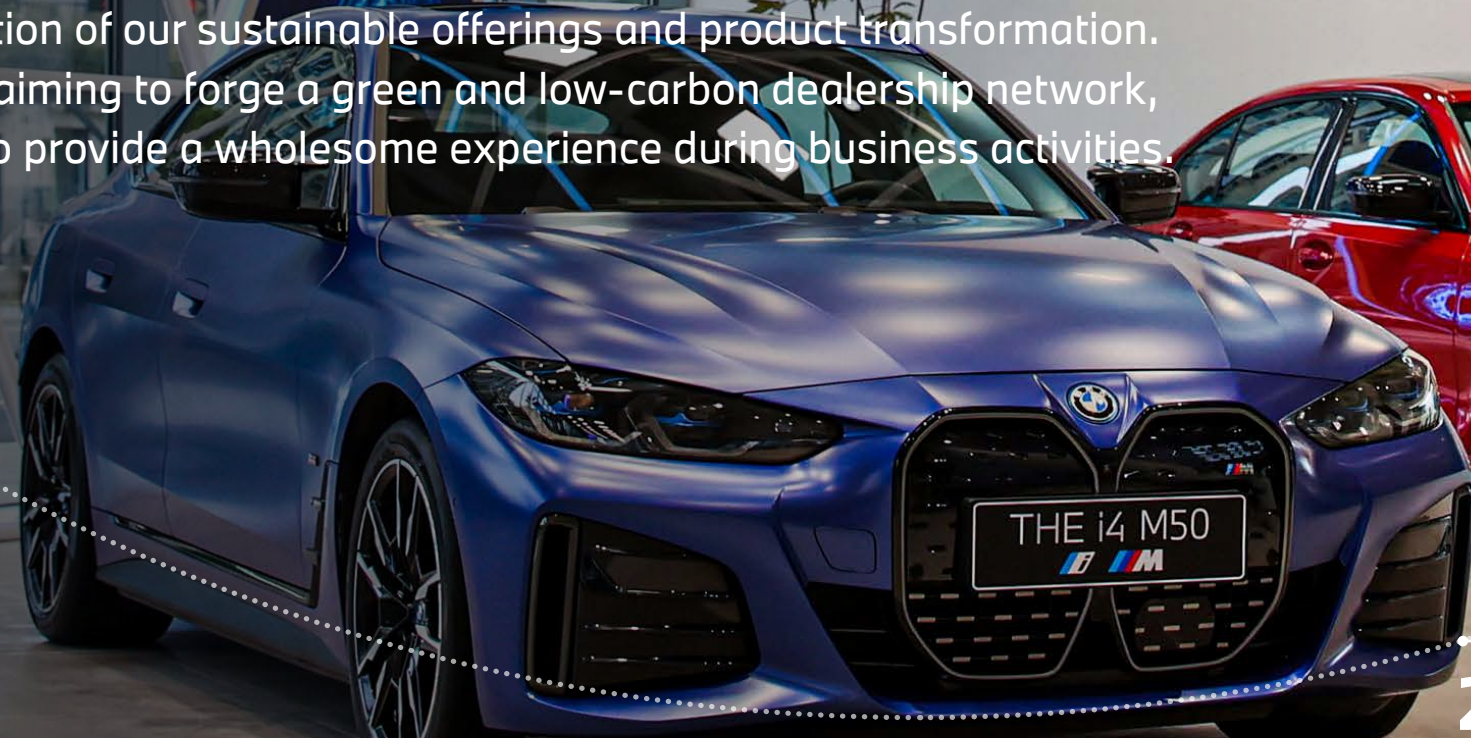
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4.1

DEALER MANAGEMENT AND EMPOWERMENT

Our dealers are key to excellent customer service. The BMW Group China is rising to the challenges of climate change and social expectations by working closely with our dealers through our Dealer Network Transformation Green Star project, dealer empowerment, and dealer EHS enhancement activities. At the same time, we continue to enhance our dealer capabilities and strengthen the recognition of our sustainable offerings and product transformation. We are aiming to forge a green and low-carbon dealership network, hence to provide a wholesome experience during business activities.



11,000+
New energy related certifications obtained by dealer workforce.

937
Authorised dealership outlets and agents nationwide.

251 dealers
BMW dealerships awarded NT Green Star certification by the end of 2023.



↗ SDG 7, 8, 9, 13 and 17

BMW DEALER NETWORK TRANSFORMATION GREEN STAR

The BMW Group China is partnering with dealerships to cultivate a sustainable service ecosystem for our customers, who increasingly focus on sustainable lifestyles. We launched our dealer Network Transformation (NT) Green Star Project in 2022 to empower dealers to provide sustainable customer-centric services and to create a positive impact on stakeholders and local communities in terms of sustainable transformation. By the end of 2023, 251 dealerships had been awarded the NT Green Star certification increased from 50 dealers at the end of 2022.

To facilitate the network-wide sustainable transformation of dealers, BMW Group China has provided dealers with all-round support under the NT Green Star project. We have issued a series of guidebooks to encourage dealer partner's transition to energy efficient and sustainable

operations with assistance from planning to implementation of NT Green Star Project practice.

The NT Green Star Lighthouse is version 2.0 of the NT Green Star Project and it covers the use of high energy efficient technology, procurement of 100% renewable electricity, and local cultural initiatives. Our NT Green Star Lighthouse sets the benchmark for the design and operation of green dealerships. In 2023, the Xibaohang store in Wuxi became the first NT Green Star Lighthouse. Inspired by the traditional Chinese courtyard house, the architectural layout pays homage to local heritage by having an inner courtyard at the core. The facade design combines modern materials and traditional construction techniques with white terracotta bricks that feature in regional vernacular houses. The

rooftop terrace keeps a traditional residence showing our inheritance and preservation of traditional culture. Moreover, this store uses 100% renewable electricity along with a ground-source heat pump system and solar panel to lower emissions from operations. The open water court located in the centre of the building can be filled with rainwater to minimise the ecological footprint of the building.

To encourage more dealers to join BMW Group China's climate action, we have selected and issued 20 green pioneer dealers with our BMW Group China Dealer Sustainability Award. We also invited our customers involved in the BMW Group China Dealer Sustainability Award to vote to enhance customer engagement. We anticipate an ever-growing number of dealers joining us in green transformation.



GREEN ENVIRONMENT

We are focusing on the client experience when designing the hardware of our dealership showrooms to build an efficient, safe, comfortable and environmental-friendly space. Dealer's operational energy consumption was reduced by adopting high-efficiency enclosure structures and equipment. By adopting measures including green coverage, natural lighting and natural ventilation, we seek to create a suitable experience space for our customer. We also applied green building materials certified by national standards to ensure the environmental safety and reduce carbon emissions during the construction process.

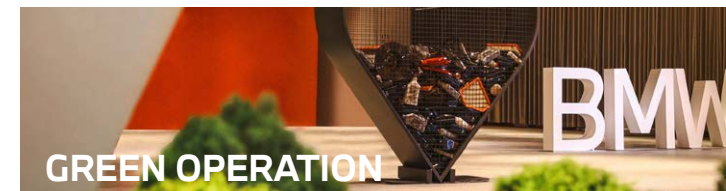


GREEN POWER

Our *BMW Dealership Green Power Application Guidebook* provides technical guidance to dealers on purchasing and applying green power for a low-carbon transition in operations. In 2023, 251 dealers used green power via Green PPAs, distributed solar panel installations, and internationally recognised renewable energy certificates. Renewable electricity used by NT Green Star dealers accounted for over 80% of their total electricity use, in total 147,485 MWh of green power.

80%+

renewable electricity used by
NT Green Star dealers.



GREEN OPERATION

We encouraged our dealers to embed sustainability concepts into their daily operation, such as digitalised services to reduce paper consumption and switching to operational materials with lower carbon footprints. Facing the development of new energy vehicles, we also act on national initiatives and have set up recycle rooms for high-voltage batteries (HVBs) in 517 dealerships for customer convenience.

517

dealerships set up high-voltage batteries
(HVBs) recycle rooms.



GREEN ENGAGEMENT

We developed a *Green Engagement Activity Guidebook* to empower our dealers to undertake sustainable-themed activities to engage more customers on green issues and to increase the influence of the NT Green Star Project.

Green Engagement Activity Guidebook

developed for dealers empowerment.

DEALER EMPOWERMENT AND ENVIRONMENT, HEALTH AND SAFETY (EHS)

We are also stringent about dealer EHS compliance to ensure a healthy environment for dealership teams and customers.

To enhance a robust and vibrant dealership network, we involved EHS risk management into dealership network management. Through comprehensive risk analysis, we continually upgrade our EHS management initiatives to reduce the potential risks during business activities and improve customer experience. In 2023, we updated our EHS policy framework to align with national and local environmental, health, and safety regulations and to work with all our dealers to optimise their operational processes. Through regular audits, self-inspections and risk assessments, we identify and mitigate potential EHS risks in a timely manner. In 2023, we conducted 1 round of audits covering all dealers and strengthened dealers' self-management through EHS self-inspection via Retail Standards Audit.

In addition, in 2023, we delivered a monthly EHS Express, covering local regulatory updates and best practices to equip our dealers with skills and knowledge for effective EHS management. We also held four workshops in Shanghai, Chengdu, Shenzhen, and Beijing with industry experts on industry best practice in leading edge. We also issued short videos and a monthly newsletter related to green operation through the BMW Joylearning App. We will continue to enrich our dealer EHS programme to build a sustainable dealer network.

SUSTAINABLE DEALER EMPOWERMENT

Our dealers are key drivers of change in our pursuit of sustainable development. We are committed to enhancing dealer capabilities, strengthening the value of the BMW brand, and building an agile organisation with a strong dealer network delivering on our customer-centric strategy. We provide comprehensive support for our dealer partners to strengthen the brand for a win-win relationship. Thus, we provide a robust driver for the healthy, stable and sustainable development of the dealer network.

SUPPORT DEALERS TO RESHAPE THEIR CAPABILITIES AND ACCELERATE TALENT TRANSFORMATION

Talent development and transformation for dealers is key to BMW Group China's sustainable business growth. Centered around "creating values for customers", we provide learning and development opportunities for both front-line and management functions of our dealerships to improve their capabilities for premium customer experience and

enable them to adapt to the rapid development and changes within the industry.

RESHAPE THE COMPREHENSIVE CAPABILITIES OF FRONT-LINE EMPLOYEES

We offer a comprehensive onboarding training system for our dealership's new employees, which is essential for enhancing their job competencies and helping them understand the core values of the BMW Group China. The on-board training highlights sustainable development as a mandatory topic, and this is crucial for deepening their understanding and recognition of BMW brand's commitment to sustainable development.

The BMW Group China is continually expanding our electric product line-up, which poses significant challenges to the capabilities of the front-line dealership workforce. So we provide timely and comprehensive BEV training courses and certification systems for front-line staff through both online (BMW Joylearning) and offline channels to enrich their knowledge base and enhance professional skills of BEV products for premium customer services. By the end of 2023, 5,242 Sales

Consultants, 3,687 Service Advisors and 2,247 Technicians obtained BEV related certifications.

At the same time, we have created new functions such as Test Drive Genius and Charging Expert to improve the in-store customer service experience. We launched a customised Test Drive Genius course for dealers' front-line sales partners to improve staff professionalism and service skills in a systematic and practical way. We also offer training for Charging Experts to help dealers improve the charging service experience of new energy products for customers.

In 2023, BMW dealers fully activated the online marketing strategy utilising social media and live broadcasting platforms. BMW China Training Academy provided social media operation guidance to 102 stores, created four online micro-courses for live streamers and social media supervisors, provided tailored training on social media operation and management for more than 300 dealer partners, and worked collaboratively with each region to enhance the customer acquisition capabilities of dealership live broadcasts.

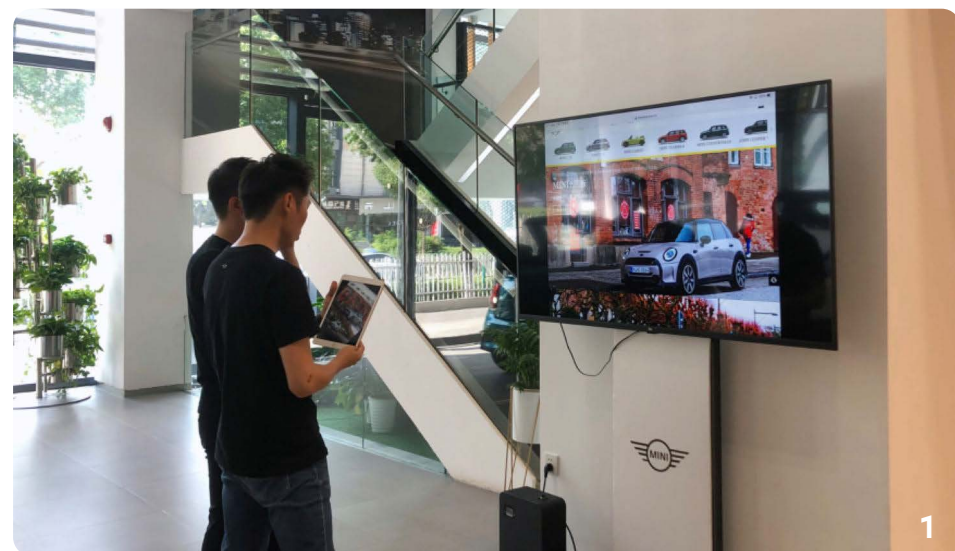


1. The All-new 5 Series Product Launch Training
2. Social media operation training

EMPOWER MANAGEMENT TALENT DEVELOPMENT AND TRANSFORMATION

The transformation of the automotive industry, especially the rise of new energy vehicles, the iteration of digital technologies and shifts in customer behaviour, has posed new requirements and challenges for dealership management. In addition to providing comprehensive career advancement channels and learning and development mechanisms, we also enhance the capabilities of dealership management talent through key talent empowerment programmes.

We offer advanced training courses for general managers and sales managers of our dealer partners. The courses focus on topics such as strategic thinking, strategy execution, innovation and organisational change. In 2023, we also held 10 BMW GKL+ (Grand Klasse) Business General Manager Workshops, in which the training for 156 dealer general managers and area managers on sales management and customer experience for the new 7 Series was delivered. Additionally, to enhance the leadership skills of dealership management, the BMW Business School organised study tours for two groups of MBA students from dealership management. These tours included on-site experiences and understanding of the strategic significance of the Hexi Corridor and the Silk Road, enabling participants to advance in business transformation and innovation.



1. MINI brand new sales model on-site coaching
2. MINI brand seminar on new sales model transition

EMPOWER MINI PARTNERS TO EMPLOY NEW SALES MODELS

The MINI brand has implemented a retail transformation strategy and launched a new business model. To help MINI partners quickly master the knowledge and skills required for business transformation, we have developed a comprehensive empowerment system with online and offline training, coaching and digital Q&A tool "The Answerer" for Product Genius, General Managers and MINI Store Managers. During the transition period in 2023, 229 Product Genius passed onboarding training, and 145 Product Genius passed the MINI qualification certification. In addition, we completed the first round of in-store coaching for all 143 MINI partners within 80 days. In July 2023, we conducted the second round of business coaching for 74 MINI agents. Through the agile and iterative empowerment mechanism, we quickly identify business pain points and co-create solutions with MINI partners and related business departments, laying a solid foundation for MINI's business transformation.

ENHANCE MOTIVATION AND RETENTION OF TALENTS AND BUILD BRAND CONFIDENCE

Talents in our dealer network provide premium service and drive the industry forward. They also disseminate brand culture. Therefore, it is



crucial for us to select, motivate and retain the best dealership talent. BMW China Training Academy works together with the BMW Group China headquarters, regions and dealers to select outstanding talents. At the end of 2023, there were 5,503 senior talents and 3,307 elite talents within dealer network, accounting for 29% of the total number of front-line workforces in the network. By holding competitions and talent sales clubs, we identify talents and build up a platform for their career development. The elite management staff also have the opportunity to participate in the BMW Business School for further study.

Through our BMW GKL+ Elite Sales Club and Premium Customer Experience Ambassadors, we select top sales talents for specialised roles to inspire dealer talents and build their sense of belonging to the BMW brand, so they can convey BMW's brand value to Bimmers, customers and other stakeholders.



2023 BMW GKL+ ELITE SALES CLUB

Through our BMW GKL+ Elite Sales Club and Premium Customer Experience Ambassadors, we select top sales talents for specialised roles to inspire dealer talents and build their sense of belonging to the BMW brand, so they can convey BMW's brand value to Bimmers, customers and other stakeholders.



2023 PREMIUM CUSTOMER EXPERIENCE AMBASSADORS

We worked with dealers to select 30 Premium Customer Experience Ambassadors in 2023 to promote customer-oriented cultural transformation. For this reason, based on our annual business priorities, we focused on the aftersales business and formulated the selection criteria around improving the customer experience and delivering brand value.

Effective motivation and retention of talents also stem from their confidence in the brand. Through national competitions and new product training programs, BMW China Training Academy deepens dealer partners' understanding of the BMW brand and continuously enhances dealer partners' confidence in the BMW brand and team cohesion.

"RELAX, WE CARE" 2023 BMW NATIONAL AFTERSALES SERVICE COMPETITION OF EXCELLENCE (NASCE)

NASCE 2023 was themed on the current business and future transformation, focusing on the ability enhancement of key frontline positions and core management positions to promote refined management, and help business growth and premium customer experience. During the competition, more than 5,930 aftersales staff shared 243,954 hot questions and answers, and 7 frontline positions in 690 dealers participated in online learning to refresh their knowledge, with 1,349 replicable excellent management cases produced across the network.

2023 BMW NATIONAL M BRAND SALES COMPETITION

In 2023, we held the first-ever 2023 BMW National M Brand Sales Competition, providing a stage for the country's top M sales talents to display their competencies. A total of 609 top sales talents participated in the online competition, with the top 14 contestants gathered for the offline finals. Competitors not only strengthened their professional skills, but also improved their knowledge. Outstanding sales elites were identified as brand ambassadors and benchmarks for excellence.



NEW PRODUCT LAUNCH TRAINING

In 2023, the BMW China Training Academy held new product launch training for dealer partners for the new i7, the new 7 Series, the new BMW iX1, the new BMW X1, the new BMW 5 Series and the innovative BMW i5. For sales and aftersales positions, product function and design were elaborated in detail, and professional guidance on sales skills and aftersales service skills were provided.

BMW Joylearning App average daily active user (DAU):

12,819 users.

BMW Joylearning App average online learning time per user:

54.4 hours.



