

Media Information
2 July 2020

- Check against delivery -

Statement

Oliver Zipse

Chairman of the Board of Management of BMW AG

Opening of the Competence Centre for E-Drive Production

BMW Group Plant Dingolfing, 2 July 2020

Bavaria is a high-tech powerhouse.

It's where we cultivate the perfect combination of strong innovation and successful implementation. This dynamic environment is also home to BMW. It's where we create the mobility of tomorrow.

Dear Prime Minister Söder, Ladies and Gentlemen,

One of the key challenges we are facing these days is to find a way to stabilize the public health situation while simultaneously getting our economy back on track. Bavaria has acted consistently since the very beginning of the crisis, and taken the right steps with determination and remarkable resolve. The BMW Group too has taken all the necessary measures. We have safeguarded our company's operations to match the new conditions.

The coronavirus pandemic, with all its dramatic and profound repercussions, has once again demonstrated that in Bavaria we pull together.

Companies and policymakers alike focus on people, value creation and the future, all at the same time. Because all these things go together and are mutually interdependent. This constructive collaboration is essential for employment and prosperity.

Company
Bayerische
Motoren Werke
Aktiengesellschaft

Postal address
BMW AG
80788 München

Phone
+49-89-382-24544

Internet
www.bmwgroup.com



Media Information

Date 2 July 2020

Topic Statement Oliver Zipse, Chairman of the Board of Management of BMW AG
Opening of the Competence Centre for E-Drive Production

Page 2

This is why today I would like to thank the State of Bavaria and in particular you, Prime Minister Söder, for your determined and consistent commitment to ensuring a viable industrial landscape.

We made it through the first half of 2020, the year of COVID-19. In the second half of the year, it's all about catching up as best we can. At BMW we have the right, innovative products to get back on track.

And we combine sustainable product excellence with the latest in digital technologies. We create added value for our customers and for society. For me, those are this decade's top two issues: sustainability and digitalization. Information technology, software and artificial intelligence have long featured among our key skills.

With over 7,200 associates, BMW is one of Germany's main employers in the IT field. Since 2018 we have already been able to update all of our vehicles remotely with Operating System 7. Currently, we are rolling out remote updates for half a million cars – offering new features and quality enhancements.

Our customers know that this means their car is always state of the art when it comes to data and technology. Our cars have stopped aging in a way; instead, they just keep developing.

Today, we are talking about the second major issue:
BMW's path to sustainable mobility.

BMW initiated the transition to sustainable mobility very early on. It's the direction laid out in our corporate strategy.

We are a premium manufacturer, which means we have a unique obligation.

Media Information

Date 2 July 2020

Topic Statement Oliver Zipse, Chairman of the Board of Management of BMW AG
Opening of the Competence Centre for E-Drive Production

Page 3

This is why we don't only do or decide on things that bring immediate added financial value. Instead, a great deal of what we do is rooted in conviction.

For instance, we deliberately and consistently pursue a holistic approach to make sure our actions are effective and sustainable. Let me give you a few specific examples:

- Already today, our resource consumption levels in production, for instance for water and energy, are way lower than at other automakers – not just here in Germany, but also at our foreign plants.
- The recyclability of our cars stands at 95 percent.
- Plus, we are number one when it comes to the hours of continuing education per employee and also come top with our low accident rate.

We are fully committed to the goals of the Paris Climate Agreement. They guide our actions in reducing carbon emissions by 2050.

But let me be clear: We want to act in the here and now and not only later to ensure our contribution is effective. This is why we have set out transparent targets to ensure measurable and continuous improvements by 2030. That's a manageable time period where we can take full responsibility for our actions.

Carbon emissions remain a major area of activity.

We are reducing our carbon footprint along the entire value chain:

1. In our production.
2. In the supply chain.
3. Throughout the lifecycle of our vehicles.

Media Information

Date 2 July 2020

Topic Statement Oliver Zipse, Chairman of the Board of Management of BMW AG
Opening of the Competence Centre for E-Drive Production

Page 4

When it comes to energy-efficient production, we are already a benchmark for the industry. But now we are taking things to the next level:

We are converting all of our production – to full CO₂ neutrality.

The expansion of electrification offerings would increase our carbon footprint along the supply chain by one third by 2030. We will not only prevent this from happening, but actually reduce our carbon footprint from today's level.

To be able to do so, we work closely with our suppliers. Among other things, we ensure that only clean energy is used in the production of the battery cells for our electric cars.

We have a clear emission target for our vehicle fleet:

We intend to reliably meet, and even exceed, the EU's targets.

