

GENDER PAY GAP REPORT 2024.

A BMW GROUP COMPANY.

**BMW
GROUP**
Financial Services



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.



A handwritten signature in black ink, appearing to read 'Mike Dennett'.

Mike Dennett
Chief Executive Officer



A handwritten signature in black ink, appearing to read 'Sam Jarvis'.

Sam Jarvis
HR Director, BMW UK



OUR MEASUREMENT.

At the time of the reporting period, Financial Services (GB) Limited, employed 835 people at its site in Farnborough. At the time of the reporting snapshot date, there was an even split of employees with 49% of the workforce being male and 51% female. 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.

DEFINITIONS

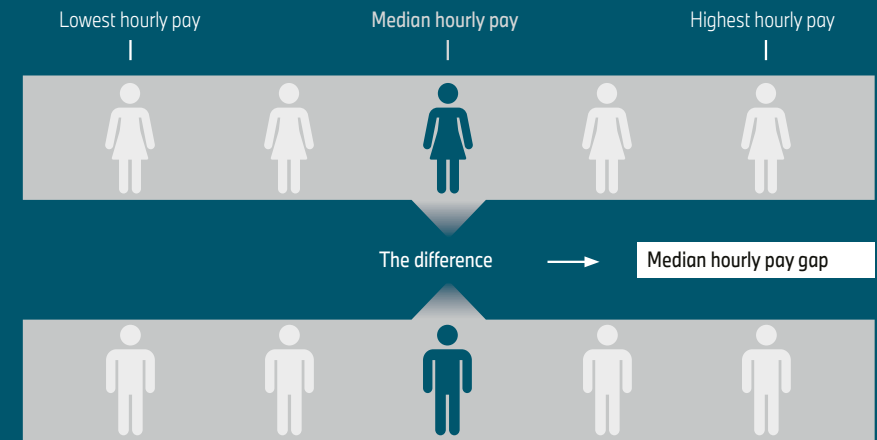
THE PRINCIPLE OF EQUAL PAY IS:

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

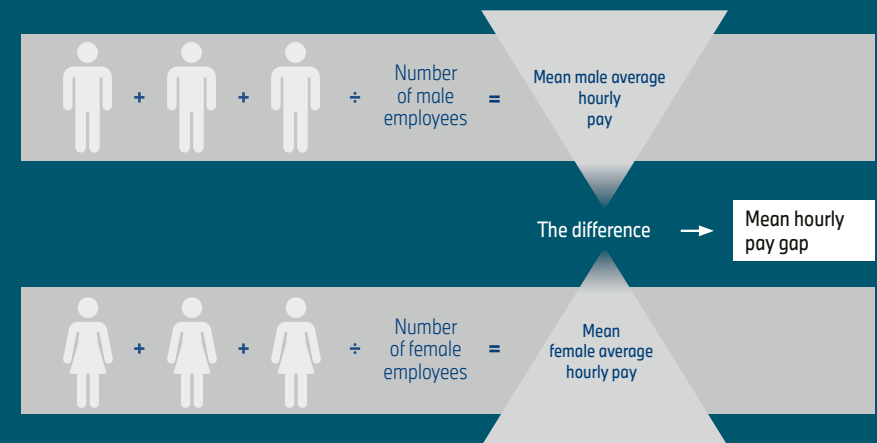
THE GENDER PAY GAP IS:

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

How we calculate the gender pay gap median difference.



How we calculate the gender pay gap mean difference.



OUR FINDINGS.

In 2023 BMW Financial Services (GB) Limited undertook a significant organisational change, and as a result, the employees from Alphabet (GB) Limited are now legally employed by BMW Financial Services (GB) Limited which almost doubled the size of the business. The impacts of this structural change are still being seen in the 2024 gender pay gap report, most significantly in the bonus pay. At the snapshot date for reporting, there were almost equal numbers of men and women employed by the Company. Considering the new structure, we were pleased to see that there was only a marginal increase in the mean and median pay for 2024.

