

BMW AG agrees package of personnel measures for a sustainable future

- Solution mutually agreed by company management and employee representatives
- High level of vocational training will be maintained
- Horstmeier: “We continue to do things the BMW way”

Munich. In constructive dialogue with the German Works Council, the BMW AG has agreed to a package of personnel measures that balances the future competitiveness of the company with the interests of the workforce. Having applied existing flexibility instruments, such as reducing working time and leave account balances, as well as short-time working, further steps are needed to make the BMW Group more resilient to external influences and market fluctuations. The objective is for the company to achieve planned workforce reductions through attrition and voluntary agreements and maintain the same high level of vocational training as last year.

“We will continue to do things the BMW way and develop solutions in constructive dialogue with employee representatives. We have agreed on a forward-looking package of measures that will help improve the company’s earnings in the short term, but will also preserve our capacity for innovation in the long term,” said Ilka Horstmeier, member of the Board of Management of BMW AG responsible for Human Resources and Labour Relations, in assessment of the agreement reached. “This will ensure we remain a reliable employer.”

The package consists of four measures, mainly affecting Germany: Capacity will be adjusted by reducing employment contracts with extended weekly working hours for exempt employees – so-called “40-hour contracts” – to 38 hours. Another option that would allow eligible employees to take an additional six to eight days of leave instead of the

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supplementary pay-scale payment “T-ZUG” was also agreed and gives employees greater flexibility. As previously announced, the company will take advantage of attrition to reduce the workforce. Severance packages will allow employees close to retirement age to retire early – as an attractive alternative to pre-retirement with part-time working arrangements. The final item in the package underlines the company’s focus on the future: An educational programme will allow young people under the age of 25 to enhance their skills by earning a degree in a relevant area of expertise. The BMW Group will provide financial support for external full-time qualification and guarantee re-employment upon completion. By the end of the year, total employee numbers should therefore be slightly lower than in 2019.

High level of vocational training will be maintained – 1,200 new apprentices in 2020 and 2021 in Germany

The company will continue to invest in vocational training and creating tomorrow’s specialists. This year and next, 1,200 apprentices will once again be hired in Germany alone to meet future needs for skilled employees. Apprentices will continue to find employment at BMW Group plants and headquarters after completing their vocational training.

These personnel measures are embedded within the company’s overall efficiency measures. Further expansion of the BMW Group Performance Programme was previously announced in the company’s quarterly business update in early May.

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The BMW Group

With its four brands BMW, MINI, Rolls-Royce and BMW Motorrad, the BMW Group is the world's leading premium manufacturer of automobiles and motorcycles and also provides premium financial and mobility services. The BMW Group production network comprises 31 production and assembly facilities in 15 countries; the company has a global sales network in more than 140 countries.

In 2019, the BMW Group sold over 2.5 million passenger vehicles and more than 175,000 motorcycles worldwide. The profit before tax in the financial year 2019 was € 7.118 billion on revenues amounting to € 104.210 billion. As of 31 December 2019, the BMW Group had a workforce of 126,016 employees.

The success of the BMW Group has always been based on long-term thinking and responsible action. The company has therefore established ecological and social sustainability throughout the value chain, comprehensive product responsibility and a clear commitment to conserving resources as an integral part of its strategy.

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