

BMW Financial Services (GB) Limited

Employee Engagement Statement

Financial Year 1 January to 31 December 2023

People and culture

The Company's workforce is our most valuable asset. The Company invests in training development, coaching and skills acquisition to ensure the required knowledge and behaviours are aligned with the Company's strategy and values. Personal development of our employees is a key pillar of the Company's strategy, and every employee is encouraged to utilise training for their career and personal development. Training and development is an integral part of the Company's objectives, set by the Board and monitored through regular status updates in the Board and Management Committee Meetings.

Communication

It is also important for our employees to feel connected to the Company's purpose. Through our ongoing internal communications plan, including regular Business Briefings, the Company seeks to ensure our purpose and the important role employees have is clearly communicated. Senior managers attend these briefings with the workforce and constantly review the way in which information is provided to ensure engagement with associates. The briefings give associates a platform to raise questions and put suggestions to the senior management team.

In addition, regular briefings take place with our people leaders to give them an opportunity to question, explore and understand further the Company's plans. At a monthly Communication Circle, the Company constantly reviews the way in which information is provided to our employees to ensure engagement with our employees. There is also a weekly newsletter.

Consultation

The Company operates an Employee Consultation Forum. The aim of the forum is to provide a two-way communication process, involving and engaging employees through consultation, enabling them to contribute to the success of the business. It also offers management the opportunity to consult over business related issues and gain commitment to change.

The forum discusses business wide issues impacting employees, provides key information on employment policies and terms of employment, serves as a central communication channel for employees and is an important mechanism of communication between management and employees. The Board receives updates from and will consider matters raised by the Employee Consultation Forum on a regular basis, based on feedback directly from employees

SpeakUP

The Company operates a SpeakUP line, to support any employees who wish to raise concerns relating to possible misconduct or concerns regarding wrongdoing. Employees may choose to confirm their identity or remain anonymous through this disclosure process. The Board have appointed a Whistleblowing Champion who is responsible for ensuring and assessing the integrity, independence and effectiveness of the whistleblowing process. The Whistleblowing Champion is responsible for reporting to the Board regarding the operation and effectiveness of the Company's systems and controls, whilst maintaining the confidentiality of any whistleblowers.

Campus Trust

The Company and the other Group companies on the Campus have a "Campus Trust" which is responsible for protecting the way things are done on the Campus, now and in the future. The purpose of the Trust is to be the guardians of the continued cultural journey and seek synergies between the companies on Campus.

The Campus Trust guides the cultural development of the Campus and makes it a successful and happy place to work. It does this through living and breathing the five core values of Responsibility, Appreciation, Transparency, Trust and Openness, and through the Employee Identity "What Moves You", which encourages everyone to be authentic, inspirational, and collaborative.

Wellbeing

The Board believe that the health and wellbeing of employees is of paramount importance and have designated spaces on campus to support this. Alongside a Contemplation Room and Quiet Room, there is a designated Health and Wellbeing Suite that includes a First Aid room, a Consultation room, and a Physiotherapy room. Employees can avail of support services focusing on the four pillars of health and wellbeing: financial, physical, mental, and social. These include, but are not limited to, health checks, counselling with an independent provider, and physiotherapy assessment and treatments.

Diversity and Inclusion

The Company is committed to providing employment practices and policies which recognise the diversity of its workforce and ensure equality for Associates regardless of sex, race, disability, age, sexual orientation, or religious belief. These commitments extend to recruitment and selection, training, career development, flexible working arrangements, promotion and performance appraisal. In the event of Associates becoming disabled, every effort is made to ensure that their employment with the Company continues and to provide specialised training where this is appropriate.

The Company has adopted a Diversity and Inclusion Policy and through the application of this policy the Company aims to ensure everyone is treated fairly and equitably and there are arrangements in place to prevent discrimination in the workplace. The Company is committed to encouraging diversity being inclusive and preventing discrimination amongst the workforce. This is promoted through a number of in-house network groups which cover a range of subject areas such as mental health and disability.

The Company vision towards diversity and inclusion is to build a workplace culture of inclusion that reflects the diversity of our surrounding communities. The Company embraces fresh perspectives as a lever for innovation, and encourages an environment where people speak their minds and diverse ideas are embraced to achieve our common goals. A Diversity and Inclusion Steering Group made up of business representatives from different levels from across the Campus and volunteers from employee led network groups, steer our progress towards this vision.