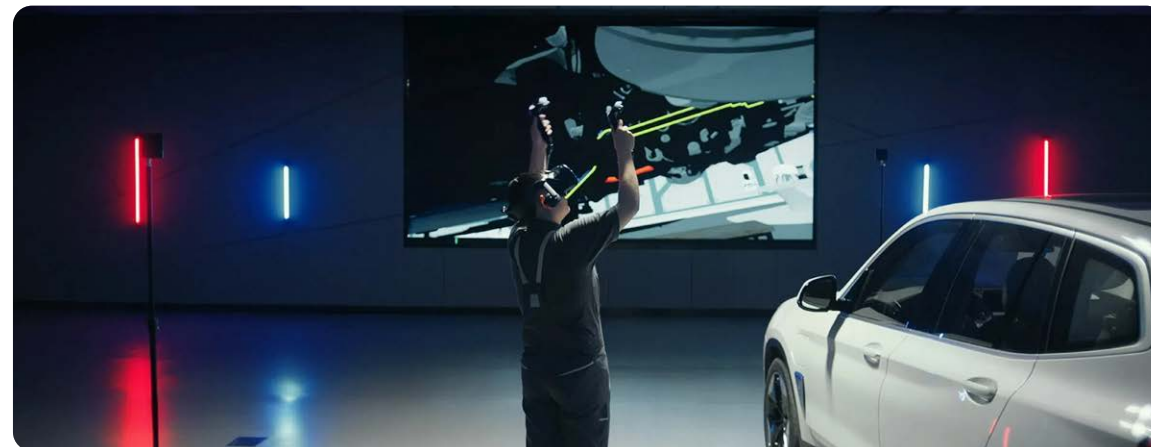
1. "The Answerer's Newsletter" on Joylearning App.

BUILD AN EFFICIENT AND AGILE ORGANISATION THAT STIMULATES INDIVIDUAL CREATIVITY

The BMW Group China aims to build an efficient and agile organisation that encourages individual creativity. With our digital training platform, we support our dealers in adapting to changing market expectations. We are continuously improving the content and functions of our BMW Joylearning App. We are also exploring the options such as Virtual Reality (VR), Augmented Reality (AR) and Artificial Intelligence (AI) technologies for efficient and high-quality talent development for our dealers.

"The Answerer" on Joylearning App is a business enabling platform for the whole dealership. In 2023, a total of 22,619 questions, 233,377 answers and 22,390 business solutions were posted on "The Answerer". With an agile content management mechanism, dealers can post business queries and quickly obtain high-quality answers on "The Answerer". Meanwhile, the Training Academy provides timely responses to front-line business hot issues through "The Answerer's Newsletter". In addition, by building an effective user incentive mechanism, "The Answerer" encourages dealers to share successful experiences and proven business solutions to enable the sustainable development of dealer business.

We continue to evolve the dealer training model to improve efficiency. We aim to improve training experience and efficiency through the use of Virtual Reality (VR), Augmented Reality (AR) and Artificial Intelligence (AI). We continue to enrich and update VR course content. In 2023, a cumulative of 25 courses have been displayed in BMW Joylearning, covering practical content such as engine maintenance and replacement, BEV high-voltage battery repair, and technical skills enhancement for Service Advisors. We also launched an AR applet for NEV models, enabling dealers to experience the highlights of EV products and improve sales skills in an immersive manner. In addition, front-line sales staff have been using our AI interactive practice system to improve customer service capabilities since 2020.



FORECAST

In 2024, we will accelerate our NT Green Star Project for the sustainable transition of the whole dealership network by encouraging more dealerships to earn the NT Green Star certification. We will continue to upskill dealership management and reshape staff capabilities, strengthen the quality of our talent pool, reinforce confidence in our brand and products through talent empowerment and incentive programs, build an efficient and agile organisation, promote sustainable brand development, and deepen the influence of dealerships within BMW network. These efforts will support the upgrade of dealership operation models for sustainable business growth.

To reshape dealers' capability, brand training and upgraded sales courses would be used to consolidate the foundational abilities of dealers. With the aim to upskill dealership management, we leverage the 'Operation Management Competition' of National Sales Competition, refresh the management curriculum system, and execute focused coaching initiatives, fully committed to driving the ongoing upgrade of dealership operation management models and the sustainable growth of business profitability.

We will enhance brand confidence through the new 5 Series Product Experience Training, attracting more dealer partners to become Bimmers. Additionally, the 2024 National Sales Competition will focus on test drive, social media, GKL+ sales, and team operation competition. We will enable best practice sharing for talent promotion and boost incentives for retention of front-line talents. By continuously improving GKL+ Elite Sales Club and sales training camp, we can enhance the confidence and passion of dealer elite talents for the brand and maximise their value and contribution. We also plan to launch a new BMW Brand & Customer Institute with The Resonance Space in Beijing and Guangzhou Training Center with digital and immersive training experience to deliver an exciting brand journey of JOY.

In 2024, we will sustainably develop "The Answerer" into a business tool for frontline staff, and release a series of content management functions to help dealer users obtain high-quality business solutions faster, including "Editor's Pick" section, smart sorting, merging duplicate questions, as well as searcher optimisation. At the same time, we will incentivise more front-line dealer talents to join the "The Answerer" enabling community to share the latest information and proven business solutions.

4.2 PURCHASING AND SUPPLIER NETWORK

Supply chain sustainability encompasses multi-faceted actions to support decarbonisation commitment and to align environmental and social standards for China and BMW Group. The common goal can only be achieved through collaboration with our suppliers. BMW's supply chain sustainability management system in China enables the reinforcement of supply chain resiliency and the promotion of sustainable practices. By doing so, a growing number of our suppliers have integrated sustainability into their daily operations.

100%
Renewable electricity adopted for self-production by all HVB cells suppliers.

100%
Of our aluminium ingot foundry shop suppliers have already made their switch to renewable electricity¹ since 2021.

400,000+ t
CO₂e reduction achieved in the upstream supply chain through contractually agreed decarbonisation measures implemented in China.

100
"Challenge Rounds"² completed by BMW with Tier 1 suppliers for upstream sub-suppliers.

1. Both externally sourced and internally generated electricity is renewable, including solar PV, Green PPAs and I-RECs.
2. Both remote and onsite assessments.



➤ SDG 7, 8, 10, 13 and 17

SUPPLIER ENVIRONMENTAL RESPONSIBILITY

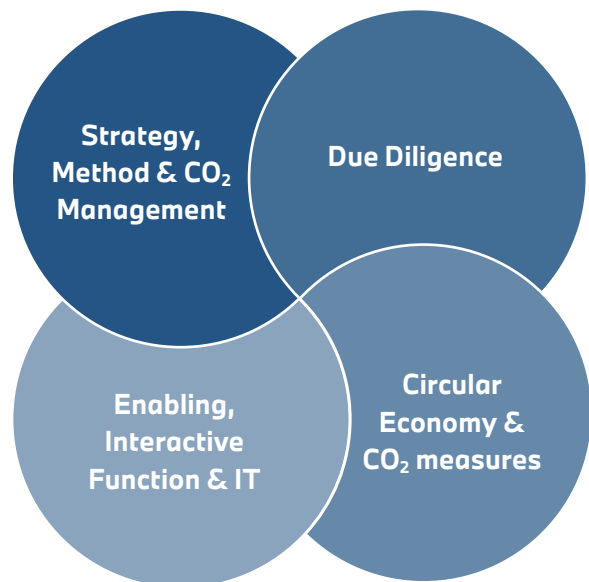
Building an efficient, robust, and low-carbon supply chain is one of the key tasks for BMW Group China to ensure long-term value creation. For this reason, we are implementing persistent approaches that focus on the following three pillars:

- **Increase** the use of renewable electricity
- **Promote** the use of secondary materials
- **Encourage** the adoption of low-carbon technology

ENVIRONMENTAL MANAGEMENT FRAMEWORK

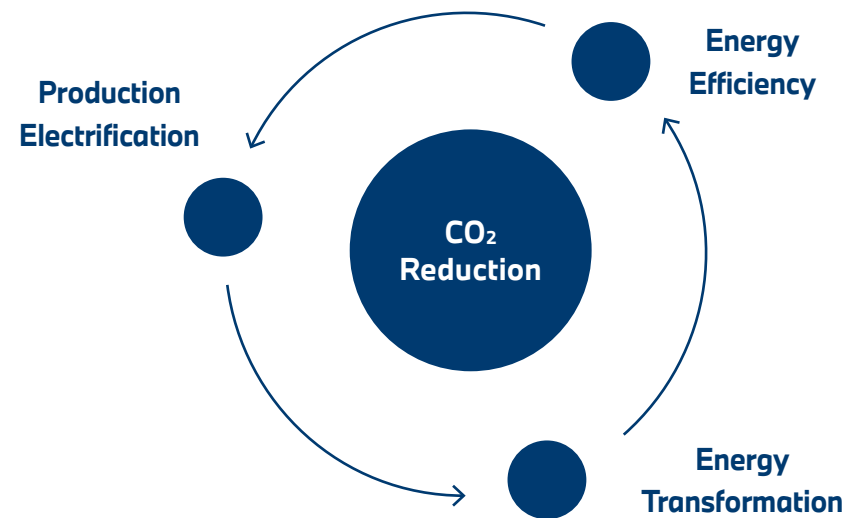
In 2021, BMW Group China put in place the bespoke Supply Chain Match Plan China, which is an integrated management framework to enable a more sustainable supply chain in China. In response to the changing social and economic agenda, we adjusted the supplier sustainability management structure in 2024 to refocus on supply chain priorities in China across social, environmental, compliance, digitalisation, and stakeholder engagement topics.

Updated Supplier Sustainability Management Structure



In 2023 we introduced the Supply Chain Energy Management Strategy in China to aid upstream supply chain decarbonisation, enabling supply chain green transformation.

Supply Chain Energy Management Strategy

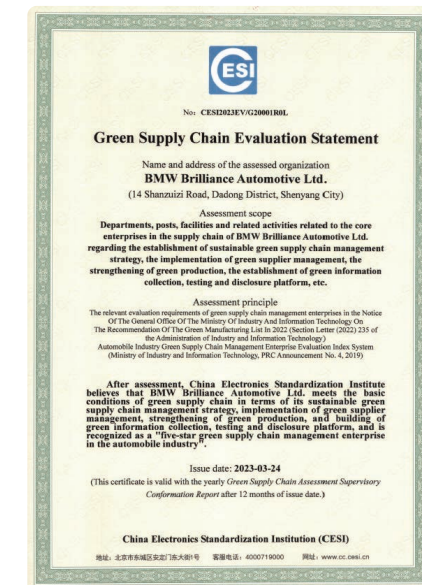


We have firmly integrated environmental criteria into our supplier selection and management process, which includes a procurement strategy that weights the utilisation of renewable electricity and secondary materials as key selection criteria. We encourage suppliers to establish a systematic approach to energy management by leveraging the ISO 50001 energy management system. We have also initiated the electrification of production processes to reduce supplier's direct carbon emission¹ and encourage the use of renewable electricity to reduce supplier's indirect carbon emission².

1. Direct (Scope 1) carbon emissions are emissions generated onsite from the activities an organisation owns or controls.
2. Indirect (Scope 2) carbon emissions include indirect emissions generated from purchased energy.
3. Including the use of renewable electricity and secondary raw materials within local BMW Brilliance models.

To increase transparency and accountability, BMW Group engages an external service provider to annually review supply chain decarbonisation measures in series production. In 2023, BMW Group China's local suppliers integrated contractually agreed decarbonisation measures into supply chain carbon accounting. As a result, the recognisable decarbonisation measures³ contributed over 400,000 tCO₂e reduction for local supply chain during the reporting period.

Meanwhile, our effort to build a sustainable supply chain was also recognised by receiving the national Green Supply Chain Management Enterprise Certificate from the Ministry of Industry and Information Technology (MIIT).



Green Supply Chain Management Enterprise Certificate

Issued by the Ministry of Industry and Information Technology (MIIT).

RENEWABLE ELECTRICITY IN THE SUPPLY CHAIN

The upstream automotive supply chain involves the procurement of raw materials and parts, including steel, non-ferrous metals, and HVBs. A large share of automotive manufacturing's energy consumption and carbon emission comes from the production and processing of these materials.

In China, BMW is dedicated to developing, alongside our value chain partners to make a significant impact in improving energy efficiency and accelerating the energy transition. Strong collaboration and partnership are needed within the supplier network to implement series of nationwide low-carbon initiatives.

For the existing supply chain energy structure and production technology, the adoption of renewable electricity is an effective and robust way to reduce carbon emissions in the supply chain. BMW Group specifies 100% renewable electricity usage in future BMW product manufacturing

as part of the direct-supplier (Tier 1) nomination requirements. At the end of 2023, around 50% of supply chain electricity consumed by nominated local direct-supplier (Tier 1) for existing derivatives was committed to renewable sources. Meanwhile, 100% of our aluminium ingot foundry shop suppliers have already made their switch to renewable electricity since 2021, and all of our HVB cells suppliers have adopted 100% renewable electricity in their self-production process.

To further empower our suppliers in the journey, we also enhanced our digital platform to assist the low-carbon transition. We have developed digital training modules to enrich suppliers' knowledge and level up management expertise of renewable electricity. Moreover, we also advised suppliers on the accessibility of renewable electricity based on local policies and regional conditions. Meanwhile, nominated suppliers report their electricity consumption for analysis via our Supplier Resource Dashboard. This allows BMW Group China to provide practical advice and insights to suppliers for energy efficiency improvement.

ENABLING CIRCULARITY IN THE SUPPLY CHAIN

We adhere to the "Secondary First" principle to reduce dependency on primary resources while ensuring product quality. To this end, we are working to expand the different types and volumes of secondary materials in the supply chain. In 2023, we continued to collaborate with suppliers on precious metals, aluminium, and HVBs recycling. We also piloted secondary plastic materials usage to produce brand-new interior and exterior parts for new vehicles.

For more information about our use of secondary materials, please refer to Product Resource Utilisation and Conservation.



Precious metals

Achieved over 70% secondary raw material use of palladium and rhodium since 2022.



Aluminium ingot foundry

Achieved 50% secondary raw material use as of the end of 2023.



HVB

Retired HVB closed loop for nickel, cobalt, and lithium recycling in 2023, secondary aluminium and nickel are used in battery cell production.



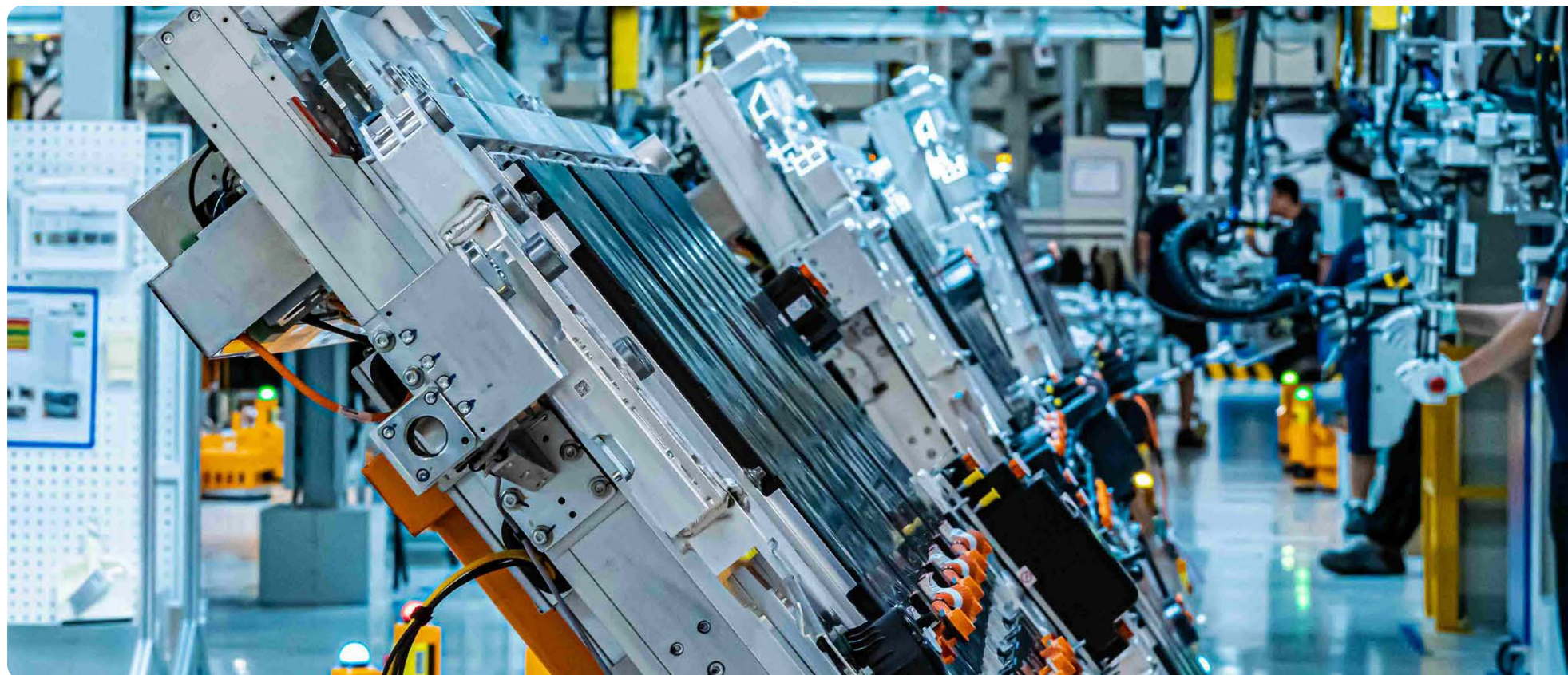
Plastic

30% secondary thermoplastic material utilised in interior and exterior parts in our pilot vehicle project, such as rocker panel, bumper bracket, storage box, etc..



Aluminium casting

Achieved 75% secondary raw material use in our Rim pilot project and supplier.



TECHNOLOGY TRANSFORMATION & PARTNERSHIP IN THE SUPPLY CHAIN

Collaboration is the only way to achieve supply chain decarbonisation. We work alongside our supply chain partners to explore, develop, and leverage BMW's leading-edge technologies to bring tangible solutions to the table.

To address the low carbon transition in aluminium for vehicle production, BMW Group China cooperated with suppliers to signed joint Memorandums of Understanding (MoU) for electrolytic aluminium and recycled aluminium. By enabling renewable electricity in electrolytic aluminium production and using recycled aluminium material, we can reduce carbon emissions by 14 tonnes and 18 tonnes carbon reduction per tonne of aluminium produced respectively, compared to traditionally sourced aluminium raw materials.

