

BMW (UK) Limited

Section 172(1) Statement

Financial Year Ended 31 December 2024

Directors' Duties

Section 172 of The Companies Act 2006 states that a director of a company must act in the way it considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. The likely consequences of any decision in the long term;
- b. The interests of the company's employees;
- c. The need to foster the company's business relationships with suppliers, customers and others;
- d. The impact of the company's operations on the community and the environment;
- e. The desirability of the company maintaining a reputation for high standards of business conduct; and
- f. The need to act fairly as between members of the company.

The Board periodically receives guidance and training from the Company's in-house legal team on the role of being a director of a UK company, which includes reminders of their statutory duties as a director, in particular their duty under section 172 of the Companies Act 2006.

Decision Making

The Board reviewed their current approach to corporate governance and decision making, engagement with stakeholders and our impact on the environment. The following summarises how the company's Board fulfils its duties under Section 172.

In the performance of its duty to promote the success of the company, the Board reviews and considers the various stakeholders referred to in the Directors' Report when arriving at recommended business decisions. The Board oversees the responsible management of the company's business working to ensure it operates to the high standards of business conduct and good governance expected from the company.

The Board fully understands the potential impacts of the decisions it makes for our stakeholders, the environment, and the communities in which we operate. Engagement with the company's main stakeholder groups, including customers, suppliers, employees, governmental bodies and our community are summarised in the company's Stakeholder Engagement Statement on pages 8 to 9.

Employee Engagement

Our employees are fundamental to the success of our business. We aim to be a responsible employer in our approach to the pay and benefits of employees. The health, safety and wellbeing of our employees is one of the primary considerations in the way we do business. The purpose of Employee Engagement in our business is to ensure our people feel connected, because we're hearing feedback, taking action, and making it easy to engage.

In 2024, the following activities have been performed:

- Employee Consultation Forums have been held to provide a two-way communication process.
- Quarterly business updates, where the company's directors present and are available to answer questions.
- Quarterly surveys around engagement questions to understand feelings and trends to support change.
- Regular video blogs updates presented by the CEO and different members of Senior Management.
- Cross-campus collaboration sessions, culminating in employee information livestreams connecting feedback to action.
- Regular speaker sessions through Campus Groups.
- Inclusion and invitation for employees to commercial activations to ensure brand immersion.
- On site brand awareness activity, such as product showcases, to retain brand connection.
- Peer-to-peer appreciation opportunities.
- Regular broadcasts from BMW Group headquarters.

For further details on how the company engages with its workforce, see the Employee Engagement Statement in the Directors' Report

Business Relationships

We are fully committed to effectively engage with all our stakeholders. As we operate in a highly connected environment; the views, decisions and actions of our stakeholders have a considerable impact on our business. Therefore, our success depends on our ability to engage and work together effectively and constructively. In 2024 examples included:

- Quarterly National Franchise Board to facilitate open discussion with key representation of our Retailers' network.
- Periodic meetings between the main investors of Retailer partners and the Directors of the company to assist investors to understand the strategic direction of the company.
- Regular communication with the Retailer Network via Retailer HUB Portal to ensure alignment.
- Ongoing communication with our suppliers to develop deeper relationships with companies in our supply chains as well as develop strategic relationships with our key suppliers.
- Regular exchange with HM Government and its various departments, UK and international NGOs, trade bodies and industry associations as well as other stakeholders to build trust, understand positions, identify trends as well as build on and consolidate partnerships.

For further details on how the company engages with its stakeholders please see the Stakeholder Engagement Statement in the Directors Report.

Community and Environment

We are committed to making continuous progress and achieving ambitious goals, even under challenging conditions. We aim to do so responsibly, with integrity and by leveraging our innovative expertise to systematically reduce our resource requirements. Taking a 360° approach to sustainability is a central pillar of the BMW Group strategy. We believe that our ability to create value and perform at a high level lies in balancing our economic, environmental and social responsibilities. The BMW Group has a long tradition of being responsible and forward-thinking when it comes to environmental protection, our people and our commitment to society. It is only natural, then, that in recent years we have expanded our environmental focus beyond our own operations to our entire value chain, including our upstream supply chains and the lifecycle of our products after they have been delivered to our customers. On a social front, we recognise the importance of leading our company in such a way that it contributes to the communities that we operate in. We are proud to continue our support of numerous charities and community projects as part of our Corporate Social Responsibility Initiatives.

Culture and Values

Our culture is characterised by clear responsibility, mutual respect and trust. Lawful conduct and fair competition are integral to our business activities and an important condition for maintaining a reputation for high standards of business conduct securing long term success. We are focused on people, with customers being at the heart of our business. We embrace diversity, flexibility, sustainability and continuous improvement throughout the organisation. It has a customer centric philosophy with transparent, fair and simple processes. The Board and senior management have taken active steps to drive cultural change and to ensure corporate strategy and customer orientation principles and values are embraced across the organisation.