In the Financial Year a Diversity and Inclusion Survey was carried out by the network groups. The survey raised awareness of the initiatives and the various network groups there are across our Campus. Examples of initiatives that the network groups and the Company is working on include supporting an accessible campus; promotion of quiet spaces; inclusive leadership; disability awareness and becoming a disability confident employer. There is a PRIDE network group which supports the Company's LGBTQ+ community. Other Campus groups include a group supporting working parents and part time workers called, "Timewise". The "Embrace" network group has been formed to celebrate, support, and embrace all cultures, ethnicities, and faiths, focusing on building understanding, respect, and equality. The Company also has an employee network group called "Minds Matter" which brings together passionate employees from the BMW community who seek to drive cultural change surrounding issues of mental health.

Along with the other Group companies on Campus the Company is a member of The Employer's Network for Equality and Inclusion (ENEI) who help us steer our company on its inclusion journey.

The Company has also signed up to the Women in Finance Charter. This charter is a commitment by HM Treasury and signatory firms to work together to build a more balanced and fairer financial services industry. The Charter was introduced following the 'Empowering Productivity' report into harnessing the talents of women in finance. The Company will also undertake activity-based targets such as running Inclusive Leadership programmes for all people leaders; conducting a review of our recruitment process; establishing gender related reporting; and a review of existing policies to enhance diversity and inclusion.

Recruitment

The Company is an equal opportunities employer. Recruitment decisions are based upon the match of the individual's competencies, skills and knowledge to the requirements of the role. A variety of selection methods are used for both internal and external recruitment including assessment centres, competency-based interviews and psychometric tests. Offers of employment are made subject to satisfactory completion of pre-employment checks, which include verification of reasons for leaving past employers, qualifications and honesty.

All roles are assessed and provided with job specifications. These detail the purpose of the role, key accountabilities, selection criteria and competencies required. The recruitment process is designed to ensure the most suitable candidate is selected and also to highlight any additional training required in order to ensure the person is competent and remains competent for that role.

Career Development

The Company recognises the importance of career development and progression. To assist in this a performance management process is employed. This process:

- ensures the employee has a clear understanding of what is expected of them;
- enables the employee to monitor their performance against the requirements for their role;
- provides a fair and consistent way of measuring the performance of all staff;
- helps identify any training needs;
- helps identify how employees can maximise their potential;
- enables employees to discuss their aspirations for the future; and
- influences salary and bonus payments.

Succession planning is performed annually following the performance review process. Individuals establish a Personal Development Plan with their manager each year as part of the Performance Management Process. Formal, informal (coaching etc.), computer based and on-the-job training is then provided to meet individual training needs and in fulfilment of best practice and legislative requirements.

The Company has a Performance Management Process in place, which appraises employee's performance by consideration of target achievement and leadership behaviour. In order to ensure all employees have a clear understanding of expectations, an individual target agreement is drawn up for every employee at the beginning of the year as part of the Performance Management Process. Achievement of the targets is appraised informally throughout the year in feedback meetings with the line manager and is formally assessed in the performance review process, which takes place at the end of the year.

Training

It is the policy of the Company that all employees are trained and developed in order to satisfy the statutory, regulatory and professional requirements expected of their role. Training and development is ongoing and monitored to ensure required levels of knowledge are achieved and maintained. Training is planned to ensure that it is received at the appropriate times and the Company offers a full range of remote training opportunities for employees to avail of. Training on legal and regulatory requirements are provided to all relevant personnel. Records are retained of all training undertaken, future training required by an employee is captured as part of the portfolio process.

All roles are assessed and provided with job specifications. These detail the purpose of the role, key accountabilities, selection criteria, and competencies required. The recruitment process described above is designed to find the most suitable candidate to match the specification and also highlight any additional training required to ensure the person is competent and remains competent for that role. Additionally, in the case of internal staff, the job specification can ensure that other employees are sufficiently trained to be competent in another role to ensure the Company has adequate cover should there be peaks in the business or staff absence.

Remuneration

It is a stated aim of the Company to reinforce the connection between performance and reward and this makes the merit principle a fundamental value in our corporate culture. Remuneration is intended to promote the personal performance of every employee including members of the Board and its Committees. All employees receive a base salary, have access to a range of flexible benefits, and are eligible for a bonus payment on an annual basis to promote personal performance, collaboration and the assumption of entrepreneurial responsibility.

Market benchmarking data is used every year and determines the salary ranges for different roles. All employees have an element of performance related remuneration or variable pay (e.g. personal bonus, company bonus etc). The bonus is based on personal achievement and achievement of the targets of the Company as a whole, a large percentage based on Company targets and a lesser amount based on BMW Group targets.