To celebrate our sustainable development achievements with suppliers, BMW Brilliance Automotive hosted a Grand Supplier Day in 2023 with the theme of "Together, We Build a Sustainable and Resilient Supply Chain With Premium Quality". We also launched two Supply Chain Sustainability Awards – the CO₂ Management Award and the Circular Economy Award – to recognise outstanding initiatives and encourage supplier excellence. The event reinforced communication and united BMW Group China with its suppliers amidst shared challenges.

1st

Supply Chain Sustainability
Awards granted on Grand
Supplier Day.



CO₂ MANAGEMENT AWARD

Shuaiyichi (Henan) New Material Technology Co., Ltd

Shuaiyichi has actively supported BMW Group China's sustainable development. In addition to using 100% renewable energy for BMW Group China related production, Shuaiyichi tailored a closed-loop aluminium recycling system for BMW Brilliance Automotive.

CIRCULAR ECONOMY AWARD

Yanfeng Plastic Omnium (Shenyang) Automotive Exterior Systems Co.

Yanfeng is contributing to the industrial chain of recycled materials and supporting the sustainability efforts of BMW Group China. Yanfeng rigorously sorts recycled materials by examining their density, colour, and near-infrared tests. It is estimated that the use of the recycled materials developed by Yanfeng could reduce carbon emissions by 20% to 50%, compared to primary materials.

SOCIAL RESPONSIBILITY INITIATIVES FOR SUPPLIERS

Socially responsible supply chain management can create, protect, and grow long-term environmental, social, and economic value for stakeholders across the value chain. The BMW Group integrates environmental, social standards and governance factors into its corporate sustainability strategy. With this strategy, BMW Group China has implemented socially responsible supply chain practices, whilst complying with local regulations.

The sustainability targets of environment, health and safety (EHS) and social responsibility have been achieved through diverse projects, including third-party evaluation of sustainability questionnaires and regular assessments. At the same time, we have enhanced supply chain transparency within the purchasing process with due diligence action. In 2023, BMW Group China updated our Supplier Code of Conduct (SCoC) with enhanced requirements for responsible business practices, the use of critical raw materials, and environmental and social responsibilities.

SUPPLIER ENVIRONMENTAL, HEALTH AND SAFETY RISK MANAGEMENT

BMW Group China believes that robust supplier EHS management and Corporate Social Responsibility (CSR) practices are the foundation of a sustainable supply chain. We advocate all stakeholders in our supply chain working together to further enhance EHS risk management efficiency, achieving high-quality and resilient supply chain networks.

Over the years, BMW Group China has cooperated extensively with suppliers to improve EHS performance and explore more efficient management approaches through BMW's Supplier EHS Management Programme. We engage independent third party service providers to conduct local risk-based EHS and CSR assessments so our suppliers can

identify gaps and improve their capabilities. In 2023, we conducted onsite assessments at 38 suppliers and raised average performance levels from 88% to 94%.

We are enabling sustainability management by using a digitalised ESG Risk Management System (ERMS) to monitor suppliers' sustainability performance. The supply chain risks can be identified and tracked precisely by its risk tracking functions. In 2023, more than 400 risk cases in our supply chain were identified and mitigated without causing any disruptions to our supply chain operations.

ENHANCE SUPPLY CHAIN ENVIRONMENTAL AND SOCIAL RESPONSIBILITY WITH ACTIONS

To reduce EHS risks and secure the supply of BMW parts, we require our Tier 1 suppliers to conduct assessments of their upstream sub-suppliers. These assessments are then jointly verified by BMW and the Tier 1 suppliers. This is called a "Challenge Round." By the end of 2023, we have cumulatively completed 100 such "Challenge Rounds" through both remote and onsite assessment.

SUPPLIER TRAINING

BMW Group China strives for continuous improvement in enhancing supply chain sustainability by continually raising our suppliers' awareness and knowledge of BMW's sustainability standards and requirements. We provide online training in Chinese and English as well as onsite training for suppliers on topics, such as social responsibility, EHS, and decarbonisation. In particular, to improve our circular economy performance, we encourage suppliers to share best practices of secondary raw materials with other suppliers.

RESPONSIBLE SOURCING

For BMW Group, responsible sourcing is the result of a holistic approach that considers economic, environmental, and social factors. We have formulated our Supplier Code of Conduct for raw material supply chains in accordance with environmental and social standards. On top of that, we also oblige Tier 1 suppliers to pass these requirements on to their upstream sub-suppliers.

BMW Group focuses, in particular, on the conflict minerals tin, tantalum, tungsten, and gold (also known as 3TG). Utilising standardised tools from the Responsible Minerals Initiative (RMI), BMW Group is able to trace these raw materials back to the smelter. We use existing certifications for other raw materials, and additionally BMW Group is also involved in developing certification standards for critical stages of the value chain, such as being part of the Initiative for Responsible Mining Assurance (IRMA) and committed to the implementation by the suppliers.

BMW Group has also set a goal to generate a positive impact from selected raw materials through local development projects, which currently includes lithium, mica, cobalt, and natural rubber.

FORECAST

We look forward to collaborating with suppliers to explore efficient ways to accelerate supply chain decarbonisation and social responsibility progress. By hosting supplier sustainability engagement events in the near future, we aim to provide a platform for suppliers to learn from experts, interact with peers, and explore the latest trends and solutions, thereby further implementing BMW's sustainability strategy within the supply chain.



CHAPTER 5

EMPLOYEE AND SOCIETY

Dedicated to fostering a sustainable future, the BMW Group China is people-oriented. The growth of our business is based on the growth and well-being of our employees. As responsible corporate citizens, we recognise our role to make a positive impact on society. We want to empower our employees to contribute, as individuals and together, to sustainability through innovative solutions.

5.1 Future-proof Job	71
5.2 Diversity, Equity and Inclusion	77
5.3 Benefits and Well-being	81
5.4 Contributions to Social Prosperity	86

05



5.1

FUTURE-PROOF JOB

The BMW Group China appreciates the importance of long-term talent cultivation and support of talent. Our core values and culture guide us in how we create a high quality work experience for our employees. We provide comprehensive, future-focused training to help our employees build their skills to drive the transformation of China's automotive industry.



98.7%
Training attendee satisfaction rate.

1.43
Average days of further training per employee.

>9,600
Associates received Best YOU award for their outstanding demonstration of corporate Core Values.





Our Core Values

RESPONSIBILITY

TRANSPARENCY

OPENNESS

TRUST

APPRECIATION

CORE VALUES AND CULTURE

Since the BMW Group introduced our core values in 2018, we have promoted responsibility, appreciation, transparency, trust, and openness across the BMW Group China. We have organised department-specific corporate culture activities in our Core Value Space for more than four years, providing teams with a relaxed and open environment to develop their own values initiatives. In 2023, we revamped the Core Value Space Ambassador Programme, empowering more business departments with self-facilitation skills for cultural workshops. Ambassadors can hold workshops for their teams in the Core Value Space. In 2023, there were 98 workshop sessions with 1,513 participants hosted in core value space, and 30 cultural workshops with 626 participants were facilitated by our Core Value Space Ambassadors.

BEST YOU PROGRAMME

The Best YOU programme fosters a culture of appreciation, giving recognition to the actions of our employees that embody our core values and company recommended behaviours. In 2023, more than 9,600 associates received Best YOU award for their outstanding demonstration of corporate core values. There were 5,053 individuals nominated by peers for the "Best in My Eyes" award and 5,975 associates have received Best in My Team awards from departmental management team, as individual or member of a winner team. 26 individuals or teams have received "Best of the Year" awards for their great contribution to our business.

5,975

Associates have received Best in My Team awards from departmental management team, as individual or member of a winner team.

5,053

Associates have received "Best in My Eyes" award as the appreciation from peer colleagues.

26

Individuals or teams have received "Best of the Year" awards for their great contribution to our business.

TALENT ATTRACTION

In the rapidly changing world, employees are the greatest investment and source of value. At the BMW Group China, with Employer Branding playing an imperative role in talent attraction, we continually innovate in our talent attraction methods and programmes. Our approaches, beyond the job offerings, weave a narrative that embodies our culture, and successfully attracts kindred talents who share our values and vision, thereby shaping a unique and dynamic employer proposition.

EMPLOYER BRANDING

We shaped our employer brand to attract top talent and create a sense of belonging among our employees by providing opportunities to build future-proof careers. This approach consistently attracts talented individuals who are self-driven, in a relentless pursuit of excellence, and passionate to make a meaningful impact through their work.

We continuously innovate in our talent acquisition efforts, leveraging digital tools and cutting-edge AI technologies to identify exceptional candidates. Through authentic employee experiences shared on social media and recruitment platforms, prospective talents gain direct insight into our employer brand. We also build our employer brand exposure on multiple social media platforms. These efforts helped us attract and retain more key talents, injecting momentum into our long-term development.

At the BMW Group China, we want to provide an environment that fosters passion and innovation and to collaborate with our talented employees to make positive contribution to society.



EXPERIENTIAL CORE VALUES WORKSHOP FOR YOUNG TALENTS

To introduce the BMW Group core values to our "post 95" talents – those born after 1995 – we held a tailored workshop as part of our Beyond Programme. One of the highlights was the opportunity for participants to work together to build their ideal workplace using Lego with the core values as a framework.

EMPLOYER AWARDS

Top Employer Institute

Top Employer 2023

Zhaopin

2023 China Best Employers Award Top 2
 2023 China Best Employers Award for Female Employees
 2023 Best Employer Award for Campus Recruitment

51 job

Employer Excellence China Top 100
 Excellence in Employer Branding
 Job Graduate Employer China 2023

Liepin

Extraordinary Employer Award Top 50

Lockin

Power Global Recruiting Employer

Shixiseng

The Most Attractive Employer

Maimai

2023 Annual Outstanding Employer

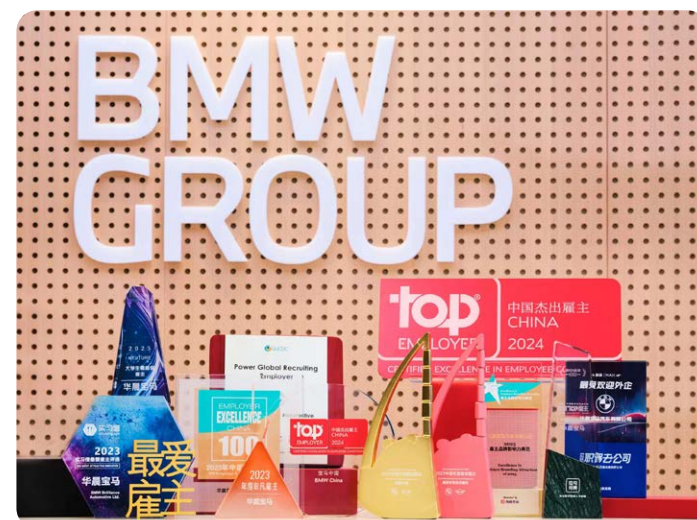
Nowcoder

2023 NFuture Best Employer

CANDIDATE-CENTRIC RECRUITING STRATEGY

Talent is a vital driver for our future development. It is critical to have the right talent in the right roles and to give them the support and opportunities they need to succeed. We have a candidate-centric recruitment approach, focusing on creating a positive candidate experience throughout the recruitment journey. By closely understanding candidates' expectations, we provide a stable career and offer a broad spectrum of career opportunities within the BMW Group China.

We pursue digital innovation to enhance the recruitment process with immersive experiences. In 2023, we hosted live streaming events through our recruitment platform – WeChat official account, focusing on our three strategic pillars: Electric, Digital and Circular. We invited internal experts to explain the meaningful contents and promising development of the future. These events connected the BMW Group China and potential talents. Over 16,000 participants joined the live streams, growing brand awareness with top talents.



ATTRACTING AND ENGAGING TALENTS

ATTRACTING YOUNG TALENTS

The automotive industry is undergoing unprecedented change. Young talents can bring a future-oriented mindset to address challenges. The BMW Group China refined its recruitment process to embrace more young talents with innovative spirits and passion.

We seek high-calibre young graduates and professionals through our Graduates Programme, with diverse campus recruitment events aimed at selecting and nurturing future-proof talents to drive the BMW Group China's sustainable development in cutting-edge technologies, such as digital transformation and connected driving.

Our AcceleratiON Programme (International Trainee Programme) garnered widespread attention, attracting applicants through the top universities all over the world in 2023. We also launched a Technical Trainee Programme, specialised to attract young engineers with IT, Electronic, software, Data etc., background to join BMW for R&D and Supply Chain technology transformation. We also launched campus activities called BMW Needs Youthful You to attract technical young talents with extensive promotion on WeChat public platforms. Our Fastlane Programme, targeted at elite postgraduates from both home and abroad, offering them a clear career path.

To attract and cultivate outstanding students with key competencies, we collaborate with top universities, such as Tongji University and Tsinghua University, on campus activities to promote the BMW Group China's career paths and development opportunities. Activities include innovation competitions, career Q&A sessions, and academic challenges. These events attracted more than 1,600 participants in 2023, building connections for future talent acquisition.



BMW INTERNSHIP SUMMER CAMP

A highlight of our internship programmes is the Internship Summer Camp, a collaboration between the BMW Group China and the School of Electronic and Information Engineering at Tongji University. This five-week programme provides interns with an immersive experience at our Shanghai R&D centre, where they work in teams alongside our autonomous driving and software testing professionals. This opportunity helps them to understand our future-oriented technologies and contribute to research or testing projects.



1. The "BMW Needs Youthful You" campus activities launched in 2023 to attract fresh graduates who will graduate in July 2024.

ENGAGING NEV TALENT

With the rapid development of the automobile industry, especially new energy vehicles, the demand for technical talent in related fields is growing. We aim to attract technical talents such as battery, e-motor, and electronic control talents, with deep backgrounds and practical experience, with targeted recruitment programmes and innovative channels.

To encourage overseas Chinese students to return to China, we also conduct recruitment activities internationally. In 2023, we held a series of special recruitment events targeted to 1st class universities in Munich and Stuttgart, Germany. Through these activities, we have been able to develop a talent pool for R&D and NEV, and have good interaction and communication with overseas Chinese students.



2023 HACKATHON EVEN

The 2023 Hackathon event @ BMW iFACTORY was the third time for this cutting-edge programming competition, focused on industrial digital transformation. It featured real-life scenarios from Shenyang's BMW iFACTORY strategy to combine green standards, innovation and economic growth. In the past three years, the innovative competition has attracted nearly 1,300 young enthusiasts from the top universities, giving them the opportunity to see the BMW Shenyang production base and to bring fresh ideas for our industry 's digital future.

ENGAGING PROFESSIONAL DIGITAL TALENT

To meet the growing demand for digital talent, we are targeting professionals with the skills and mindset to drive our digital transformation process. In Nanjing, our Tanyue Internship Programme attracted a large number of digital talents. During and after their internships, our interns shared their BMW career experiences publicly, providing a glimpse into our culture, values, and working environment. The sharing from the interns created positive word of mouth on social media, helping us build a strong brand image, reach a wide audience and attract more potential young talents. As a bridge between the BMW Group China and society, our interns strengthen our connection and engagement with the public. We can learn about external perceptions and suggestions, continuously optimising our management and services to enhance our social responsibility.

ENGAGING LOCAL TALENTS

The BMW Group China also has initiatives to target local talent in Shenyang, offering them attractive careers and a positive working environment, which supports local community development. We partnered with the media to publish an article on the renewed interest in Northeast China. The piece promoted the region's profound cultural heritage and featured the BMW Group China as a prominent employment hub. The online article reached more than 100,000 readers, effectively drawing the public's attention to the attractiveness of the Northeast region and the BMW Group China.

EMPOWERING EMPLOYEES

The automotive industry, which is being reshaped by new technologies and new energy, requires a broader skill portfolio today. We strive to create a dynamic and innovative work environment, with training and incentives to help our employees develop their skills in a rapidly changing environment.

INNOVATIVE MODEL

We have established a gamified digital platform to deliver engaging and interactive training. The training model has greatly enhanced employees' interest and engagement, helping them to quickly acquire knowledge and skills for professional growth and personal development.

INNOVATIVE TECHNOLOGY

We are using AI to optimise training methods. We launched internal training courses on AI knowledge and applications to improve our employees' language and presentation skills through AI-assisted. In addition, we introduced metaverse technology to inspire young apprentices. In 2023, we established three VR welding train stations and four 3D printing training stations and implemented VR-based battery training, VR welding and 3D printing technology, which makes training safer than using real tools and more environmentally friendly.

INNOVATIVE RESOURCE

We make full use of our E-learning platform to provide expert competency training and offer a variety of online courses in partnership with top business schools. With the range of options, we have fostered employees' enthusiasm for learning. By the end of 2023, around 6,200 employees voluntarily participated in E-learning activities.

INNOVATIVE ENGAGEMENT

We have refreshed our approach to employee engagement by integrating offline flipped classes, encouraging participants to interact and share their understanding of courses. This approach promotes teamwork and knowledge sharing, further inspiring employees to actively participate.

CONTINUOUS INNOVATIVE TRAINING

The digital age is rapidly changing our ways of learning and working as well as changing the external environment. To develop future-oriented talent, we empower our employees through continuous training. We offer innovative training programmes that provide clear and timely feedback on skill progress. We are continuously pushing boundaries in models, technologies, resources, and engagement to revolutionise the employee learning experience.

DIGITAL BOOST PROGRAMME

The Digital Boost programme is our largest digital online learning initiative to date, aimed at helping non-production employees to enhance their digital knowledge. It serves as the foundation for our digital transformation journey. This groundbreaking initiative introduced an innovative online learning model with interactive elements for active participation. In 2023, nearly 90% of the BMW Group China employees participated in this programme. Sustainability and technology is a key topic in the programme, addressing crucial aspects of environment, economy and society and how we strive to achieve our goals with technological innovation.



ALL-ROUND TRAINING

To meet the needs of our employees for skills development and career advancement, we offer comprehensive training programmes across all levels and positions, nurturing personal growth and development within the BMW Group China. These courses include leadership training, technical training, and internal trainer development programmes. These initiatives, supported by personalised learning paths and performance evaluations, foster a culture of continuous learning that keeps our employees engaged and adaptable in a rapidly evolving environment.

LEADERSHIP TRAINING

Our leadership training equips managers with essential management skills and an understanding of sustainability as a core corporate strategy. In collaboration with top business schools, we offered Mini EMBA programmes to senior executives, providing tools and insights to navigate dynamic business environments. We also offer a team-based leadership workshop, which helps teams enhance their capabilities and performance at various stages of development.

TECHNICAL TRAINING

Focused on three core pillars of electrification, digitalisation and sustainability, we have developed a series of technical training programmes. BMW Group China is continuously empowering employees through transferring to the new high-voltage qualification. For electrification skills, more than 800 employees participated in the High Voltage Qualification Training in 2023, bringing the total number of certified professionals to over 8,000, advancing our workforce readiness.