On paper, the bonus pay gap appears to have increased significantly. This is due to the organisational structure changes and the structure of our bonus plan. All employees previously employed by Alphabet (GB) Limited at the start of 2023, who were eligible for bonus, had their bonus paid by Alphabet (GB) Limited in 2023. They therefore appear in this report as not having received a bonus, which significantly skews the results. If we were to include the Alphabet bonus figures into these results, the figures would jump to 81% of men receiving a bonus and 87% of women.

Both the mean and median bonus pay were also impacted in the 2023 report by a cost-of-living bonus which we gave to employees. As a consequence, this has increased the gap in this year's report.

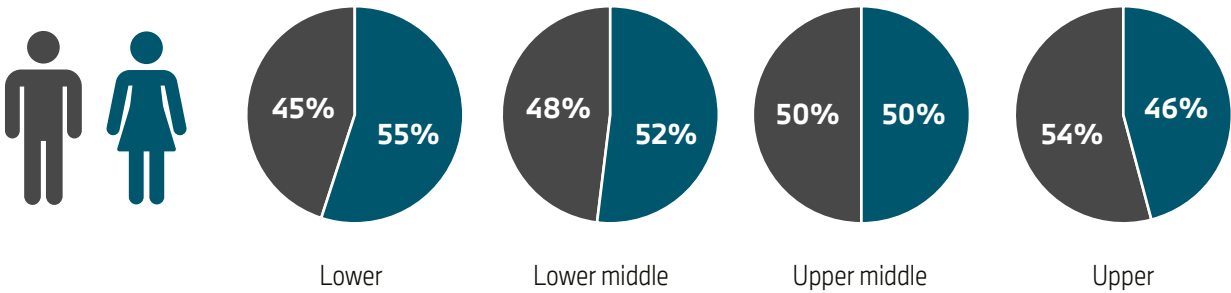
We were pleased to see that our percentage of women in the top pay quartile continues to improve year on year, reflecting the impact of some of our interventions.

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 2023/24 is as follows:

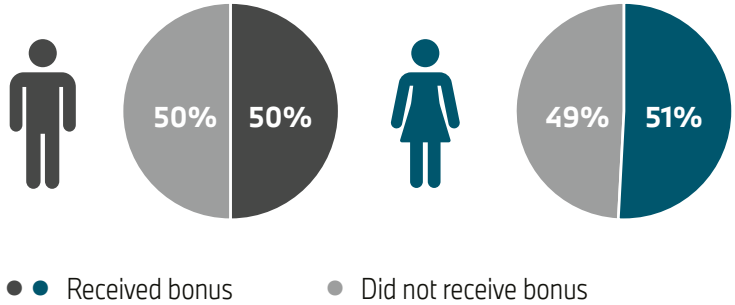
SALARY QUANTILES.

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	10.1%	8.2%
Gender Bonus Gap	43.7%	25.1%

Proportion of employees who received a 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. For 2025 we have listened to employee feedback and have committed to provide greater transparency around pay and rewards. We will provide employees with details about the salary band for their pay grade, and where in the band they currently sit.



In addition, our Executive Board 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, obtaining 47% females in leadership role, really showing our commitment to equal opportunities for all. With the bringing together of the two businesses our 2024 target was narrowly missed. We have reset this target for the end of 2026, and are working hard to ensure we succeed in having at least 40% of our leadership roles being held by women.

