

BMW Group Financial Services, UK



GENDER PAY GAP REPORT 2022.

A BMW GROUP COMPANY.

INTRODUCTION.

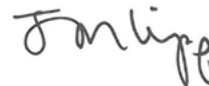
Diversity is the engine of our success – today and in the future – because a diverse workforce is an important force for innovation. The BMW Group believes that diversity is crucial to our ability to perform effectively and will ensure the long-term success of our Company.

The full Board of Management of the BMW Group established a commitment to diversity as part of the Company's human resources and sustainability strategy. In 2011, the BMW Group signed up to the Diversity Charter in Germany and committed itself to creating a working environment free of prejudices. In the UK, BMW Financial Services (GB) Limited are proud to have cultured an environment that celebrates diversity and promotes tolerance, mutual respect, and equality of opportunity.

In this report, we provide our gender pay gap information, identify the reasons behind the gap and our plans to help close it. We continue to support the UK Government's drive for companies to be more transparent on gender pay issues and confirm that the data reported is accurate and in line with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Mike Dennett
Chief Executive Officer



Jo Knipp
HR Director



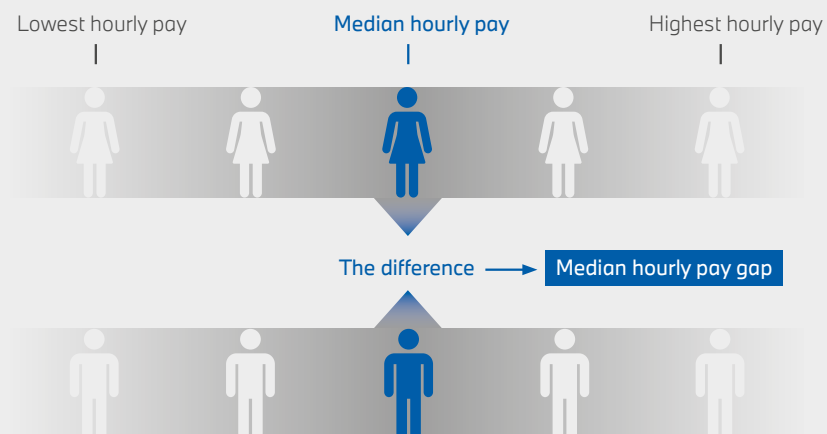
OUR MEASUREMENT.

At the time of the reporting period, Financial Services GB Limited, employed 453 people at its site in Farnborough. The Gender Pay Gap Reporting Regulations require all employers with 250 or more employees in the UK to report their gender pay gap. The figures reported are based on calculations set out in the Regulations and must be reported every year.

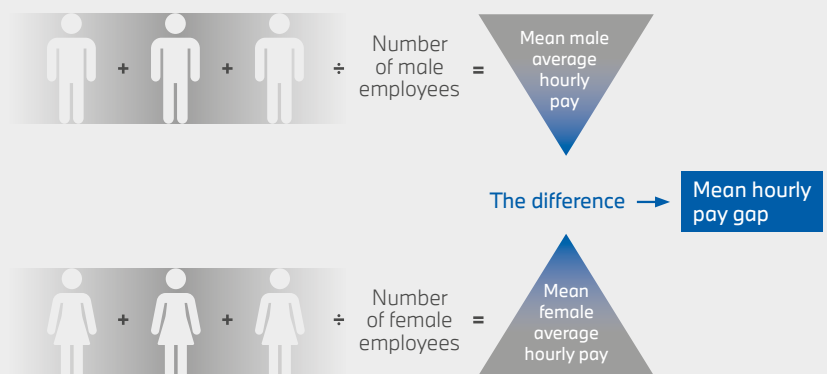
The gender pay gap does not measure equal pay, which relates to what women and men are paid for performing equal work.

The principle of equal pay is enshrined in law and we are committed to ensuring ongoing compliance with our equal pay obligations.

How we calculate the gender pay gap median difference.



How we calculate the gender pay gap mean difference.



DEFINITIONS

THE PRINCIPLE OF EQUAL PAY IS:

The right for men and women to receive equal pay for equal work.

THE GENDER PAY GAP IS:

The difference in the average pay and bonuses of all men and women across an organisation, irrespective of their role or level.