For digitisation skills, we launched the Digital Pioneer project, empowering more than 100 digital talents with enhanced skills for data analysts, data scientists, and data architects, supported by certifications. New training courses for our battery plant prepare associates with updated standards and equipment.

We also provide an internal trainer development programme for part-time internal trainers who deliver technical and non-technical subjects, significantly contributing to our corporate training. These experiences also promote personal growth through a "learn by teaching" approach, driving best practices across functions. In 2023, 226 internal trainers successfully conducted over 6,116 person-days of training, achieving an outstanding satisfaction rating of 99.8%.

These comprehensive training efforts bolster employee development and support the BMW Group China's long-term growth through continuous technological innovation and application.

NURTURING YOUNG TALENTS

To cultivate promising talent for the future, we collaborate closely with top universities in China, including Tsinghua University, Tongji University, Dalian University of Technology, Northeastern University, and Shenyang University of Technology. These partnerships provide research opportunities for Ph.D. and master's students that give young talents hands-on experience with the latest industry advancements. We have an agreement with Tsinghua University to establish the Joint Institute for Sustainability and Mobility Innovation. This will not only help to cultivate students' innovation skills, but it will promote our technical innovation and sustainable competitiveness. We kept close cooperation with Northeastern University for years and participated in its 100th anniversary in 2023. It's not only strengthening our ties with Northeastern University but also inspiring students' interest in electric mobility and BMW careers.



Dual system education – with both classroom and on-the-job training – is part of the German education policy and has contributed to the successful development of BMW Group in Germany. Therefore, based on successful experience, we tailored it to suit the unique conditions of China to cultivate students who possess both cross-cultural understanding and professional skills. In 2023, approximately 30 German Ph.D. students visited our Chinese plants, engaging in productive exchanges with our local Ph.D. trainees. Two German students successfully completed a two-month internship at our Shenyang plant. Subsequently, our students traveled to Germany for workshop internships in September. This exchange marked our first learning exchange within the dual education system, strengthening cross-cultural communication and fostering the development of high-quality talent.

98.7%

Training attendee
satisfaction rate.

1.43

Average days of further
training per employee.



5.2 DIVERSITY, EQUITY AND INCLUSION

At BMW Group China, we aspire to cultivate a collaborative workspace that embraces all and cherishes each employee, whose wisdom and enthusiasm constitute the cornerstone of our company. Recognising the rich tapestry of cultural background, age and experience, gender, physical and mental abilities, sexual orientation and identity among our staff, we celebrate this diversity as it enriches our team dynamics to foster a workplace devoid of discrimination or prejudice where every team member can feel a sense of belonging and joy, realising their self-worth and crafting exceptional accomplishments together.



28,074
Total workforce at year-end.

15.2%
Female employees in total workforce.

37.9%
Female employees in management positions.

多元 · 平等 · 包容





OUR COMMITMENTS

In the current era, an increasing number of companies across industries are visible in their efforts to promote diversity, inclusion, and female leadership, sparking a global trend. The benefits of diversity and inclusion are numerous, including attracting top talent, improving decision-making quality, better understanding customers, enhancing employee satisfaction, building a strong employer brand, and fostering creativity, innovation, and productivity. We have always regarded our diversity as a strength. In this way we attract and retain the best talent and are therefore better prepared to meet our customers' expectations wherever they are in the world. Adhering to the BMW Group's principles, we uphold inclusivity across all fronts, regardless of cultural background, age, gender, physical and mental abilities, or sexual orientation and identity. Equity and inclusion are the foundations of our organisation, it is our commitment to foster a corporate culture that respects and appreciates the individuality of each member. This culture strives to be unbiased and celebrates diversity, and we aspire to incorporate these principles into the growth and evolution of our corporate culture.

BMW Group China employees according to age group in 2023 (in %)

<30 years old	24.9%
30-50 years old	73.8%
>50 years old	1.3%

15.2%

Female employees in total workforce.

37.9%

Female employees in management positions.

CREATING AN INCLUSIVE WORK ENVIRONMENT

An inclusive work environment opposes discrimination, enhances the quality of work and life, fosters organisational flexibility and vitality, and promotes the development of collective wisdom. BMW Group China has demonstrated an unwavering commitment to embracing diverse groups of people. We emphasise fairness and inclusivity in employment, and strive to integrate the principles of Diversity, Equity and Inclusion (DEI) into our brand. We are not just offering jobs, but aim to provide a platform for lifelong growth and success. We have been working for years to eliminate unconscious bias and promote gender equality. We are dedicated to cultivating an inclusive and transparent workplace where diverse groups are afforded equitable access to development opportunities.

To embrace the hiring of persons with disabilities, we fostered an inclusive culture through indirect support and financial assistance. We

have created an accessible workspace, and addressed bias to promote acceptance. Our ultimate goal is to gradually integrate persons with disabilities into BMW Group China as part of a broader cultural shift.

On the WeChat recruitment platform, we have established a dedicated application channel in line with DEI enabling candidates who align with these values to apply. We encourage and welcome talented individuals from all backgrounds to join BMW Group China, and together to foster a diverse corporate culture. In 2023, we also invited social media influencer with disabilities to visit our Plant Lydia and share his/her experience on social platforms. By doing so, we helped to raise public awareness of our barrier-free workplace and promote these values on social media. The comments on platforms, such as Bilibili and Douyin, have been overwhelmingly positive, with viewers expressing surprise at the feasibility of barrier-free workplaces. The positive feedback has not only helped strengthen our commitment, but also driven public interest in our products, showcasing the positive influence of the BMW brand.



PROMOTING DIVERSITY, EQUITY AND INCLUSION

To continue drawing attention to DEI among our employees, we launched a series of "Diversity Day" online events and offline experiential activities in 2023.

2023 DEI JOURNEY

March
International Women's Day



May
World Cultural Diversity Day



August
Diversity Summer Carnival



November
International Day of Tolerance



December
Unconscious Bias



DIVERSITY DAYS

We hosted these activities series to raise awareness about diversity issues within the company, our Diversity Days promoted employee DEI through a range of engaging activities, including themed events, offline roadshows, and online platforms (e.g., newsletters and Joy Chat) to reach our vast employee base and enhance interaction.

INTERNATIONAL WOMEN'S DAY

On March 8, International Women's Day and BMW Group's inaugural Diversity Day in 2023, we celebrated equality and fairness while highlighting the achievements of our female employees. The "Our Key to Success: Women" video campaign in Shenyang showcases the profound impact that female employees have on the development of BMW Group China. With their diverse talents, skills and unique personalities, female employees drive the company forward while inspiring others to fulfill their potential. The video captures their remarkable success stories and shows how they have overcome challenges and triumphed in their respective fields. A live-stream Female Career Development Dialogue, centered on eight potential breakthroughs in women's career advancement, featured three Chinese female leaders sharing their experiences. This cross-entity event emphasised potential and strength, attracting 895 registrations. BMW believes success is rooted in diversity, and it proudly showcases its diverse culture and female employees.

WORLD CULTURAL DIVERSITY DAY

People coming together to share their food provides a meaningful way to celebrate our World Cultural Diversity Day. The event highlighted the global culinary riches within BMW Group China and offered an immersive experience for colleagues to sample diverse dishes and understand their cultural backgrounds. The festival departed from traditional intercultural events, focusing on the diversity of BMW in China. We were delighted to have a high participation of employees, with the over 2,300 joining. In Shenyang, we also organised a week-long virtual "Culinary Journey". Other activities included a lucky draw quiz on cultural tips and an online e-postcard platform for sharing diversity stories. These activities fostered a better understanding and appreciation of cultural diversity among our employees.



HIGHLIGHTS FROM THE DIALOGUE



Cao

When we do something, we need to focus more on the thing itself, on how we can do it in the best way, rather than on gender restrictions.



Amy

Maintain on upward and developing trend and make changes in the direction of your career development, rather than blindly following the outside world.

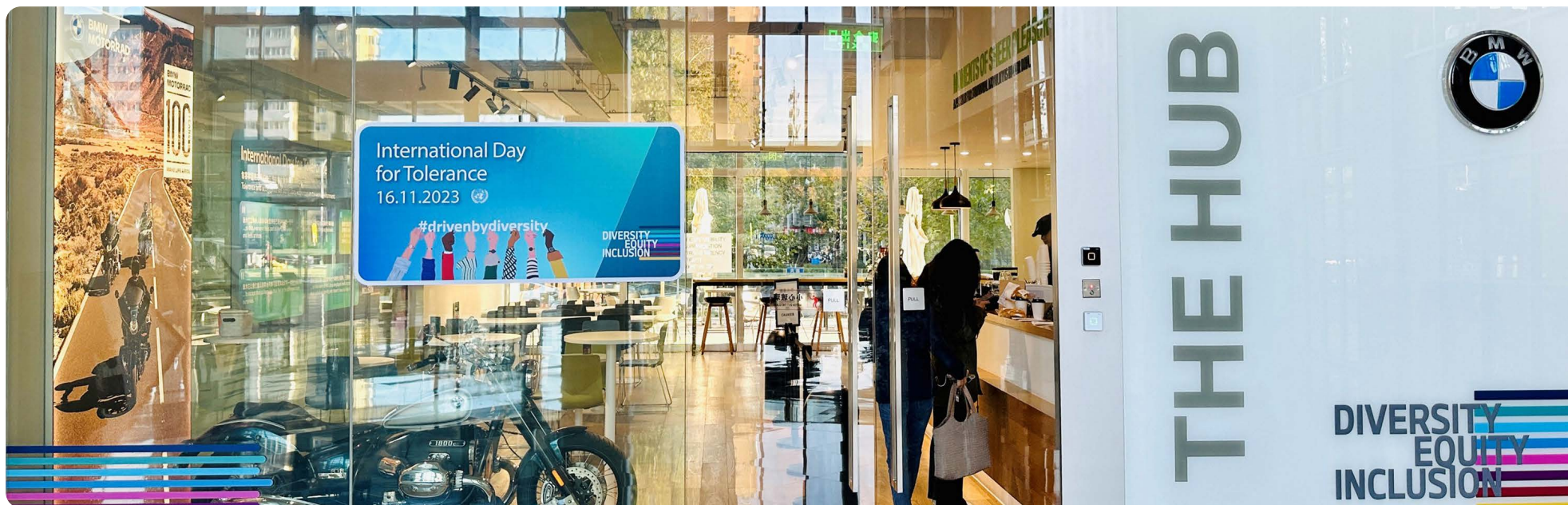


Brenda

We may focus on what kind of person we want to become, recognise our own worth, focus on tasks, and create our value.

DIVERSITY SUMMER CARNIVAL

The BMW Brilliance's 20th Diversity Summer Carnival successfully merged diversity, equity, and inclusion (DEI) with social responsibility, emphasizing the inclusion of individuals with disabilities through activities like a DEI maze and DEI intercultural change mapping. The carnival attracted over 7,000 participants, including associates and their family members, and created a fun-filled environment for knowledge sharing, with a special focus on young people and the themes of DEI associated with social responsibility, and the circular economy.



DEI MAZE

The Maze included curated information about the different types of "Unconscious Bias" that are prevalent in our everyday environment. At the end of the maze, there was a short quiz to test the knowledge of our associates. 2,460 associates and their families experienced the maze and answered the quiz.



INTERNATIONAL DAY OF TOLERANCE

To commemorate the International Day of Tolerance in November, BMW Group China sent a letter to all associates, aimed to raise awareness of the day, underline the importance of tolerance and inclusivity, and reiterate BMW's strategy on diversity.

UNCONSCIOUS BIAS

Shenyang held a week-long virtual on-site tour "From Unconscious Bias to Conscious Inclusion" for all associates, aimed to encourage them to get to know six unconscious bias', avoid them and build an inclusive workplace. We received over 759 messages from the 3,726 participants, including their personal insights and stories, as well as hand-drawn art works and messages, including personal insights and stories, as well as hand-drawn art works and messages.

Other activities, included online quizzes, email signatures, story collections, and special events for young colleagues, designed to further enhance cultural diversity.

EMPLOYEE EXPERIENCE

My favorite intercultural experience in China was the diverse range of food choices, each region offering unique flavors.

I value the experience of traveling and learning about the country's food, art, and history.

Diversity and inclusion can make teamwork more efficient, and different experiences allow teams to complement each other's strengths.

I was surprised to learn that there are so many unconscious biases! Through learning, I hope to have better emotion management skills, stronger empathy, and find peace in work and life.

—Expatriate colleagues at BMW Brilliance's 20th Diversity Summer Carnival

>28,000

Employees communicated in whole 2023 DEI events.

2,460

People participated in a diversity quiz.



5.3

BENEFITS AND WELL-BEING

BMW Group China, as a global enterprise with localised characteristics, embraces a people-oriented approach, prioritising the safety and happiness of over 28,000 employees. We uphold the strictest safety standards to ensure a secure workspace. Our comprehensive benefits enrich employees' lives and enhance their overall well-being, encouraging them to participate in sustainability activities and make a contribution to society.

2,592

Associates living in public rental housing project in Shenyang.

> 25,000

People participated in cultural and sports activities in Shenyang.

0.06

Accident frequency rate (per one million hours worked).



SDG 3 and 8

EMPLOYEE HEALTH AND SAFETY

Providing a safe workplace for employees is a fundamental responsibility for the BMW Group China. We strive to create a safe and healthy work environment, making every effort to prevent workplace injuries. We comprehensively implement safety production responsibility systems at all levels for our targets of "zero fatalities, zero severe injuries, and zero major fire accidents." We conduct safety-related activities throughout the company, including training sessions and emergency drills to enhance employees' safety awareness and capabilities. Through these ongoing measures, we continuously raise our employees' safety consciousness, so they can fully unleash their potential in a secure environment and contribute to a sustainable business.



ROBUST OHS MANAGEMENT

A robust occupational health and safety (OHS) management system is paramount to safeguarding the safety and well-being of our employees. By ensuring regulatory compliance, we can mitigate occupational health and safety risks and prevent accidents.

The BMW Group China complies with all applicable Chinese laws and regulations, as well as the BMW Group's health and safety policy, to ensure that every employee works in a safe and healthy environment. Our OHS management system meets international and domestic policies and standards, such as the United Nations Global Compact, the ISO 45001:2018 standard and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. All BMW Brilliance manufacturing sites hold the ISO 45001:2018 accreditation, fulfilling the requirements of OHS management systems. We have also maintained the Work Safety Standardisation Level 2 Certification from the Emergency Management Department of Liaoning Province. In 2023, our accident frequency rate was 0.06 per million hours worked.

The BMW Group China's senior management assumes full responsibility and accountability for preventing work-related accidents and maintaining safe and healthy workplaces for all employees at manufacturing sites. The management team has established OHS policies aligned with strategic goals, ensuring continuous improvement and effective operation. Our safety production responsibility system is fully integrated at all levels. It is supported by digital solutions such as the E-Safety platform for streamlined safety management, including modules with guidance for safety inspections, special equipment management, and a function for electronic signatures for OHS liability letters.

In addition to the full-fledged OHS management system, we carry out company-wide safety activities and organise training to improve associates' safety awareness and capability. We have offer safety training to employees on specific matters such as Lockout-Tagout, chemicals, work in confined spaces, Personal Protective Equipment and Hot Work in addition to mandatory training sessions.



OHS HAZARDS AND RISK MANAGEMENT

OHS risk management is crucial for enterprises to protect employee welfare. Our risk management measures include a dual-prevention mechanism for the classification, investigation, and governance of hidden safety hazards. The mechanism supports controlling risks in plants, from organisational, institutional, technical and emergency perspectives.

In 2023, the Today for Tomorrow > NEXT project, initially launched in 2021 in the assembly shop of Plant Tiexi, strengthened its impact on occupational health and safety hazard mitigation and risk management. In 2023, we emphasised ergonomics, behavioural patterns, and job rotation strategies to safeguard employees from developing musculoskeletal issues.

Based on the findings of our Safety and Ergonomics Risk Assessment (SERA) and on-site ergonomic behaviour observations in Plant Tiexi and the logistics department of Plant Dadong, our health department designed workplace exercises. These exercises can be easily integrated into employees' daily routines, offering relief from physical stress.

To promote healthier work practices, we conducted training sessions on proper work postures. These sessions covered a variety of topics to safeguard the well-being of our employees.

HEALTH INITIATIVES

We provide accessible support to our associates at our onsite medical health service and Physical Assessment & Rehabilitation Centre (PAR Centre). We also have a set of coordinated measures to promote the health and performance of our workforce with a range of health initiative programmes.

Drawing from the insights of our annual health check in 2022, we strengthened our Health Management 2025 programme. This programme aims to help employees cultivate healthier habits through initiatives such as Mental Care, Stop Smoking, Burn What You Eat, Hearing Protection, Healthy Sleep and Flu Vaccination. These efforts foster a culture of well-being within our organisation, complemented by campaign days, dialogue events, and training sessions on nutrition, fitness, cancer prevention, and mental resilience.



MENTAL CARE

The BMW Group China places a significant emphasis on mental health. In 2023, we delivered 35 courses on mental health issues, engaged 455 associates in mental health consultations, and trained 811 individuals through online and offline Employee Assistance Programme (EAP) sessions. BMW Brilliance received the "2023 Chinese Enterprise EAP Services Excellent Practice Award". We also launched a series of campaigns to educate the workforce on topics such as addiction prevention and strategies for maintaining robust mental health.

STOP SMOKING

In 2023, our annual health check revealed a reduction in smoking rates down to 39% from 42% in 2019, with 3,074 employees expressing a desire to quit smoking. We are committed to providing our employees with assistance in quitting smoking and supporting them in achieving their health goals. In 2023, we conducted four onsite training sessions to stop smoking for approximately 200 participants, and organised combined health activities to further promote a culture of well-being within our organisation.

HEALTHY SLEEP

We organised ongoing training to improve sleep quality of our employees. We used the Pittsburgh Sleep Quality Index (PSQI) evaluation as part of the Healthy Sleep programme. A total of 22,761 employees participated in the assessment during 2023 annual health check, which enabled us to detect any issues in developing healthy sleep patterns. We provided sleep monitoring devices to 74 employees and organised workshops that attracted 1,247 online viewers and 330 offline participants.

HEARING PROTECTION

In 2023, we conducted comprehensive hearing-protection training for all noise-exposed employees, and 1,193 participants joined online training via our JoyChat. To further promote hearing protection in the workshop, we organised engaging on-site hearing protection activities, such as fun quizzes and lucky draw sessions. The activities attracted 1,931 active participants, to sustain awareness and participation in hearing protection measures.

