

BMW (UK) Limited

Employee Engagement Statement

Financial year 1 January to 31 December 2023

Workforce

Our workforce is our most valuable asset. We invest in training development, coaching and skills acquisition to ensure the required knowledge and behaviours are aligned with the company's strategy and values. Through quarterly Business Briefings conducted online and on the campus site in Farnborough ("Campus") we seek to ensure our purpose and the important role employees have is clearly communicated. The briefings give employees a platform to raise questions and put suggestions to the senior management team, alongside supporting tools that encourage feedback and communication. During 2023, a new position was created within the company, focussing on employee engagement, to ensure employees feel connected and heard, as well as feel confident to communicate any suggestions.

On a bi-annual basis, employees are invited to participate in an online Global All Employee Survey, which helps the company to assess employees concerns and aspirations. The key aspects of the survey, performed in 2023, relate to leadership, team, strategy, processes, and culture and employer attractiveness. The company has 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.

The company and the other Group companies on the Campus have created the Campus Culture & Leadership Committee ("CCLC"), whose purpose is to be the guardians of the continued cultural journey and seek synergies between the companies on Campus. 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.

Social responsibility towards employees

The BMW Group stands by its social responsibilities. Our corporate culture combines the drive for success with openness, trust and transparency. We are well aware of our responsibility towards society. Socially sustainable human resource policies and compliance with social standards are based on various internationally recognised guidelines. The BMW Group stated its position clearly back in 2005, with the Joint Declaration on Human Rights and Working Conditions at the BMW Group, which was updated in 2010. In 2018, for further clarification, the BMW Group published its Code on Human Rights and Working Conditions, which strengthens the company's commitment to human rights and outlines how it promotes human rights and implements the core labour standards of the International Labour Organization (ILO).

Diversity and Inclusion

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. This is promoted through a number of in house network groups which cover a range of subject areas such as mental health and disability.

There is a PRIDE network group which supports the company's LGBTQ+ community. The aim of PRIDE is to increase awareness of LGBTQ+ issues and educate on the subjects of gender, gender identity and sexuality while working to ensure that everyone feels comfortable and empowered to present their authentic selves at work.

Minds Matter is an employee network group which brings together passionate employees from the company who seek to drive cultural change surrounding mental health, most notably around reducing the stigma associated with mental health and improving the awareness of the support available. Ability & Beyond ("A&B") is an employee network group which seeks to increase awareness and acceptance of all disabilities. A&B seeks to encourage cultural change and make necessary environmental adjustments so that the company become confident and attractive employers for disabled people.

The Embrace Network Group supports the company by helping employees gain greater understanding from each other, shares values, and respects diverse thought. Other campus groups include a group supporting working parents and part time workers, called "Timewise", as well as a group called "Unity", which aims to increase

awareness of gender related issues and work towards a more equitable business and society for people of all genders.

Recruitment

The company is an equal opportunities employer of around 440 staff. Recruitment decisions are based upon a due diligence process to 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 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. Succession planning is performed annually following the performance review process.

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. The recruitment process described above highlights 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. The BMW Group Compliance Management System consists of a coordinated set of instruments and topics designed to ensure that the BMW Group, its representative bodies, its managers and staff act in a lawful manner. Particular emphasis is placed on measures to ensure compliance with antitrust legislation and avoid the risk of corruption or money laundering. BMW Group employees are required to complete anti-corruption and anti-bribery compliance training.

Training is planned to ensure that it is received at the appropriate times. 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, where all employees are reviewed against their objectives, which include continuous professional development. Strengths and weaknesses are discussed against a backdrop of feedback from key stakeholders.

Remuneration

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. The bonus is based on personal achievement and achievement of the targets of the company as a whole, 70% based on the company's targets and 30% based on BMW Group targets.