OUR FINDINGS.

At the snapshot date for reporting, there were almost exactly equal numbers of men and women employed by the Company. However, analysis of our gender pay gap shows that the gap is driven largely by the fact that there are more men in senior, higher-paid roles and more females in lower-level roles.

The bonus pay gap relates to the structure of our bonus arrangements, where bonus potential has historically been set as a percentage of salary, which increased with grade. The higher number of men in the higher grades and therefore earning higher bonus values, has a significant effect on our bonus pay gap. We made a change to our bonus structure in 2021 and we are pleased to see this starting to reduce both the mean and median pay gaps. We would expect this to continue in the coming years.

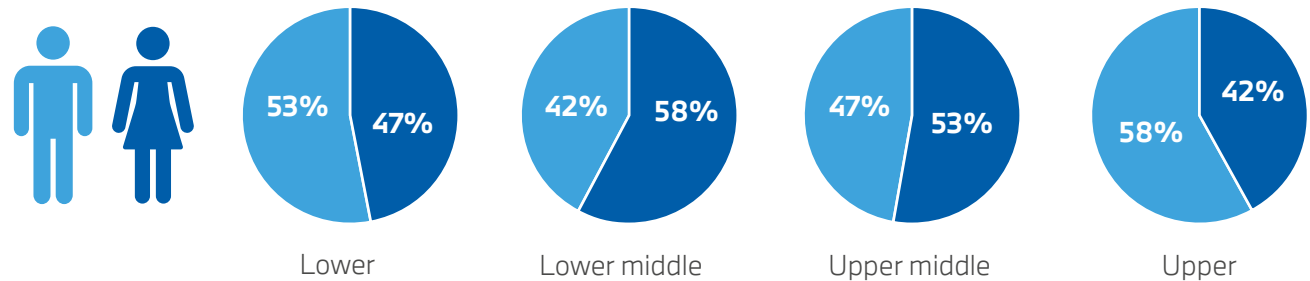
We were pleased to see once again this year, an increase in the number of women in senior leadership positions which has positively impacted both mean pay and bonus pay. However, bonus pay for men was still higher than that for women.

BMW Financial Services (GB) Limited, is an equal pay employer focused on supporting every employee to reach their full potential. We are confident that men and women are paid equally for doing equivalent jobs.

The Gender Pay Gap data for BMW Financial Services (GB) Limited in 2021/22 is as follows:

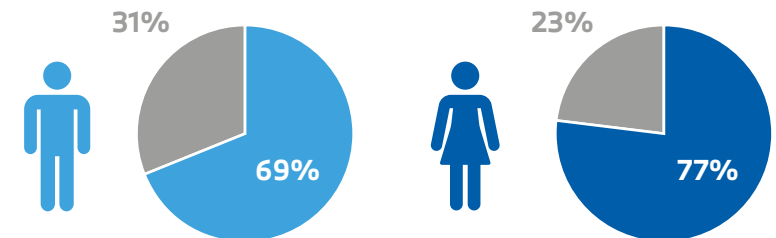
SALARY QUARTILES.

The proportion of males/females in each quartile pay band is as follows:



MEAN AND MEDIAN PAY AND BONUS GAP		
	MEAN (Average)	MEDIAN (Middle)
Gender Pay Gap	7.2%	7.7%
Gender Bonus Gap	37.5%	21.5%

Proportion of employees who received a bonus:



• Received bonus • Did not receive bonus

The Company offers bonus programmes for employees on all levels, which accounts for the high inclusion rate. Eligibility per year is dependent on joining or transfer date.

CLOSING THE GAP.

We are committed to delivering existing and new initiatives to improve our ability to attract, engage and develop women and to achieve a gender balance at all levels of our business. We are confident that achieving this balance will reduce our gender pay gap. We have changed our bonus structure, moving away from the Percentage of Base Pay approach, to a new Equal Value Bonus approach for all employees.



In addition, our Senior Leadership have committed to a number of objectives aimed at increasing the number of women in senior roles. We have signed up to the HM Treasury Women in Finance Charter, which is a pledge for gender balance in the financial services sector. After achieving our initial target set in 2020, we were pleased to be above average for the number of Women in senior leadership positions in our industry. We had a new and stretching target for 2022 of 45%, which we also over-achieved, really showing our commitment to equal opportunities for all.