BURN WHAT YOU EAT

In 2023, we hosted 14 on-site weight loss promotion activities, involving 1,160 employees, including personalised plans for 262 individuals. Our weight management meal project in the Plant Tiexi and Plant Lydia restaurants received positive feedback, leading to their continuation to promote healthy eating habits among employees.

HEALTH CHECK

In 2023, we continued to provide annual health checks, with an impressive participation rate of 96% among Shenyang employees, representing a 2% increase from 2022, and 82.1% among non-Shenyang employees, representing a 9% increase. This initiative has significantly improved staff awareness of the importance of health screening and annual health checks.

FLU VACCINATION

In 2023, we administered flu vaccinations to 3,046 employees, with 2,785 individuals in Shenyang and 261 in Beijing. We expanded to include hepatitis B vaccinations, with 241 doses administered in Shenyang.

WELL-ROUNDED EMPLOYEE WELFARE

An enterprise's success depends not only on the quality products and services, but also on a thriving workforce. We ensure employees' welfare for their personal and professional success, and a healthy working environment for the organisation.

COMPETITIVE BENEFITS

The BMW Group China emphasises the health, happiness, and career development of our employees to cultivate a sustainable business model and foster innovation. We continuously optimise our benefits policies and support for our employees.

To comprehensively safeguard employee rights, we enhanced our Associate Handbook and provided employees with more flexible working arrangements, including flexible working time and remote working. Regarding leave policies, we offer various leave options, with a strong emphasis on supporting family care. In line with the new government regulations, we extended paternity leave in applicable cities, as well as introduced childcare leave and parent caring leave. We also provided our employees with a range of supplementary insurance options, enabling them to select different health and medical insurance plans for themselves and their families.

For retired employees, we also offer a range of benefits, including preferential channels and discounts for personal insurance, annual health checks, and car purchase assistance. These benefits reflect our care for employees' personal lives to help them better establish a work-life balance.

3,950

Employees who enjoyed childcare or parent care leave.

WELL-ROUNDED WELFARE

Prioritising comprehensive employee welfare is a significant way for companies to fulfill their social responsibilities and enhance employee satisfaction. At the BMW Group China, we care about our associates' physical and mental health, as well as their career development. We strive to create a fair, healthy, harmonious, and friendly working environment.

We place significant emphasis on protecting employees' rights and continually optimising their welfare benefits. Through the union, we actively listen to our employees, putting forward more than 20 negotiation proposals in 2023 that covered a wide range of areas, including compensation, working environment, insurance, and work-life balance. These proposals are directly communicated to the management through collective bargaining, leading to the implementation of welfare policies and continuous improvements in working conditions for employees.

We continuously enhance associates' sense of belonging by showing care and appreciation for their effort. This recognition includes gifts during festivals, birthdays, and special occasions, movie tickets, discounts on public housing, and kindergarten fees. In 2023, the Associate Charity Funds benefited 1,724 employees, covering hospital visits, bereavement support, weddings, newborns, medical assistance, and financial aid. A total of 2,592 associates are living in our public rental housing project in Shenyang, enjoying the convenience and benefits provided by this service. We are also actively promoting the establishment of work break stations and Associate Homes, providing associates with a place to relax and communicate near their workplaces.

To support our associates' professional development, we continually encourage them to upskill and broaden their career development pathways. In our Model Worker Innovation Studios, skilled employees assume leadership roles, spearheading cross-departmental projects and leveraging resources to drive technological advancements. This approach fosters initiative and creativity, and in Shenyang, we have

already established 11 Innovation Studios. We also organise competitions and events to enhance employees' skills, providing a platform for them to showcase their technical prowess. These opportunities allow skilled employees to gain recognition and appreciation, benefitting both personal growth and business development.

We promote a positive and healthy lifestyle and work-life balance through cultural and sports events. Activities, such as the Joy Run Carnivals and Multi-events Sport Games, encourage physical activity and healthy habits among associates. Cultural exchanges like Oktoberfest and Sino-German activities foster cross-cultural understanding and cooperation. Family-oriented events such as parent-child carnivals and family days strengthen bonds between colleagues, families, and the company. In 2023, we organised more than 20 cultural and sports activities in Shenyang plants, with over 25,000 participants.

Commercial Insurance Participants

(total of all entities under flex programme)

>27,000

Employees.

>25,000

Family members (including spouses, children and parents).

EMPLOYEE ENGAGEMENT

The long-term sustainability of the BMW Group China calls for a motivating work culture that drives employee performance, resilience, innovation and attracting and retaining top talent. We are guided by trust, transparency, and openness in our human resources policymaking and decision-making processes.

CREATING DIVERSE COMMUNICATION CHANNELS

We actively listen to employee feedback through various communication channels, including our WeChat official account, internal webpage, JoyChat Digital Union platform, and bi-monthly newsletter, U-journal. These platforms support sharing of best practices, festival greetings, union activity notices, and information on employee rights protection and employee care, fostering a supportive environment where every voice is heard.

CONDUCTING EMPLOYEE SURVEY

Our regular employee surveys track engagement and identify areas for improvement. In 2023, we conducted an employee survey across the whole company. Our 2023 employee satisfaction survey revealed a positive satisfaction rate of 95% among pilot department participants, guiding us in implementing measures to enhance the employee experience and workplace environment.

ENHANCING THE CONNECTION THROUGH PRODUCT AND BRAND EXPERIENCE

As employees are our brand ambassadors in the community, it is important for them to feel a close connection with our products and brand. The BMW Group China strengthens the connection through engaging activities that enable employees to experience our products firsthand to build their understanding of the BMW brand and an emotional connection.

SUSTAINABILITY ACTIVITIES

At the BMW Group China, we are dedicated to integrating social responsibility into our employees' daily lives. This commitment is exemplified through our Associate Social Responsibility (ASR) initiative, which embeds sustainability into a wide range of employee activities, turning our people into active partners in driving sustainable development.

Every year, we organise themed employee experience events to showcase our products. In 2023, we hosted employee experience events at the Shanghai Auto Show and BMW M Driving Experience China programme in Tianjin.

Marking the 20th Anniversary of BMW Brilliance in 2023, we hosted two all-associates events in Beijing and Shenyang to express our appreciation for our employees' achievements. The Beijing Joint Associate Event held the Joint Associate Event in the Winter Olympic venue, associates have not only enjoyed the fantastic show, but also consolidated their confidence in our products and future competency for the transformation. Celebrating BMW Brilliance's 20th anniversary together, the One-Team spirit and collaboration was also fostered. Being appreciated for their outstanding contribution and commitment to BMW, all associates have been further engaged with "Passion for the Future", even for former employees.

Our Social Week initiative encourages employees to engage in social responsibility activities, with the addition of Social Day in 2023 to emphasise integrating social responsibility into daily life. To enhance awareness of our commitment to social responsibility, the BMW Group China distributed a communication letter to all employees last year. This letter covered an overview of the Group's social responsibility initiatives and featured three educational videos. These videos, curated by local management and former recipients of our social responsibility awards, focused on our sustainability strategy, the BMW Group China's CSR achievements, and a heartfelt account of a seven-year project to support children. These resources are aimed at deepening our employees' understanding of our social responsibility efforts and inspiring them to take part in meaningful social initiatives.



1. BMW Brilliance's 20th anniversary



5.4

CONTRIBUTIONS TO SOCIAL PROSPERITY

At the BMW Group China, we recognise the importance of corporate social responsibility (CSR) for the growth of our company and the prosperity of society. We are dedicated to continuously advancing a positive and responsible image of our brand and our car owners. Sustainability is integral to our enterprise strategy, promoting inclusiveness and balance among the economy, environment, and society. Beyond providing financial support to charities and social initiatives, BMW Group China's goal is to be part of the solution. We are devoted to truly addressing social challenges by researching these issues and proposing solutions.

6,050

Total hours of volunteer service.

93,322,786

Accumulated beneficiaries of BMW CSR activities.

34,166,849

RMB Expenditure on social commitment activities.

35,542,888

Beneficiaries of BMW CSR activities.



➤ SDG 4, 10, 11, 14, 15 and 17

OUR CSR APPROACH AND PROGRAMMES

Guided by the concepts of "Co-developing in Harmony, Co-Creating shared value for both business and society, and Crafting a Beautiful Homeland", the BMW Group China's CSR strategy is built on three principles: long-term development; efficacy comes first; and all-round stakeholder engagement. We understand the urgent and long-term needs of government and society, and seek to help address them promptly. By aligning our CSR initiatives with social agendas and national priorities, we create value for society, customers, and industry, fostering mutual growth.

In our commitment to sustainable development, we systematically design and implement CSR programmes, and deliver around two pivotal themes in China: traditional culture protection and biodiversity conservation. In 2023, we continued to innovate in our CSR programmes and encouraged our stakeholders to address social challenges in these areas.

We seek to engage with stakeholders to contribute to the development of Chinese society by bringing our innovative thinking and resources to take practical action. In 2023, the number of beneficiaries of our CSR activities reached a high of 35,542,888, an increase of 11.47% from 2022.

1. BMW Beautiful Homeland Initiative
2. BMW China Culture Journey
3. BMW Joy Home
4. BMW Children's Traffic Safety Education





BMW CHINA CULTURE JOURNEY

We believe culture is a key element that connects people and bridges the world. As a steadfast partner in Chinese society, the BMW Group China cherishes China's cultural diversity. The BMW Group China Culture Journey, introduced in 2007, reflects our people-oriented approach to sustainable development and corporate social responsibility. This programme seeks to safeguard intangible cultural assets while integrating social innovations. We empower intangible cultural heritage inheritors through cross-over social collaboration, inspiring innovative thinking to help the inheritors enter the consumption market and meet social needs.

Over the past 18 years, we have visited 421 intangible cultural heritage items in 24 provinces and municipalities, supporting 90 intangible cultural heritage items in urgent need of safeguarding. We have funded and supported nearly 1,000 inheritors, influencing nearly 210 million people to join in the inheritance and conservation. The BMW China Culture Journey has made outstanding contributions to the protection of China's intangible cultural heritage and the coordinated development of material and spiritual civilisation.

BEAUTIFUL CHINA: COLLECTION OF CREATIVE CASES OF INTANGIBLE CULTURAL HERITAGE

The BMW Group China is committed to innovating, protecting, and preserving traditional Chinese culture by revitalising traditional crafts. The BMW Group China and Tsinghua University Arts & Design Academy co-edited the book, *Beautiful China: Collection of Creative Cases of Intangible Cultural Heritage*, which was published by Tsinghua University Publishing House in June 2023.

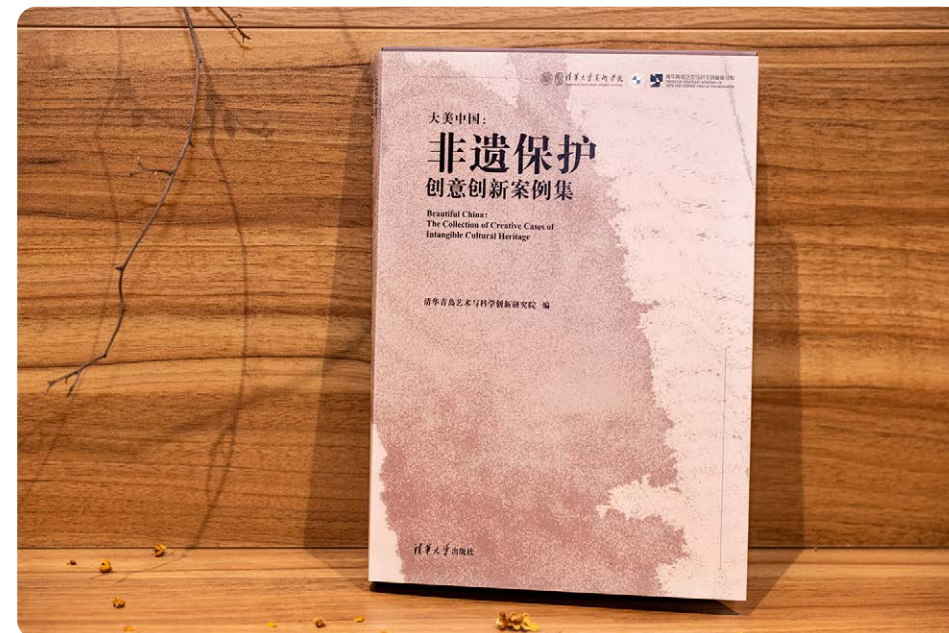
The collection gathers features from the work of 29 intangible cultural heritage inheritors who worked with mentors from Tsinghua University's Academy of Arts and Design. It provides a vivid record of the "mentors + intangible cultural heritage inheritors" collaborations, highlighting the inheritors' thinking process, exploration, and innovative practices that integrate intangible cultural heritage with modern consumer insights, product design, and marketing.

This collection is a perfect interpretation of the BMW Group's "At Home in China" philosophy, and represents the BMW Group's proactive efforts in connecting stakeholders in China to work together to solve practical social problems, so we can all create a "beautiful China" for our future generations.



BMW CHINA CULTURE JOURNEY INTANGIBLE CULTURAL HERITAGE PROTECTION INNOVATION DELIVERABLES EXHIBITION

In February 2023, the BMW China Culture Journey Intangible Cultural Heritage Protection Innovation Deliverables Exhibition opened at the China Science and Technology Museum in Beijing. The exhibition creatively integrated art, culture, and science to help popularise traditional Chinese culture to the public. It showcased remarkable intangible cultural artworks, and offered an immersive experience through the "Scented Intangible Cultural Heritage" installation, engaging visitors' senses of sight, smell, and touch. The "BMW 7 Series Halo Edition", co-created by BMW Group China and Tsinghua University's Academy of Arts and Design, also embodied the fusion of art and science and Eastern and Western aesthetics.



>3 Million

Live-streamed views*.

9,617

Live-streamed engagements.

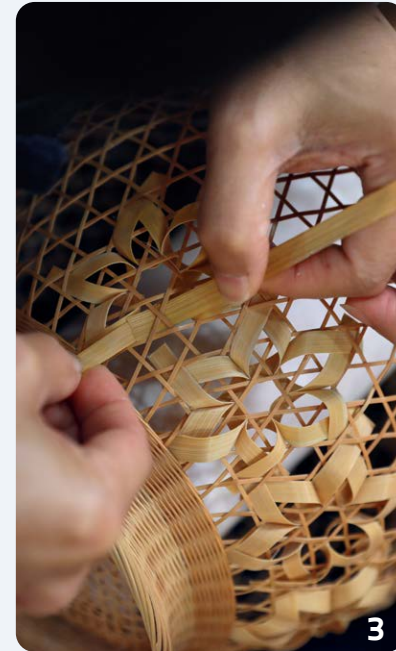
106,410

Exhibition visitors.

8

Interactive workshops.

* As of 16:00 Feb. 28, 2023



TRADITIONAL HANDCRAFT CREATIVE DESIGN COMPETITION

The Traditional Handcraft Creative Design Competition, guided by the concepts of innovative transformation and innovative development, promotes the idea of sustainable development, fostering economic prosperity and harmonious development between the environment and humanity. With main themes — “Creative cultural souvenirs for tourists”, and “Furnishings or decoration items for country Bed and Breakfast lifestyle” — it aligns with social trends such as circular economy, cultural tourism, and rural revitalisation.

We facilitate exchanges between traditional artisans and young designers, combining traditional craftsmanship with contemporary industrial design to advocate for sustainable practices. The crossover teams use natural or recyclable materials in their innovative creations, fostering the sustainable development of intangible cultural heritage inheritors and promoting Chinese traditional culture to modern youth.

FUJIAN TEA CULTURE TOUR

Originating in China and spreading worldwide, tea serves as a bridge between man and nature. In November 2022, “traditional tea processing techniques and associated social practices in China” was added to UNESCO’s Representative List of the Intangible Cultural Heritage of Humanity. In 2023, the BMW China Culture Journey, Fujian Tea Tour, aligns seamlessly with the current social hot trends of culture integration and tourism. The tour offered an immersive journey into Fujian to explore the sustainability philosophy of “the harmony between man and nature” inherent in tea culture.

Through “Experience”, “Engage”, “Enable” and “Educate”, the Fujian Tea Tour encouraged greater social involvement in rural tourism and rural revitalisation, to educate participants to immerse in, learn about, and promote the richness of China’s traditional culture.

BMW CHINA CULTURE JOURNEY UPGRADE

China’s Grand Canal is a testament of the wisdom and the national memory of the Chinese people, serving as an important cultural symbol of China. In April 2024, BMW Group China, in collaboration with the Network of International Culturalink Entities and the China Education Development Foundation, jointly launched the “BMW China Culture Journey - Grand Canal Cultural Protection and Education Public Welfare Project.” As the lighthouse programme of the “BMW China Culture Journey”, we are committed to protecting the tangible and intangible cultural heritage along the Grand Canal.

We will invite renowned experts to promote the protection and education of Grand Canal culture. By selecting and supporting intangible cultural heritage inheritors along the canal, we aim to help them design and develop creative products. The programme seeks to engage nearly 10 million users and national dealers to boost cultural tourism centered around the Grand Canal heritage. As we celebrate BMW’s 30th anniversary in China, we deepen our corporate social responsibility under the “At Home in China” concept, thereby creating more tangible value for Chinese society.

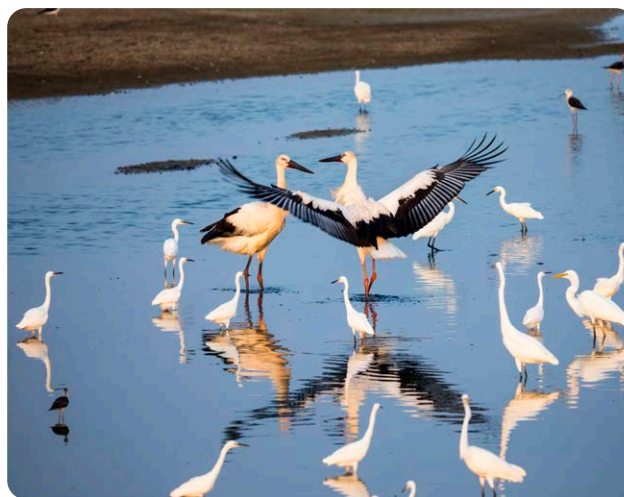


- 1. Traditional Handcraft Creative Design Competition
- 2. Traditional Handcraft Creative Design Competition
- 3. Fujian Tea Culture Tour
- 4. Fujian Tea Culture Tour
- 5. China’s Grand Canal

BMW BEAUTIFUL HOMELAND INITIATIVE

Humanity is now facing a triple environmental crisis – global warming, biodiversity loss, and escalating pollution — and sustainability is our answer to these challenges. The government of China sees biodiversity as the foundation, objective, and means of sustainable development, and promotes the Chinese modernisation of harmony between humanity and nature.

