BMW GROUP

BMW GROUP DIGITAL IDENTITY: FIVE GUIDING PRINCIPLES FOR DEALING WITH DIGITAL TECHNOLOGY.

Digitalisation is a key factor in the current transformation of the automotive industry – and its influence on business processes, product features, services and business models only continues to grow. In order to actively shape this development, the BMW Group has defined its expectations for the responsible use of digital technology in all these areas and made its position on this subject binding.

This digital identity is encapsulated in the company's five guiding principles for the use of modern information and communications technology. With these guidelines, the BMW Group puts people at the heart of digital innovations, sets high standards for safety of use and cybersecurity and pledges to achieve broad participation within the company. Transparency and protection of privacy are further prerequisites for customers, employees and the public to be able to place their trust in existing and future BMW Group processes, products and services. This approach thus aligns the digital identity with the company's overarching objectives.

Responsible action as core element of digital literacy.

The BMW Group considers responsible use of modern information and communications technology as a core element of its digital literacy. The digital identity defines a framework within which innovations are developed that make our mobile lives and everyday work simpler, more efficient, more convenient, more experiential and safer. It guarantees both the quality and integrity of business processes, products and services created using digital technology.

With these guidelines, the BMW Group is responding to increasing regulatory requirements for the use of digitalisation. The guidelines fully comply with all applicable statutory provisions and, on some points, deliberately go beyond them. The digital identity also enables the BMW Group to engage in a future-forward discussion of universally applicable rules for digitalisation with representatives from academia, society and the political sector.

1. Respectful coexistence as a mindset – even in the digital world.

Respect and appreciation for one another are integral to the BMW Group's overall mindset. This set of values, which governs interaction between workforce and customers in the analogue world, is equally applicable to interaction with digital processes and products. Human empathy, mutual recognition and privacy protection are the central themes of the BMW Group's efforts to actively shape digitalisation. The BMW Group's foremost concern remains providing human oversight and the capability to intervene in algorithms wherever necessary, ensuring that they can be modified as required by the digital identity.

The simplicity, explainability and traceability of digital processes and products are key factors in making sure that customer and employee experiences consistently take human needs into account. The company always leans

on human experiences in its pursuit of the right digital solutions. This is crucial for leveraging digitalisation as an opportunity to bring more joy into the lives of humans.

1. Data control, safety of use and cybersecurity must not be compromised.

Digitalisation of business processes and development, usage and provision of innovative vehicle functions generates data with the potential for various optimisations and product enhancements. Smart data analytics, i.e. targeted, beneficial and secure processing of this data, is the key to smooth planning and control processes within the company, as well as to delivering a personalised customer experience. Wherever business processes allow, the BMW Group makes every effort to provide customers and employees with decision-making options for processing their personal data that extend beyond legal requirements. This is vital to safeguarding the right to privacy and the principle of informational self-determination.

The "Privacy, Safety and Security by Design" principle adopted by the BMW Group with respect to data and cybersecurity is characterised by a holistic understanding of the system that extends from technical implementation to design decisions for the user operating concept. Vehicle functions and digital business processes consistently meet all requirements ("state of the art") for enhanced functional safety and safety of use ("safety"), as well as cybersecurity ("security"). The BMW Group has established strict data processing policies, in the firm belief that the success of digital innovations will depend on earning the long-term trust of customers and employees – as achieved through responsible and legally compliant handling of data.

3. Trust and progress through transparency and cooperation.

Transparency is key to building trust among customers, employees and the public. For this reason, the BMW Group always provides applicable information on the digital implementation of products, processes and the use of data.

This includes, for instance, verifiability of algorithms and economical use of data for specific purposes. Another important approach for consistently driving innovation and democratising the use of artificial intelligence, for example, is by actively developing Open Source solutions.

4. Participation and continuing education to democratise digital technology.

Digital accessibility encompasses not only physical limitations, but also everyday difficulties, such as poor coverage, noisy environments or limited options for playing sound. For this reason, the BMW Group is developing web applications and content, as well as programme interfaces, based on the "design for all" principle, to enable largely unrestricted digital participation. To exploit the full potential of the digital transformation, the BMW Group is relying on openness to change and new digital technology.

One of the most important requirements for assured use of digital technologies, such as artificial intelligence, is development of relevant skills. To acquire and enhance these skills and foster a sense of digital responsibility, the BMW Group offers its employees training on IT tools, working methods and employee management ("digital literacy" & "AI literacy").

5. Digital sustainability: Technology for environmentally and socially responsible action.

The BMW Group is committed to developing and using digital applications that promote the well-being of all stakeholders (e.g. customers, employees, suppliers, etc.). We therefore monitor the impact of our products and processes on an ongoing basis to ensure this objective is met. At the same time, the BMW Group has set itself the goal of leveraging the potential of digitalisation in the best way possible to reduce emissions and optimise resource and energy consumption. This applies not only to products and services, but also work processes. The BMW Group also restricts data collection and usage to what is essential for business purposes and safeguards the data entrusted to it in accordance with the principles of human rights, safety and security, data protection, responsibility and environmental sustainability.

The company takes its duty of care very seriously, particularly where the health of its employees is concerned. The BMW Group does not view digitalisation as an end in itself; it is used only where it has been shown to support employees or alleviate their tasks.

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