We want to significantly increase the number of kilometres our cars are driven in zero-emission mode. This is why we have set up what we call 'eDrive zones' in over 80 cities to date. Our plug-in hybrids automatically switch to electric mode when they enter one of these areas.

We are optimizing our entire portfolio:

- We are equipping our combustion engines with 48-volt technology.
- We are increasing the range of our plug-in hybrids.
- And we are launching new all-electric models.

In the first five months of 2020, one in ten newly registered electrified cars in Europe was made by the BMW Group. In absolute terms, we actually delivered more electrified vehicles year-on-year – despite the market coming to a long standstill as a result of the coronavirus outbreak.

Media Information

Date 2 July 2020

Topic Statement Oliver Zipse, Chairman of the Board of Management of BMW AG
Opening of the Competence Centre for E-Drive Production

Page 5

We are firmly convinced that we will need to continue developing all drivetrain types to achieve the best possible result for the environment. We are working hard towards making zero-emission drivetrains attractive for many customers.

But of course, we know that many regions around the world still lack a sufficient charging infrastructure and only a small share of the generated energy is renewable. For many customers in these regions, combustion engines remain the best option.

We believe in the Power of Choice: We offer every customer the best solution for their individual mobility needs. This year, the iX3 will be a premiere in two respects:

1. It will be the first model to be available as a gasoline and diesel-powered car, and also as a plug-in hybrid and electric vehicle. Incidentally, the same is true of the next generation of the 7 Series which will be made on our production lines here in Dingolfing.
2. The iX3 will be our first model to feature our next-generation electric drives from Dingolfing.

We call it Gen5 – the fifth generation of our e-drives, and it includes all the expertise we have gained over the years.

Since 2013, we have produced more than 300,000 e-drives at our plants in this region – and the capacity is growing every year.

From the very beginning, we designed our e-drive production to be scalable to meet market demand. With our fifth generation of e-drives we are now taking this principle to the next level.

Media Information

Date 2 July 2020

Topic Statement Oliver Zipse, Chairman of the Board of Management of BMW AG
Opening of the Competence Centre for E-Drive Production

Page 6

Gen5 was developed entirely in-house, and we will produce them in-house, here in Dingolfing. A highly integrated, compact e-drive. No rare earth elements, lightweight and with high power density.

A true example of state-of-the-art technology made in Bavaria.

In the medium term, the Competence Centre for E-Drive Production will create 2,000 jobs. For this project alone, we have earmarked an investment of 500 million euros by 2022.

BMW doesn't just talk about the future.

BMW delivers the future with its series production.

We continue to ramp up electro-mobility.

We set standards for the transformation of our industry.

By just 2022, we will be able to produce electric drives for more than half a million vehicles a year in Dingolfing alone. At the same time, we produce all-electrified cars, plug-in hybrids and models with combustion engines according to demand – and all on a single production line.

This is how we offer our customers the Power of Choice.

As you can see, we have laid the foundations to leverage our industry's transformation into a genuine success story. Our plan is that by next year, one in four cars we sell in Europe will be fitted with an electric drive. One in three by 2025. And one in two by 2030.

The BMW Group's strategy has always been to forge ahead with determination. Today, we mark yet another milestone in sustainable mobility. Thank you.



Media Information

Date 2 July 2020

Topic Statement Oliver Zipse, Chairman of the Board of Management of BMW AG
Opening of the Competence Centre for E-Drive Production

Page 7

Consumption and emission data:

BMW iX3*

Fuel consumption in l/100km (combined): 0; Power consumption in kWh/100 km (combined): < 20; CO₂ emissions in g/km (combined): 0

*Provisional figures

Fuel consumption, CO₂ emission figures and power consumption were measured using the methods required according to Regulation (EC) 2007/715 as amended. The figures are calculated using a vehicle fitted with basic equipment in Germany, the ranges stated take into account differences in selected wheel and tyre sizes as well as the optional equipment. They may change during configuration.

The figures have already been calculated based on the new WLTP test cycle and adapted to NEDC for comparison purposes. In these vehicles, different figures than those published here may apply for the assessment of taxes and other vehicle-related duties which are (also) based on CO₂ emissions. For further details of the official fuel consumption figures and official specific CO₂ emissions of new cars, please refer to the "Manual on fuel consumption, CO₂ emissions and power consumption of new cars", available free of charge at all sales outlets, from Deutsche Automobil Treuhand GmbH (DAT), Hellmuth-Hirth-Str. 1, 73760 Ostfildern-Scharnhausen and at <https://www.dat.de/co2/>.