In response, we initiated the BMW Beautiful Homeland Initiative, a programme dedicated to promoting China's biodiversity and national park construction and enhancing public awareness of biodiversity conservation. In 2023, we continued our long-term support for Liaoning Liaohekou National Nature Reserve and extended support to the Shandong Yellow River Delta National Nature Reserve with a donation package. Moreover, we collaborated with the China Green Foundation on the "China Nature Watch Three-Year Action Plan" to establish online biodiversity education platforms for public participation. BMW Group China is firmly committed to its sustainability strategy and is innovatively exploring ways to engage more stakeholders in biodiversity conservation, contributing to the construction of China's ecological civilisation.



CONTINUE TO SUPPORT THE CONSTRUCTION OF NATIONAL PARKS

The Liaohekou National Nature Reserve plays a vital role in biodiversity conservation, providing a habitat for numerous nationally protected species. It is an important stopover for the north-south migration of red-crowned cranes along the East Asia-Australasia migratory route and serves as the breeding ground for the largest population of black-billed gulls in the world, holding significant ecological conservation value.

This year, we upgraded the BMW-donated Nature Bird Hide in Liaohekou into an intelligent bird hide equipped with a digital monitoring system for real-time dynamic monitoring of birds and ecology conditions in key areas around at the same time. It serves as a multi-functional house for wildlife watching and public education. Additionally, the statue of "The World's Largest Breeding Ground for Saunders's Gulls" was successfully completed in the Nanxiaohe protection station, conveying our vision of ecological civilisation that pursues harmony between human and nature. This statue plays an important role in shaping the image of the future Liaohekou National Park.

The Shandong Yellow River Delta National Nature Reserve is on the List of Ramsar Wetlands of International Importance, with its nationally

representative ecosystems, natural landscapes, and biodiversity. Acknowledging its ecological significance, we donated to support the Shandong Yellow River Delta National Nature Reserve to build a wetland national park and organised a donation ceremony in July 2023 at the Yellow River Delta. We provided 3 BMW iX3s as patrol vehicles, developed a set of wetland education courses for local students, and provided wetland biodiversity education in the community, supporting local biodiversity conservation, and raising public awareness.

PROMOTE PUBLIC EDUCATION

Through our online biodiversity education platforms, we are promoting the importance of biodiversity conservation to our stakeholders and the public. Since 2022, the BMW Beautiful Homeland Initiative has reached more than 13 million people/times through biodiversity education courses, live-streaming and documentaries, etc.

STAKEHOLDER ENGAGEMENT

The BMW Group China has organised 106 biodiversity-themed public welfare activities with our dealers and encouraged associates to actively join in beach clean-up activities at the Liaohekou National Nature Reserve, with nearly 100 associates participating twice.



BMW X Weibo Campus Beautiful Homeland – Nature Watch mini-programme

Highlighted the beauty of national parks and offered opportunities for public participation in biodiversity conservation online



BMW X Tencent Charity Walk Together Joining BMW to Protect Beautiful Wetlands WeChat mini-program

Enabled the public to support wetland protection by donating their daily walking steps



7,380,000

Views of Children Traffic Safety Education online live streaming.

1. BMW Children's Traffic Safety Education

BMW CHILDREN'S TRAFFIC SAFETY EDUCATION

The BMW Group China works closely with dealers, car owners and other partners to fulfil its social commitment to traffic safety education. BMW Children's Traffic Safety Education (CTSE), launched in 2005, integrates the traditional Chinese value of "propriety" in 2020. In collaboration with the China Education Development Foundation and China Children's Press & Publication Group, we developed a package of educational materials called "Travel with Propriety". The package features scenarios that present three core concepts: propriety as a pedestrian, as a passenger and as a driver.

We want to give recognition to our dealers who contribute to local community through CSR initiatives. We encourage dealers to communicate and pass on BMW's values to customers and the local community. As such, we consider dealers' CSR activities, including CTSE events, as part of the evaluation for the BMW Dealer Excellence Award.

By providing training and educational materials, we support our dealers to engage in CSR activities related to CTSE and other social issues. In 2023, 355 dealerships participated in the implementation of 605 CSR events, 60% of which were children's traffic safety education. We believe that organising BMW Children's Traffic Safety Education course helps children protect themselves under complex traffic circumstances.

BMW JOY HOME

Launched in 2011, BMW JOY Home promotes rural sports education development for children in alignment with national rural revitalisation and rural education goals. From 2021 to 2023, we trained approximately 180 physical education teachers from 35 rural schools through the Self-Strengthening Movement, benefiting nearly 60,000 students.

From 2023 to 2025, we are undertaking a three-year financial support programme, with a donation of RMB 2 million through the China Education Development Foundation – BMW Warm Heart Fund. The money will support improvements to local school conditions and support local talent in Jinping and Malipo counties in Yunnan Province. This is our third donation to the region over 12 years to support educational development, which deeply reflects our long-term commitment to social responsibility, emphasising practical actions to give back to Chinese society.

The programme includes a donation of RMB 1 million to assist 125 outstanding high school graduates admitted to university, easing the financial burden on their families and helping them complete their studies. We are also donating RMB 1 million to Malipo County to equip five local primary and secondary schools with 40 interactive teaching machines, supporting the digitalisation of education. Over the next three years, more than 8,000 local teachers and students are expected to directly benefit from these initiatives, promoting urban-rural education integration and rural revitalisation.

EMPLOYEE VOLUNTEERING

For years, the BMW Group China has promoted the concept of sustainable development, pursuing harmonious development of business and society, showing care for local communities, and contributing to society with innovative CSR concepts.

BMW Group China believes that volunteerism is not defined by a single individual undertaking a substantial amount of work, but rather by many individuals contributing a small effort. In particular, we raise sustainability awareness among BMW associate volunteers. We organise and encourage our associates to participate in social responsibility and sustainability activities, committed to creating opportunities for more BMW associates to give back to society.

In 2023, we organised 11 volunteer activities, which involved 904 volunteers who contributed 6,050 volunteer hours.

904

Total participants of CSR activities in 2023.

6,050

Total hours of volunteer service in 2023.



VOLUNTEERING WITH THE CHINESE TRADITIONAL CULTURE

Promoted the intangible cultural heritage, associates enhanced their understanding of China's intangible cultural heritage.

60+ participants

400+ Volunteer Service Hours

RIVER AND BEACH CLEANUP ACTIVITIES

Associates took part in river and beach cleanup activities, protecting the ecological environment and enhancing environmental protection awareness.

280+ participants

2,400+ Volunteer Service Hours



PLOGGING ACTIVITIES

Associates worked tirelessly, hiked in the mountains to pick up trash, and made their own contribution to cleaning up the Earth.

30+ participants

180+ Volunteer Service Hours

VOLUNTEERING WITH BMW JOY HOME

Associates visited schools in a mountainous area, conducting interest classes, providing futuristic technology experiences, bringing donations of supplies, and offering care and encouragement to the children.

120+ participants

2,000+ Volunteer Service Hours



FOREST MANAGEMENT¹

Associates participated in tree planting and sand control activities, to connect with nature, build resilience and team cohesion, and enhance their recognition of corporate social responsibility.

120+ participants

600+ Volunteer Service Hours

VOICE FOR KIDS

Associates and their families recorded uplifting messages to offer emotional support and encouragement to left-behind children.

260+ participants

300+ Volunteer Service Hours

1. Including BEYOND Programme and Shenyang Union Sand Control Afforestation Programme

SOCIAL DONATIONS

The BMW Group China shows proactive support to Chinese society, stepping up in the occurrence of natural disasters, or other incidents.

SUPPORT BEIJING FLOOD RELIEF

In July 2023, Super Typhoon Doksuri caused serious human and property loss in the Beijing-Tianjin-Hebei region. We immediately responded to the call of the government and the needs of the people in the disaster area with a donation of RMB 15 million to the Beijing Charity Association for flood relief assistance and post-disaster reconstruction work.

SUPPORT GANSU EARTHQUAKE RELIEF

In December 2023, a 6.2-magnitude earthquake hit Jishishan County, Linxia Prefecture, Gansu Province. The earthquake caused casualties, road traffic disruption, and supply shortages. We quickly responded and donated RMB 3 million in an immediate response to the disaster.

LOCAL COMMUNITY ENGAGEMENT

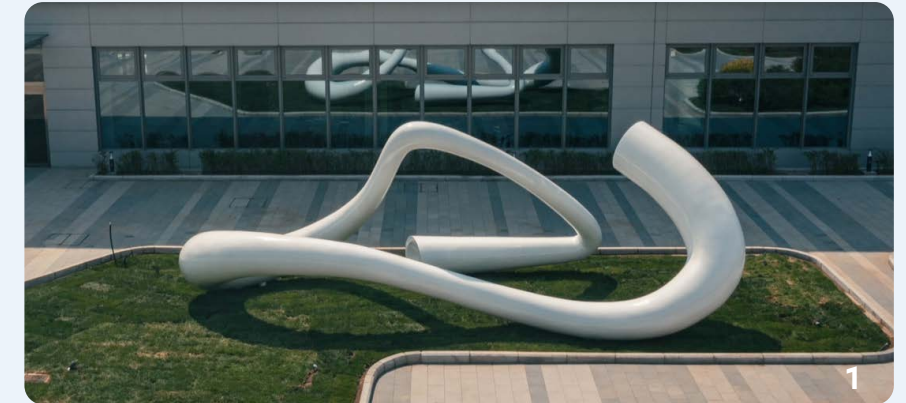
Committed to the "At Home in China" philosophy, we emphasise local community development and deep stakeholder engagement to achieve synergistic growth with the local region. In Shenyang, the birthplace of BMW in China, we have launched a series of programmes to promote cultural exchanges and cooperation.

EMBRACING SUSTAINABILITY WITH ARTISTIC INNOVATION

With a long-term commitment to corporate sustainability and a passion for art, the BMW Group China has partnered with Luxun Academy of Fine Arts (LAFA) in Shenyang to launch the New Plant Art Project. Aligning with the BMW iFACTORY production strategy of sustainability at the Shenyang production base, the project features 10 remarkable artworks created by young artists, including oil paintings, sculptures and installations, exhibited at the Plant Dadong and Plant Tiexi Lydia Site.

The project aims to the raise awareness of sustainable development among employees and the public through cultural and artistic activities. It enhances sensitivity to sustainability issues through exhibitions and performances. By fostering intercultural communication between China and Germany and blending industrial intelligence with contemporary art, we aim to inspire young artists to offer diverse interpretations of sustainability through unique artistic experiences and innovative narratives.

REMARKABLE ARTWORKS



1



2

IMMERSIVE ART PROJECT EXHIBITION



3

- 1. Chatting No.1
- 2. Beyond the mirror
- 3. Immersive art project exhibition

OUR CSR AWARDS AND HONOURS IN 2023**100 Innovation Cases to Make the Society Better**

In September 2023, The BMW China Culture Journey was given an honourable mention in the 2023 South Review's Social Innovation Conference case collection, "100 Innovation Cases to Make the Society Better".

**Most Socially Responsible Automaker 2023**

In November 2023, BMW China Automotive Trading Ltd. and BMW Brilliance Automotive Ltd. were named Most Socially Responsible Automaker 2023 by the 21st Century Golden-Engine Evaluation on Competitiveness of Automobile Industry.

**Silver Award in Sustainable Development**

In November 2023, the 2022 BMW JOY Home Summer Camp received the Silver Award in Sustainable Development at the 10th SuQin Awards Ceremony.

**2023 Golden Flag Grand Award**

In December 2023, the BMW Beautiful Homeland Initiative was awarded the 2023 Golden Flag Grand Award.

FORECAST

Looking ahead to 2024, the BMW Group China remains committed to strengthening our core values and fostering a strong sense of identity and belonging among employees in an inclusive workplace. We will continue to attract and empower talent through innovative recruitment and training practices and bolster our employer brand. We envision a sustainable future where CSR is seamlessly integrated into our core business practices as we work to create sustainable growth for our business and lasting value for society.





CHAPTER 6

OTHER INFORMATION

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06

SUSTAINABILITY DATA SUMMARY

BUSINESS ACTIVITIES

	BMW BRILLIANCE						BMW GROUP CHINA ¹		
	2019	2020	2021	2022	2023	% Change	2022	2023	% Change
Revenues from operations (in RMB million)	172,692	189,006	214,787	-	-		334,312	336,935 ²	-6.8
Tax (in RMB billion)	35	38	43	49	49		80	74.53	-6.8
Vehicles produced (in unit)	536,537	602,936	700,787	674,663	728,562	8.0	674,663	728,562	8.0
Retail vehicle deliveries ³ (in unit)	-	-	-	-	-		791,985	824,932	4.2
Authorised dealership outlets and agents nationwide ⁴ (number)	647	666	683	707	744	5.2	893	937	4.9

PRODUCTS AND MOBILITY SOLUTIONS

	BMW BRILLIANCE						BMW GROUP CHINA ¹		
	2019	2020	2021	2022	2023	% Change	2022	2023	% Change
Average fleet CO ₂ emissions (domestic) (in g/km)	137.8	142.1	152.8	144.1	142.9	-0.8	144.1	142.9	-0.8
Average fleet CO ₂ emissions (imported) (in g/km)	-	-	-	-	-	-	171.6	165.7	-3.4
Corporate average fuel consumption (domestic) (in l/100 km)	5.79	5.97	6.42	6.08 ⁵	6.03	-0.9	6.08	6.03 ⁵	-0.8
Corporate average fuel consumption (imported) (in l/100 km)	-	-	-	-	-		7.24	6.99 ⁵	-3.5
Retail New Energy Vehicles deliveries ³ (in unit)	-	-	-	-	-		59,118	99,972	69.1
High-voltage batteries recycled (in pieces)	3,262	4,347	6,173	10,153	41,759	311.3	10,318	42,072	307.8
High-voltage batteries recycled (in kg)	78,875	98,261	123,111	579,231	1,020,470	76.2	589,384	1,029,390	74.7
Spare parts recycled (number)	124,600	108,070	278,000	275,421	351,634	27.7	275,421	351,634	27.7
Spare parts recycled (in t)	563	669	867	595	766	28.7	595	766	28.7
Public charging pillars provided in China (number)	130,405	306,891	365,713	470,534	588,550	25.1	470,534	588,550	25.1

Note:

1. Selected key figures for BMW Group China are audited on the basis of a limited assurance engagement. See LIMITED ASSURANCE REPORT on [p.113](#) for details.
2. Revenues from operations of BMW Group China. Additional information on Revenues from operations of BMW Brilliance is not disclosed for reasons of confidentiality.
3. Include BMW brand and MINI brand vehicles delivered to customers.
4. Renamed from authorised dealer outlets nationwide, as the MINI brand made transition to the agency sales model in the Chinese market in 2023.
5. This figure is publicised on the *Notice on Passenger Car Corporate Average Fuel Consumption and New Energy Vehicle Credits in 2023* by MIIT on April 1st, 2024.

PRODUCTION AND OPERATION

	BMW BRILLIANCE						BMW GROUP CHINA ¹		
	2019	2020	2021	2022	2023	% Change	2022	2023	% Change
CO ₂ emissions per vehicle produced ² (in tCO ₂ /vehicle)	0.21	0.19	0.17	0.19	0.18	-5.3	0.19	0.18	-5.3
Total Greenhouse gas emissions (in tCO ₂ /CO ₂ e)	21,251,988	24,113,170	29,201,934	32,560,605	34,780,313	6.8	39,720,941.00	40,211,085	1.2
Scope 1 Greenhouse gas emissions (in tCO ₂)	42,141	43,614	50,937	54,306	57,309	-	54,306	58,532	-
BMW Group China locations - natural gas	42,141	43,614	50,937	54,306	53,044	-2.3	54,306	53,044	-2.3
Company vehicles ³	-	-	-	-	4,265	-	-	5,488	-
Scope 2 Greenhouse gas emissions ⁴ (in tCO ₂)	68,602	71,275	71,604	76,121	80,662	6.0	76,121	81,109	6.6
Electricity/heat purchased ⁴	68,602	71,275	71,604	76,121	80,662	6.0	76,121	81,109	6.6
Scope 3 Greenhouse gas emissions (in tCO ₂ e)	21,141,245	23,998,281	29,079,393	32,430,178	34,642,342	6.8	39,590,514	40,071,444	1.2
Purchased goods and services ^{5, 6}	9,624,538	10,711,299	12,881,245	12,973,070	13,774,060	6.2	14,724,598	15,060,222	2.3
Logistics ⁷	173,102	175,113	310,772	519,304	619,572	19.3	711,850	821,111	15.3
Utilisation phase	11,058,404	12,799,547	15,521,957	18,562,014	19,818,887	6.8	23,693,045	23,688,313	0.0
Disposal ^{6, 8}	267,321	300,866	352,059	361,245	411,124	13.8	444,234	477,880	7.6
Business trips ⁹	8,815	2,105	2,606	2,560	6,438	151.5	4,802	11,657	142.8
Employees commuting	9,065	9,351	10,754	11,985	12,261	2.3	11,985	12,261	2.3
Share of renewable electricity (in %)	100	100	100	100	100	0.0	100	100	0.0
Total energy consumption ^{10, 11} (in MWh)	974,642	1,026,890	1,106,295	1,169,425	1,245,906	6.5	1,189,231	1,267,107	6.5
Total fuel consumption from non-renewable resources (natural gas) (in MWh)	233,127	238,834	295,209	297,727	298,231	0.2	297,727	298,231	0.2
Total electricity consumption ¹⁰ (in MWh)	557,572	590,214	590,662	625,039	664,759	6.4	644,845	684,848	3.1
Total heating consumption ¹¹ (in MWh)	183,943	197,842	220,424	246,659	282,916	14.7	246,659	284,028	14.6
Energy consumption per vehicle produced (in MWh/vehicle)	1.63	1.51	1.40	1.60	1.58	-1.3	1.60	1.58	-1.3
Volatile organic compounds (VOCs) per vehicle produced (in kg/vehicle)	0.52	0.50	0.12	0.12	0.11	-8.3	0.12	0.11	-8.3
Total water consumption (in m ³)	1,332,876	1,188,228	1,275,998	1,191,954	1,255,579	5.3	1,191,954	1,255,579	5.3
Water consumption per vehicle produced (in m ³ /vehicle)	2.40	1.97	1.82	1.77	1.72	-2.8	1.77	1.72	-2.8

Note:

- Selected key figures for BMW Group China are audited on the basis of a limited assurance engagement. See LIMITED ASSURANCE REPORT on [p.113](#) for details.
- CO₂ emissions per vehicle produced by vehicle production (BMW Brilliance plants) and by other BMW Group China locations not directly related to production (non-manufacturing sites, e.g. R&D centres, training centres, office buildings), excluding emissions from energy consumption of construction and on-site suppliers of BMW Brilliance plants. The previous years' figures have been adjusted for comparison purposes.
- Include the emissions of company vehicles since 2023.
- Include the emissions from heat purchased of non-manufacturing sites since 2023.
- The methodology used to calculate emissions changed in the 2023 reporting year. Enhancements to the IT system have made it possible to perform a differentiated calculation for all vehicles taking into account different energy mixes and carbon emission factors for different production regions. The values in the time series were adapted using this new methodology (values based on prior methodology for BMW Brilliance: 2019: 3,981,487 tCO₂e, 2020: 4,339,177 tCO₂e, 2021: 5,071,706 tCO₂e, 2022: 5,179,693 tCO₂e, 2023: 5,666,641 tCO₂e; for BMW Group China: 2022: 6,410,297 tCO₂e, 2023: 6,658,211 tCO₂e).
- Emissions of the vehicle-related purchased goods and services and disposal are calculated based on life cycle assessment as per ISO 14040/44 of representative vehicles from the product lines using the "LCA for Experts" tool provided by Sphera.
- The increase in this figure is mainly due to the adjustments to emissions factors and the increase in weight transported.
- The increase in this figure is mainly due to the increase of the total number of automobiles produced and imported by BMW Group China in Chinese mainland market.
- Include employees' air travel for business purposes. The increase in this figure is mainly due to the increase in the frequency of domestic and international travel.
- The increase in this figure is mainly due to the increase in production volume.
- Include the heating consumption of non-manufacturing sites since 2023.

