

## **BMW (UK) Limited**

### **Section 172(1) Statement**

**Financial Year 1 January to 31 December 2021**

#### **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.

In 2021, the company's in-house legal team delivered training to the Board on the role of being a director of a UK company. This included a summary of the statutory duties and responsibilities of a director, in particular the 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 10 to 11.

#### **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.

In 2021, 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 any questions.
- Regular video blogs updates presented by the CEO and different members of our management committee.

Our Human Resources function has been reviewed and organised to ensure it is able to continually deliver an efficient and consistent service to our employees.

*For further details on how the company engages with its workforce please 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 2021 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.
- Annual review of the Retailer Engagement Plan to ensure we provide appropriate support to our retailers.
- 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**

Sustainability and taking care of the environment is firmly embedded in our culture and corporate strategy. It is therefore an integral part of every thought and action we take. We have adopted a holistic approach, implementing sustainability throughout the value chain. In addition to reducing CO2 emissions, our strategy also focuses on achieving continuous progress in areas such as corporate environmental protection, supply chain sustainability, employee orientation and social commitment. We remain committed to the principles of the United Nations Global Compact and have systematically implemented its Ten Principles worldwide since 2001. Our sustainability strategy also supports the Sustainable Development Goals adopted by the United Nations in autumn 2015.

We also recognise the relevance of leading our company in such a way that it contributes to wider society. In 2021, we are proud to continue our support of numerous charities and community projects as part of its Corporate Social Responsibility, an area that we take very seriously.

### **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.