As part of our wider sustainability programme, our strong Diversity, Equity and Inclusion Strategy continues to support individual managers and departments in making increased diversity a priority across our Group of companies.

Network Groups are well-established and run by our employees to raise awareness and implement change, covering areas like LGBTQ+, Working Parents and Mental Health. In 2021 we identified the need for a new group specifically

targeting gender diversity in the workplace, which launched in early 2022. This group champions issues affecting all genders and has set up a specific task force to address the gender pay gap, and any issues affecting women's career progression within the organisation. This has been welcomed by our Senior Leadership who are very supportive of the initiatives being planned. These plans include a partnership with the Women in Automotive Network, and a new parental leave returner process to support those returning after an extended period of parental leave.

Prior to the recent, many employees based at our Farnborough headquarters had benefited from a flexible working environment, so we were in a strong position to be able to quickly adapt when faced with the challenges brought on by Covid-19. Employees were able to work from home in most cases, which not only kept them safe and enabled a better work-life balance, whilst allowing employees greater flexibility in managing their time and commitments, particularly for those with carer or parental responsibilities. This has become a permanent change, and in 2021 we formally launched our Blended Working Principles, giving all our employees the flexibility to work where they are most impactful.

We have continued our investment in our People Leaders throughout 2022, specifically around resilience and mental health well-being. This is set to continue into 2023, with specific leadership training on identifying and supporting mental ill

health in the workplace. We are also providing further management training, specifically for new managers, and additional Global Leadership programmes. We have recently undertaken a full review of our recruitment processes to ensure that they are as inclusive as possible and are excited to see the impact of this in the coming years. We are also proud to be recognised as a Disability Confident Employer, to allow us to take action to improve how we recruit, retain and develop people with disabilities.



"At BMW Financial Services, flexible working arrangements are supported enabling a diverse workforce. I have experienced this first hand. After 10 years of working in various roles throughout the company, I took a four month sabbatical which enabled me to travel.

Following maternity leave I returned to a Leadership role on a part time basis and have since changed to compressed hours, working full time hours over four days. I am a keen advocate of achieving work life balance and I lead a diverse team with varying working patterns unique to each individual."

Victoria Mockett
Head of Risk Controlling

CLOSING THE GAP (CONT.)

DIVERSITY, EQUITY & INCLUSION NETWORK GROUPS

Over the last year, our seven core Diversity, Equity and Inclusion Network Groups, PRIDE (LGBTQ+), Timewise (working parents and part time working), Embrace (culture, ethnicity and faith), Ability & Beyond (visible and nonvisible disabilities), Minds Matter (mental and emotional wellbeing), ConnectONE (all demographic networking and mentoring) and Unity (gender equality) have continued to grow and work tirelessly to promote a culture and environment that is diverse, equitable and inclusive. One of the many successes over the last year included the painting of our zebra crossings on campus in the colours of the Pride rainbow flag. This initiative was undertaken to openly show support of not just our LGBTQ+ community, but also our commitment to a diverse and inclusive workplace in general.

The launch of our seventh network group, Unity, specifically designed to look at gender equality, has been another highlight, featuring topics such as: personal safety training, men's and women's health, the menopause and a celebration of both international women's and men's days. The network and reach of these groups has grown significantly, both internally and externally, in the last year. They have worked closely with other companies to help grow and diversify the support they provide as well as providing greater intersectionality.

We have been exceptionally proud to have received two external awards this year for our D,E & I work. We won the company award for Diversity and Inclusion from Car Finance Awards for the second year running, and Employer of the Year at the Women in Credit awards.

We've continued our membership with the Employers Network for Equality and Inclusion (ENEI), taking part in TIDE (Talent Inclusion Diversity Evaluation). Due to the incredible efforts of our D,E&I Network Groups, sponsors and stakeholders, we were delighted to improve our overall score



once again in 2022, and to achieve the Bronze Standard for the third year in a row. We will continue to benchmark ourselves externally to help drive our strategy. We are excited to have signed the Race@Work charter in 2023.

This year our focus is also on understanding our workforce better and we will be launching a voluntary campaign to collect the diversity data for our employees. This will allow us to make more targeted decisions and focus our longer-term strategy.