As part of our wider Responsibility 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 such as; LGBTQ+, Disability and Mental Health. More recently we identified the need for a group specifically targeting gender diversity in the workplace which launched in early 2022. This group champions issues affecting all genders. One of the key objectives of the 'Unity' group is to look at issues affecting the gender pay gap and any topics impacting women's career progression within the organisation. This has been welcomed by our board who are very supportive to the initiatives being planned. These include sponsorship of the Women in Automotive network, an international platform dedicated to supporting and empowering women and their allies in the automotive industry. Based on the success from last year, we are looking to continue our sponsorship throughout 2025. We are also committed to improving support for parents returning to work after parental leave, making this easier for people to balance home and work lives. We have previously run sessions to promote flexible working opportunities and specifically targeting fathers, ensuring they are aware of working patterns available and enabling more sharing of parental leave, and childcare between parents. This is being strengthened this year with a maternity returner programme to ensure we provide as much support as possible to parents returning to work after having or adopting a baby. This programme will look to include specific mentoring for returners and a buddy system for support. It will also look to support managers of people returning from parental leave.



CLOSING THE GAP (CONT.)

During 2024 we brought a number of great speakers in to support the drive for females in the business. We plan to continue this into 2025 with more work on support for women going through the menopause, and more inspirational women being showcased, especially from within our own business. This will be supported by a series of podcasts and webinars focused on building confidence and resilience in women which will be spread over the full year. We also hope to focus our already successful mentoring programme towards our women, both those looking for a mentor, and those who can use their skills to mentor others.

Prior to the pandemic, many employees based at our Farnborough headquarters had benefitted 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 but enabled a better work-life balance and allowed employees greater flexibility in managing their time

and commitments, particularly for those with carer or parental responsibilities. This has become a permanent change, and our blended working principles, give all our employees the flexibility to work where they are most impactful.

We have continued our investment in our People Leaders throughout 2024, specifically around Mental Health and Well-being. Over the last year, we've focused on reducing the risk of bias, and raising awareness and understanding of employment law, handling challenging conversations in the workplace and how to avoid discrimination. We've provided bespoke training for leaders run by a combination of external trainers and our own in-house teams. We are also providing further leadership excellence training throughout 2025 for all managers. We are 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. This has been assisted by a full review of our recruitment processes to ensure that they are both accessible and inclusive for all.

CLOSING THE GAP (CONT.)

DIVERSITY, EQUITY & INCLUSION NETWORK GROUPS.

Over the last year our core Diversity and Inclusion Network Groups: PRIDE (LGBTQ+), Embrace (Culture, ethnicity and faith), Ability & Beyond (Visible and non-visible 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 that is diverse, equitable and inclusive. The biggest event of the year was when our Pride group attended Brighton Pride. It was a huge triumph, celebrating all facets of inclusion, with around 100 employees walking the parade with our fantastic all-electric cars shining brightly in their uniquely themed wraps. Over 300,000 people came to watch and celebrate. It was truly a day to remember.

We have run a series of guest speakers throughout 2024, including Elenor Mills championing women later in their careers, Sophie Martin talking about fertility challenges and baby loss awareness and Shivani Uberoi about being free to be truly ourselves, to name just a few.

We are proud to partner with Leonard Cheshire's Change 100 programme to offer internships to disabled students to increase their opportunity for work, and our understanding of what it means to have a truly inclusive workplace.

Due to the incredible efforts of our DE&I Network Groups, sponsors and stakeholders, we were delighted to improve our standing once again in the TIDE (Talent Inclusion Diversity Evaluation) survey with the Network for Equality and Inclusion (enei) and retained our silver status for a second year. We will continue to benchmark ourselves externally to help drive our strategy. We are proud to have signed the Race at Work Charter and have completed our first submission to the Stonewall Index. Being recognised by external awards for the work that we do in DE&I continued with us winning the Special Recognition award for Diversity and Inclusion at the Credit Awards and the Diversity and Inclusion Trailblazer award at the Car Finance awards.



The successful mentoring scheme run by Embrace with a local school has grown significantly as it moves into its third year with a goal to educate students that opportunities are open to all. This programme is now reaching more people than ever before, with its founder being recognised as an Enterprise Advisor within one of the schools.

During 2025 one of our key focus areas is on understanding our workforce better and we will have launched a voluntary campaign to collect diversity data for our employees. This will allow us to make more targeted decisions and focus our longer-term strategy.