PRODUCTION AND OPERATION

	BMW BRILLIANCE						BMW GROUP CHINA ¹		
	2019	2020	2021	2022	2023	% Change	2022	2023	% Change
Total waste ² (in t)	87,013	181,791	210,691	208,564	231,484	11.0	208,564	231,484	11.0
Total waste for recycling ^{2,3} (in t)	83,004	179,987	208,940	207,214	230,235	11.1	207,214	230,235	11.1
Total waste for disposal ² (in t)	4,009	1,804	1,751	1,350	1,249	-7.5	1,350	1,249	-7.5
Waste for disposal per vehicle produced (in kg/vehicle)	7.47	2.99	2.50	2.00	1.72	-14.0	2.00	1.72	-14.0
Total non-hazardous waste ^{2,3} (in t)	76,814	172,349	200,283	198,662	221,245	11.4	198,662	221,245	11.4
Total non-hazardous waste for recycling ^{2,3} (in t)	74,891	172,007	200,068	198,474	221,245	11.5	198,474	221,245	11.5
Total non-hazardous waste for disposal ^{2,4} (in t)	1,923	342	215	188	0	-100.0	188	0	-100.0
Total hazardous waste ² (in t)	10,199	9,442	10,408	9,902	10,239	3.4	9,902	10,239	3.4
Total hazardous waste for recycling ² (in t)	8,113	7,980	8,872	8,740	8,990	2.9	8,740	8,990	2.9
Total hazardous waste for disposal ^{2,3} (in t)	2,086	1,462	1,536	1,162	1,249	7.5	1,162	1,249	7.5

DEALER AND SUPPLY CHAIN

	BMW BRILLIANCE						BMW GROUP CHINA ¹		
	2019	2020	2021	2022	2023	% Change	2022	2023	% Change
Local content suppliers in China ⁵ (number)	394	400	436	429	455	6.1	429	455	6.1
Purchasing volume in China ⁵ (in RMB billion)	49.68	54.89	71.39	73.47	86.53	17.8	73.47	86.53	17.8
Certificated BMW NT Green Star dealers ⁶ (number)	-	-	-	-	-	-	-	251	-

Note:

- Selected key figures for BMW Group China are audited on the basis of a limited assurance engagement. See LIMITED ASSURANCE REPORT on [p.113](#) for details.
- Waste generated by vehicle production (BMW Brilliance plants).
- The increase in this figure is mainly due to the increase in production volume.
- In 2023, Powertrain Plant achieved zero landfill waste.
- Include parts and raw material's suppliers and purchasing volume of BMW Brilliance only.
- Newly added indicator since 2023.



EMPLOYEE AND SOCIETY

	BMW BRILLIANCE						BMW GROUP CHINA ¹		
	2019	2020	2021	2022	2023	% Change	2022	2023	% Change
Total workforce at year-end (number)	19,824	20,739	22,829	25,802	25,856	0.2	27,982	28,074	0.3
Female employees in total workforce (number)	2,389	2,465	2,725	2,931	3,119	6.4	4,066	4,256	4.7
Female employees in total workforce (in %)	12.1	11.9	11.9	11.4	12.1	6.1	14.5	15.2	4.8
Male employees in total workforce (number)	17,435	18,274	20,104	22,871	22,737	-0.6	23,916	23,818	-0.4
Male employees in total workforce (in %)	87.9	88.1	88.1	88.6	87.9	-0.8	85.5	84.8	-0.8
Employees, age<30 (number)	7,486	6,893	7,099	7,881	6,811	-13.6	8,089	6,985	-13.6
Employees, age<30 (in %)	37.8	33.2	31.1	30.5	26.3	-13.8	28.9	24.9	-13.8
Employees, age 30-50 (number)	12,192	13,675	15,515	17,670	18,741	6.1	19,582	20,718	5.8
Employees, age 30-50 (in %)	61.5	65.9	68.0	68.5	72.5	5.8	70.0	73.8	5.4
Employees, age>50 (number)	146	171	215	251	304	21.1	311	371	19.3
Employees, age>50 (in %)	0.7	0.8	0.9	1.0	1.2	20.0	1.1	1.3	18.2
Employees in Shenyang (number)	19,068	19,963	21,563	24,174	24,027	-0.6	24,260	24,131	-0.5
Employees in Shenyang (in %)	96.2	96.3	94.5	93.7	92.9	-0.9	86.7	85.9	-0.9
Employees in Beijing (number)	756	776	1,266	990	1,073	8.4	2,709	2,802	3.4
Employees in Beijing (in %)	3.8	3.7	5.5	3.8	4.1	10.5	9.7	10.0	3.1
Employees in Shanghai (number)	-	-	-	103	96	-6.8	377	387	2.7
Employees in Shanghai (in %)	-	-	-	0.4	0.4	0.0	1.3	1.4	7.7
Employees in other cities (number)	-	-	-	535	660	23.4	636	754	18.6
Employees in other cities (in %)	-	-	-	2.1	2.6	23.8	2.3	2.7	17.4

Note:

1. Selected key figures for BMW Group China are audited on the basis of a limited assurance engagement. See LIMITED ASSURANCE REPORT on [p.113](#) for details.



EMPLOYEE AND SOCIETY

	BMW BRILLIANCE						BMW GROUP CHINA ¹		
	2019	2020	2021	2022	2023	% Change	2022	2023	% Change
Female employees in management positions ² (in %)	30.6	30.2	31.4	31.8	33.2	4.4	37.1	37.9	2.2
Local employees in management positions ² (in %)	86.7	87.2	90.0	91.7	91.7	0.0	91.3	91.5	0.2
Share of employees with fixed-term contract (in %)	48.1	41.0	41.4	48.8	46.7	-4.3	47.8	45.8	-4.2
Total local new employee hires ³ (number)	1,628	1,691	3,510	4,716	1,082	-77.1	5,044	1,277	-74.7
Total local new employee hires ³ (in %)	8.2	8.2	15.4	18.3	4.2	-77.0	18.0	4.5	-75.0

Note:

1. Selected key figures for BMW Group China are audited on the basis of a limited assurance engagement. See LIMITED ASSURANCE REPORT on [p.113](#) for details.
2. Management positions refer to employees with function levels from I to V.
3. This figure does not include expatriate associates and employees transferring within the BMW Group China entities.

EMPLOYEE AND SOCIETY

	BMW BRILLIANCE						BMW GROUP CHINA ¹		
	2019	2020	2021	2022	2023	% Change	2022	2023	% Change
Local attrition rate ² (in %)	3.7	3.8	7.4	6.9	3.8	-44.9	7.1	4.1	-42.5
Local voluntary attrition rate ² (in %)	2.6	2.9	6.6	6.0	2.94	-51.0	6.2	3.1	-50.7
Local involuntary attrition rate ² (in %)	1.1	0.8	0.9	0.8	0.83	3.7	0.9	1.0	14.4
Accident frequency rate (per one million hours worked)	0.17	0.09	0.13	0.08	0.06	-25.0	0.08	0.06 ³	-25.0
Training days of training organised by the Academy of Human Resources Department ⁴ (in day)	24,311	15,491	19,524	25,844	36,730	42.1	28,241	40,047	41.8
Average days of further training per employee ⁴ (in day/person)	1.23	0.75	0.86	1.00	1.42	42.0	1.01	1.43	41.6
Training attendee satisfaction rate (in %)	98.2	98.4	99.0	99.8	99.0	-0.8	99.4	98.7	-0.7
Beneficiaries of BMW CSR activities (number)	2,628,710	11,568,364	11,459,458	-	-		31,885,474	35,542,888	11.5
Accumulated beneficiaries of BMW CSR activities ⁵ (number)	2,866,602	14,434,966	25,894,424	-	-		57,779,898	93,322,786	61.5
Expenditure on social commitment activities (in RMB)	16,513,831	36,619,722	23,439,759	-	-		24,210,755	34,166,849 ⁶	41.1
Total participants of CSR activities ⁷ (number)	212	85	300	-	-		916	904	-1.3
Total hours of volunteer service ^{7,8} (in hour)	1,915	923	1,914	-	-		1,960	6,050	208.7

Note:

- Selected key figures for BMW Group China are audited on the basis of a limited assurance engagement. See LIMITED ASSURANCE REPORT on [p.113](#) for details.
- This figure does not include employees transferring within the BMW Group China entities and employees leaving due to retirement or death.
- Compared to 2022, there were fewer accident cases that happened in 2023.
- The increase in this figure is mainly due to the scope expansion by including e-learning courses into the scope.
- Accumulated figure which highly depends on the data in the reporting year and the previous years.
- The increase in this figure is mainly due to the donations to the Beijing heavy rains and flood disasters and the Gansu earthquake relief.
- Started from 2023, the voluntary activities held by BMW Brilliance Trade Union Shenyang and BMW China Trade Union in Chinese mainland are included into the scope. Volunteers include employees, their children, and other public.
- The increase in this figure is mainly due to the reporting scope expansion and the long duration of the held volunteer activities.



GRI CONTENT INDEX

The BMW Group China has reported the information cited in this GRI content index for the period from January 1st, 2022 to December 31st, 2022 with reference to the GRI Standards.

GRI 1: FOUNDATION

GRI 1 applied	GRI 1: Foundation 2021
Applicable GRI Sector Standard (s)	None

GRI 2: GENERAL DISCLOSURES 2021

GRI Standard	Page index	Further information	UNGC
GRI 2-1: Organisation details	09	--	--
GRI 2-2: Entities included in the organisation's sustainability reporting	02	--	--
GRI 2-3: Reporting period, frequency and contact point	02	--	--
GRI 2-4: Restatements of information	--	Where necessary and possible, restatements are explained in footnotes to the respective groups.	--
GRI 2-5: External assurance	113	--	--
GRI 2-6: Activities, value chain and other business relationships	10, 59-69	--	--
GRI 2-7: Employees	71-85, 99-101	--	6



GRI Standard	Page index	Further information	UNGC
GRI 2-8: Workers who are not employees	--	This information is not reported because it is not applicable.	--
GRI 2-9: Governance structure and composition	20	--	--
GRI 2-10: Nomination and selection of the highest governance body	20	--	--
GRI 2-11: Chair of the highest governance body	04-06	--	--
GRI 2-12: Role of the highest governance body in overseeing the management of impacts	20	--	--
GRI 2-13: Delegation of responsibility for managing impacts	20	--	--
GRI 2-14: Role of the highest governance body in sustainability reporting	20	--	--
GRI 2-15: Conflicts of interest	--	This information is not reported because it is not applicable.	--
GRI 2-16: Communication of critical concerns	17-19	--	--
GRI 2-17: Collective knowledge of the highest governance body	20	--	--
GRI 2-18: Evaluation of the performance of the highest governance body	--	This information is subject to internal confidentiality regulations and is not reported.	--
GRI 2-19: Remuneration policies	--	This information is subject to internal confidentiality regulations and is not reported.	--
GRI 2-20: Process to determine remuneration	--	This information is subject to internal confidentiality regulations and is not reported.	--
GRI 2-21: Annual total compensation ratio	--	This information is subject to internal confidentiality regulations and is not reported.	--
GRI 2-22: Statement on sustainable development strategy	04-06	--	--
GRI 2-23: Policy commitments	--	This information is not reported because it is not applicable.	--
GRI 2-24: Embedding policy commitments	--	This information is not reported because it is not applicable.	--
GRI 2-25: Processes to remediate negative impacts	22-24	--	--
GRI 2-26: Mechanisms for seeking advice and raising concerns	22-24	--	--
GRI 2-27: Compliance with laws and regulations	22-24	--	--



GRI Standard	Page index	Further information	UNGC
GRI 2-28: Membership associations	--	<ul style="list-style-type: none"> • CAAM (China Association of Automobile Manufacturers) • CAEFI (China Association of Enterprises with Foreign Investment) • IAC (The Investment Association of China) • LNAEFI (Liaoning Association of Enterprises with Foreign Investment) • SYAEFI (Shenyang Association of Enterprises with Foreign Investment) • BAEFI (Beijing Association of Enterprises with Foreign Investment) • ABNEA (Association of Beijing New Energy Automotive) • AHK (German Chamber of Commerce in China) • EFQM (European Foundation for Quality Management) • Road Vehicle Committee of China Intelligent Transportation Systems Association (ITS China) • CBCSD (China Business Council for Sustainable Development) • Global Compact Network China 	--
GRI 2-29: Approach to stakeholder engagement	17-19	--	--
GRI 2-30: Collective bargaining agreements	77-80	100% of local employees are members of the BMW Brilliance Trade Union, and all Union members are covered by the Collective Contract on Labour Remuneration. This excludes expatriates, who are not eligible for the Trade Union.	3



SPECIFIC DISCLOSURES FOR MATERIAL TOPICS

We report all relevant information on our material topics in accordance with our management approaches. For reasons of confidentiality, we do not disclose on the personnel and financial resources that are used for the management of these topics.

GRI Standard	Page index	Further Information
GRI 3-1: Process to determine material topics	18	--
GRI 3-2: List of material topics	18	--

Sustainable Product Portfolio

GRI Standard	Page index	Further Information	UNGC
GRI 3-3: Management of material topics	18-19	--	7, 8, 9
GRI 302-5: Reductions in energy requirements of products and services	12, 49-50	--	--

Product Quality and Safety

GRI Standard	Page index	Further Information	UNGC
GRI 3-3: Management of material topics	18-19	--	--
GRI 416-1: Assessment of the health and safety impacts of product and service categories	28-30	--	--
GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	--	BMW Group China did not have significant non-compliance with laws / regulations in 2022 that resulted in a financially material impact.	--



Decarbonisation across the Value Chain

GRI Standard	Page index	Further Information	UNGC
GRI 3-3: Management of material topics	18-19	--	7, 8, 9
GRI 302-1: Energy consumption within the organisation	97	--	--
GRI 302-2: Energy consumption outside of the organisation	--	This information is not reported because it is not applicable.	--
GRI 302-3: Energy intensity	97	--	--
GRI 302-4: Reduction of energy consumption	12, 49-50	--	--
GRI 201-2: Financial implications and other risks and opportunities due to climate change	20, 48-51	--	--

Circular Economy

GRI Standard	Page index	Further Information	UNGC
GRI 3-3: Management of material topics	18-19	--	7, 8, 9
GRI 301-1: Materials used by weight or volume	35	--	--
GRI 301-2 Recycled input materials used	35	--	--
GRI 301-3 Reclaimed products and their packaging materials	35	--	--

Air Pollution

GRI Standard	Page index	Further Information	UNGC
GRI 3-3: Management of material topics	18-19	--	7, 8, 9
GRI 305-1: Direct (Scope 1) GHG emissions	97	--	--



Air Pollution (CONT'D)

GRI Standard	Page index	Further Information	UNGC
GRI 305-2: Energy indirect (Scope 2) GHG emissions	97	--	--
GRI 305-3: Other indirect (Scope 3) GHG emissions	97	--	--
GRI 305-4: GHG emissions intensity	97	--	--
GRI 305-5: Reduction of GHG emissions	12, 49-50	--	--

Environment, Ecology, and Resource Management

GRI Standard	Page index	Further Information	UNGC
GRI 3-3: Management of material topics	18-19	--	7, 8, 9
GRI 306-1: Waste generation and significant waste-related impacts	47, 51-54	--	--
GRI 306-2: Management of significant waste-related impacts	47, 51-54	--	--
GRI 306-3: Waste generated	98	--	--
GRI 306-4: Waste diverted from disposal	13	This information is not reported because it is not applicable.	--
GRI 306-5: Waste directed to disposal	51-54	--	--
GRI 303-1: Interactions with water as a shared resource	51-54	--	--
GRI 303-2: Management of water discharge-related impacts	51-54	--	--
GRI 303-3: Water withdrawal	--	This information is not reported because it is not applicable.	--
GRI 303-4: Water discharge	51-54	--	--
GRI 303-5: Water consumption	51-54, 97	--	--



Environment, Ecology, and Resource Management (CONT'D)

GRI Standard	Page index	Further Information	UNGC
GRI 304-2: Significant impacts of activities, products and services on biodiversity	52	--	--
GRI 304-3: Habitats protected or restored	90	--	--

Responsible Sourcing

GRI Standard	Page index	Further Information	UNGC
GRI 3-3: Management of material topics	18-19	--	1-10
GRI 308-1: New suppliers that were screened using environmental criteria	--	Due to the complexity and in some cases the lack of transparency across entire supply chains, it is not possible to give a percentage of the new suppliers screened.	--
GRI 308-2: Negative environmental impacts in the supply chain and actions taken	66-69	--	--
GRI 414-1: New suppliers that were screened using social criteria	--	Due to the complexity and in some cases the lack of transparency across entire supply chains, it is not possible to give a percentage of the new suppliers screened.	--
GRI 414-2: Negative social impacts in the supply chain and actions taken	66-69	--	--
GRI 204-1: Proportion of spending on local suppliers	98	--	--

Diversity, Equity and Inclusion

GRI Standard	Page index	Further Information	UNGC
GRI 3-3: Management of material topics	18-19	--	4, 5, 6
GRI 405-1: Diversity of governance bodies and employees	77-80	--	--



Diversity, Equity and Inclusion (CONT'D)

GRI Standard	Page index	Further Information	UNGC
GRI 405-2: Ratio of basic salary and remuneration of women to men	--	This information is subject to internal confidentiality regulations and is not reported.	--
GRI 406-1: Incidents of discrimination and corrective actions taken	--	This information is subject to internal confidentiality regulations and is not reported.	--

Occupational Health and Safety

GRI Standard	Page index	Further Information	UNGC
GRI 3-3: Management of material topics	18-19, 82	--	--
GRI 403-1: Occupational health and safety management system	82	--	--
GRI 403-2: Hazard identification, risk assessment, and incident investigation	81-82	--	--
GRI 403-3: Occupational health services	83-84	--	--
GRI 403-4: Worker participation, consultation, and communication on occupational health and safety	85	--	--
GRI 403-5: Worker training on occupational health and safety	82-84	--	--
GRI 403-6: Promotion of worker health	82-84	--	--
GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	82-84	--	--
GRI 403-8: Workers covered by an occupational health and safety management system	82-84	--	--
GRI 403-9: Work-related injuries	81-82	--	--
GRI 403-10: Work-related ill health	--	This information is subject to internal confidentiality regulations and is not reported.	--



Employee Development and Talent Retention

GRI Standard	Page index	Further Information	UNGC
GRI 3-3: Management of material topics	18-19	--	--
GRI 404-1: Average hours of training per year per employee	73-76	--	--
GRI 404-2: Programmes for upgrading employee skills and transition assistance programmes	73-76	--	--
GRI 404-3: Percentage of employees receiving regular performance and career development reviews	--	Some of BMW Group China's entity carries out a company-wide portfolio process on an annual basis to assess associates' performance and career development. The percentage information is not currently available due to the complexity of the portfolio process and variations among different job functions.	--

Attractive Workplace

GRI Standard	Page index	Further Information	UNGC
GRI 3-3: Management of material topics	18-19	--	--
GRI 201-3: Defined benefit plan obligations and other retirement plans	84	--	--

Compliance

GRI Standard	Page index	Further Information	UNGC
GRI 3-3: Management of material topics	18-19	--	1, 2, 3, 4, 5, 6, 10



Compliance (CONT'D)

GRI Standard	Page index	Further Information	UNGC
GRI 205-2: Communication and training about anti-corruption policies and procedures	22-24	<p>We define governance bodies as those committees which receive active regular reports by the compliance function. All committee members are informed about each entities' anti-corruption policies and procedures. All committee members who are BMW Group China employees have also received training on anti-corruption. Committee members representing our shareholders are covered by the compliance programmes of BMW Group respectively.</p> <p>Our compliance training includes mandatory online training for all non-production employees, additional classroom training for new employees and managers, and special workshops and training for specific target groups (e.g. Sales, Purchasing, and Finance).</p> <p>Information unavailable: The number of business partners that policies and procedures have been communicated to is not reported.</p>	--
GRI 206-1: Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	22-24	In 2023, there were no legal actions regarding anti-competitive behaviour or violations of anti-trust and monopoly legislation.	--

Information Security and Privacy Protection

GRI Standard	Page index	Further Information	UNGC
GRI 3-3: Management of material topics	18-19	--	--
GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	--	BMW Group China did not encounter substantiated complaints in 2023 concerning breaches of customer privacy and losses of customer data.	--



Sustainable Governance

GRI Standard	Page index	Further Information	UNGC
GRI 3-3: Management of material topics	18-19	--	--

Public Policy Participation

GRI Standard	Page index	Further Information	UNGC
GRI 3-3: Management of material topics	18-19	--	--

LIMITED ASSURANCE REPORT



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Independent practitioner's assurance report

To the Board of Management of BMW Brilliance Automotive Ltd. and the Board of Directors of BMW China Automotive Trading Ltd.

We have been engaged to perform a limited assurance engagement on the selected 2023 key data of BMW Group China as defined below in the BMW Group China Sustainability Report 2023 prepared by BMW Brilliance Automotive Ltd. ("BMW Brilliance") and BMW China Automotive Trading Ltd. ("BMW China") (BMW Brilliance and BMW China collectively "the Company").

Selected key data

The selected key data of BMW Group China in the Company's BMW Group China Sustainability Report 2023 that is covered by this report is as follows:

- Vehicles produced (in unit)
- Authorised dealership outlets and agents nationwide (number)
- Average fleet CO₂ emissions (domestic) (in g/km)
- Corporate average fuel consumption (domestic) (in l/100km)
- Average fleet CO₂ emissions (imported) (in g/km)
- Corporate average fuel consumption (imported) (in l/100km)
- Scope 1 Greenhouse gas emissions (in t CO₂)
- Scope 2 Greenhouse gas emissions (in t CO₂)
- Scope 3 Greenhouse gas emissions (in t CO₂e)
- Share of renewable electricity (in %)
- CO₂ emissions per vehicle produced (in t CO₂/vehicle)
- Total energy consumption (in MWh)
- Energy consumption per vehicle produced (in MWh/vehicle)
- Volatile organic compounds (VOCs) per vehicle produced (in kg/vehicle)
- Total water consumption (in m³)
- Water consumption per vehicle produced (in m³/vehicle)
- Total waste (in t)
- Waste for disposal per vehicle produced (in kg/vehicle)
- Total non-hazardous waste (in t)
- Total hazardous waste (in t)
- Local content suppliers in China (number)
- Purchasing volume in China (in RMB billion)

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Selected key data (continued)

- Certificated BMW NT Green Star dealers (number)
- Total workforce at year-end (number)
- Female employees in total workforce (in %)
- Female employees in management positions (in %)
- Local employees in management positions (in %)
- Total local new employee hires (in %)
- Local attrition rate (in %)
- Training days of training organised by the Academy of Human Resources Department (in day)
- Average days of further training per employee (in day/person)
- Training attendee satisfaction rate (in %)
- Accident frequency rate (per one million hours worked)
- Beneficiaries of BMW CSR activities (number)
- Expenditure on social commitment activities (in RMB)
- Total participants of CSR activities (number)
- Total hours of volunteer service (in hour)

Our assurance was with respect to the year ended 31 December 2023 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the BMW Group China Sustainability Report 2023.

Criteria

The criteria used by the Company to prepare the selected key data in the BMW Group China Sustainability Report 2023 is set out in the basis of reporting in Chapter 6 of the BMW Group China Sustainability Report 2023 (the "basis of reporting").

BMW Brilliance Automotive Ltd. and BMW China Automotive Trading Ltd.'s Responsibilities

BMW Brilliance and BMW China are each responsible for their respective data in preparation of the selected key data in the BMW Group China Sustainability Report 2023 in accordance with the basis of reporting. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the selected key data in the BMW Group China Sustainability Report 2023 that is free from material misstatement, whether due to fraud or error.



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Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibilities

It is our responsibility to express a conclusion on the selected key data in the BMW Group China Sustainability Report 2023 based on our work.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This standard requires that we plan and perform our work to form the conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Company's 2023 selected key data in the BMW Group China Sustainability Report 2023 has been prepared, in all material respects, in accordance with the basis of reporting. Our work involves assessing the risks of material misstatement of the selected key data in the BMW Group China Sustainability Report 2023 whether due to fraud or error, and responding to the assessed risks. The extent of procedures selected depends on our judgment and assessment of the engagement risk. We have performed the following procedures:

- 1) Interviews with relevant departments of the Company involved in providing information for the selected key data within the BMW Group China Sustainability Report 2023, undertaking site visits to the Beijing Office, Tiexi Plant, Dadong Plant, Powertrain Plant and Lydia Plant of the Company;
- 2) Analytical procedures;



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- 3) Examination, on a test basis, of documentary evidence relating to the selected key data on which we report;
- 4) Recalculation; and
- 5) Other procedures deemed necessary.

Inherent Limitation

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the 2023 selected key data in the BMW Group China Sustainability Report 2023 is not prepared, in all material respects, in accordance with the basis of reporting.

Restriction on Use

Our report has been prepared for and only for the Board of Management of BMW Brilliance and the Board of Directors of BMW China and is not to be used for any other purpose. We do not assume responsibility towards or accept liability to any other parties for the content of this report.


PricewaterhouseCoopers Zhong Tian LLP

Shanghai, China

July 12, 2024



BASIS OF REPORTING

Authorised dealership outlets and agents nationwide (number)	Number of authorised dealership outlets and agents in operation in Chinese mainland at year-end, including BMW brand and Rolls-Royce brand dealership outlets, and MINI brand agents. The figure does not include BMW Motorrad dealerships.
Vehicles produced (in unit)	BMW vehicles produced by BMW Brilliance of the year.
Corporate average fuel consumption (domestic) (in l/100 km)	Average fuel consumption of automobiles produced by BMW Brilliance of BMW Group China in Chinese mainland market of the year. The calculation is based on the GB 27999-2019 <i>Fuel Consumption Evaluation Methods and Targets for Passenger Cars</i> of the People's Republic of China. The data is publicised on the <i>Notice on Passenger Car Corporate Average Fuel Consumption and New Energy Vehicle Credits in 2023</i> of the MIIT of the People's Republic of China on April 1st, 2024.
Corporate average fuel consumption (imported) (in l/100 km)	Average fuel consumption of automobiles imported by BMW China of BMW Group China in Chinese mainland market of the year. The calculation is based on the GB 27999-2019 <i>Fuel Consumption Evaluation Methods and Targets for Passenger Cars</i> of the People's Republic of China. The data is publicised on the <i>Notice on Passenger Car Corporate Average Fuel Consumption and New Energy Vehicle Credits in 2023</i> of the MIIT of the People's Republic of China on April 1st, 2024.
Average fleet CO₂ emissions (domestic) (in g/km)	Average CO ₂ emissions of automobiles produced by BMW Brilliance of BMW Group China in Chinese mainland market of the year.
Average fleet CO₂ emissions (imported) (in g/km)	Average CO ₂ emissions of automobiles imported by BMW China of BMW Group China in Chinese mainland market of the year.
Scope 1 Greenhouse gas emissions (in tCO₂)	Direct CO ₂ emissions generated by fossil fuel consumption of vehicle production (BMW Brilliance plants) and of other BMW Group China locations not directly related to production (non-manufacturing sites, e.g. Research and Development Centres, Training Centres, Office Buildings), as well as the direct CO ₂ emissions of company vehicles of BMW Group China, excluding the fossil fuel consumption of construction and on-site suppliers of BMW Brilliance plants. The coefficients used for calculation are from Emission Factors for Electricity, District Heating and Fuels issued by Application of German Association of the Automotive Industry (VDA). The emissions of company vehicles refers to the direct CO ₂ emissions generated from company vehicles that are controlled by BMW Group China, and the emissions are calculated based on kilometres driven and the corresponding emission factors.

Scope 2 Greenhouse gas emissions (in tCO₂)	Indirect CO ₂ emissions generated by the consumption of purchased electricity and purchased heating of vehicle production (BMW Brilliance plants) and of other BMW Group China locations not directly related to production (non-manufacturing sites, e.g. Research and Development Centres, Training Centres, Office Buildings), excluding the purchased electricity and purchased heating consumption of construction and on-site third-party suppliers. Scope 2 CO ₂ emissions calculated using the market-based method in accordance with the GHG Protocol Scope 2 Guidance issued by the World Resources Institute. The coefficients used for calculation are from Emission Factors for Electricity, District Heating and Fuels issued by Application of German Association of the Automotive Industry (VDA).
Scope 3 Greenhouse gas emissions (in tCO₂e)	Indirect emissions generated in the upstream and downstream stages of the value chain of BMW Group China of the year. Emissions of the vehicle-related purchased goods and services and disposal are calculated based on life cycle assessment as per ISO 14040/44 of representative vehicles from the product lines using the "LCA for Experts" tool provided by Sphera. Transport logistics emissions are based on the mode of transport, weight transported and the distance travelled in kilometres. Emissions factors are derived from contemporary standards such as the GLEC Framework V3.0 and DIN EN 16258/ISO 14083. Emissions from the utilisation phase are calculated based on the average fleet CO ₂ emissions of automobiles produced and imported by BMW Group China and an assumed average mileage of 200,000 km (as per VDA 900-100). Employee commuting emissions include trips by shuttle bus between Shenyang downtown and BMW Brilliance plants. Business trips emissions include employees' air travel of BMW Group China entities for business purposes.
Energy consumption per vehicle produced (in MWh/vehicle)	Production-relevant energy consumption per vehicle produced in BMW Brilliance plants, excluding the energy consumption of R&D, Vehicle Distribution Centre (VDC), construction, on-site third-party suppliers, and other non-production relevant energy consumption of the plants.
Total energy consumption (in MWh)	Total energy consumption generated by vehicle production (BMW Brilliance plants) and by other BMW Group China locations not directly related to production (non-manufacturing sites, e.g. Research and Development Centres, Training Centres, Office Buildings) of the year, including electricity, purchased heating, and natural gas.
Share of renewable electricity (in %)	The ratio of renewable electricity consumed to the total electricity consumption of vehicle production (BMW Brilliance plants) and of other BMW Group China locations not directly related to production (non-manufacturing sites, e.g. Research and Development Centres, Training Centres, Office Buildings). Renewable electricity includes the generation of solar power electricity, Power Purchase Agreements (PPAs), and the International Renewable Energy Certificates (I-RECs).



Volatile organic compounds (VOCs) per vehicle produced (in kg/vehicle)	Production-relevant VOCs solvent emissions per vehicle produced in BMW Brilliance plants. VOCs solvent emissions are mainly generated during the painting process.
CO₂ emissions per vehicle produced (in tCO₂/vehicle)	CO ₂ emissions per vehicle produced by vehicle production (BMW Brilliance plants) and by other BMW Group China locations not directly related to production (non-manufacturing sites, e.g. Research and Development Centres, Training Centres, Office Buildings), excluding CO ₂ emissions from energy consumption of construction and on-site suppliers of BMW Brilliance plants.
Waste for disposal per vehicle produced (in kg/vehicle)	Production-relevant waste for disposal per vehicle produced in BMW Brilliance plants.
Total non-hazardous waste (in t)	Production-relevant non-hazardous waste for recycling and for disposal of the year in BMW Brilliance plants. Recycling includes both recycling and thermal recovery.
Total hazardous waste (in t)	Production-relevant hazardous waste for recycling and for disposal of the year in BMW Brilliance plants. Recycling includes both recycling and thermal recovery.
Total waste (in t)	Production-relevant non-hazardous and hazardous waste for recycling and disposal of the year in BMW Brilliance plants. Recycling includes both recycling and thermal recovery.
Water consumption per vehicle produced (in m³/vehicle)	Production-relevant potable water consumption per vehicle produced in BMW Brilliance plants, excluding the potable water consumption of R&D, VDC, construction, on-site third-party suppliers and other non-production relevant potable water consumption of the plants.
Total water consumption (in m³)	Production-relevant potable water consumption of the year in BMW Brilliance plants.
Local content suppliers in China (number)	Total number of parts suppliers and raw material suppliers of BMW Brilliance of the year including the run-out suppliers of the year.
Purchasing volume in China (in RMB billion)	The amount of purchasing volume, including tax, paid by BMW Brilliance to parts suppliers and raw material suppliers in Chinese mainland of the year.
Total workforce at year-end (number)	The number of employees of BMW Group China entities (BMW Brilliance Automotive Ltd. (BMW Brilliance) and its wholly-owned subsidiary LingYue Digital Information Technology Co., Ltd. (LingYue), BMW China Investment Ltd. (BMW China Investment), BMW China Automotive Trading Ltd. (BMW China), BMW China Automotive Finance (China) Co., Ltd. (BMW Automotive Finance), BMW China Services Ltd. (BMW China Services) and Herald International Financial Leasing Co., Ltd. (Herald Leasing) at year-end. The figure does not include interns, while it includes dispatched employees.
Female employees in total workforce (in %)	The ratio of female employees at year-end to the total workforce at year-end.
Female employees in management positions (in %)	The ratio of female employees in management positions at year-end to total employees in management positions at year-end. Management positions refer to employees with function levels from I to V.

Local employees in management positions (in %)	The ratio of local employees in management positions at year-end to total employees in management positions at year-end. "Local" refers to managers with local contracts. People deployed to work at the location who do not have a local employment contract are not included. Management positions refer to employees with function levels from I to V.
Total local new employee hires (in %)	The ratio of newly hired local employees of the year to the total workforce at year-end. The figure does not include expatriate associates and employees transferring within the BMW Group China entities.
Local attrition rate (in %)	Departures of local employees divided by the number of monthly average local employees of the year. Employees transferring within the BMW Group China entities and employees leaving due to retirement or death are not included.
Training days of training organised by the Academy of Human Resources Department (in day)	Total training days of LRG (Learning Resources Guide) training and department training organised by the Academy of Human Resources Department of the year. The data also include e-learning courses.
Average days of further training per employee (in day/person)	Average training days for employees participating in the training organised the Academy of Human Resources Department. The data also include e-learning courses.
Training attendee satisfaction rate (in %)	Average training satisfaction evaluated by employees who have attended training organised the Academy of Human Resources Department. The data include offline training only.
Accident frequency rate (per one million hours worked)	The scope only covers directly contracted employees in BMW Brilliance plants. It is calculated by the number of accidents with one day lost time or more divided by the total working hours (in million) of the year.
Beneficiaries of BMW CSR activities (number)	Number of times people benefited from CSR activities organised by the BMW CSR team, BMW Brilliance Trade Union in Chinese mainland and BMW Brilliance Shenyang Associate Social Responsibility Programme. Beneficiaries of online video and live stream activities is counted by visiting times.
Expenditure on social commitment activities (in RMB)	Expenditure on the social commitment by BMW Brilliance, BMW China, and China Education Development Foundation-BMW Warm Heart Fund.
Total participants of CSR activities (number)	Total number of times volunteers attended voluntary activities held by BMW Corporate Volunteer Association, BMW Brilliance Trade Union Shenyang and BMW China Trade Union in Chinese mainland. Volunteers include employees, their children, and other public.
Total hours of volunteer service (in hour)	Total hours that volunteers spend on voluntary activities held by BMW Corporate Volunteer Association, BMW Brilliance Trade Union Shenyang and BMW China Trade Union in Chinese mainland, including direct service hours and indirect service hours. Volunteers include employees, their children, and other public. Direct service hours refer to activity hours, and indirect service hours refer to the hours that volunteers spend on transportation, on-site preparation, and lunch hours during the activities.
Certificated BMW NT Green Star dealers (number)	Number of Certificated BMW NT Green star dealers in operation in Chinese mainland at year-end.

**BMW
GROUP**



ROLLS-ROYCE
MOTOR CARS LTD



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Further information and publications are available at:

<http://www.bmw-brilliance.cn/cn/en/csr/download.html>

