

Engagement Policy Implementation Statement (“EPIS”)

BMW (GB) Limited Employee Benefits Plan (the “Plan”)

Plan Year End – 31 December 2024

The purpose of the EPIS is for us, the Trustee of the BMW (GB) Limited Employee Benefits Plan, to explain what we have done during the year ending 31 December 2024 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Plan’s investments have been followed during the year; and
2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In our view, the Plan’s investment manager, Insight Investment Management (“Insight”) was able to disclose good evidence of engagement activity, and the activities completed by Insight align with our stewardship expectations.

In last year’s Engagement action plan it was highlighted that Insight did not provide fund level engagement themes for the Global ABS fund. Having encouraged Insight to make improvements Insight have now provided fund level engagement themes for this fund delivering a clearer understanding of their engagement practices.

In August 2024, the Trustee secured the Plan’s liabilities with a bulk annuity provider. The residual assets of the Plan are held in cash and liquidity funds. Due to limited materiality of stewardship relating to these asset classes no engagement action plan has been made for the next 12 months.

How voting and engagement policies have been followed

Some of the Plan's assets are invested in pooled funds (and the remaining are in bulk annuities), so the responsibility for voting and engagement is delegated to the Plan's investment manager, Insight, which is in line with the policies set out in our SIP. We reviewed the stewardship activity of Insight carried out over the Plan year and in our view, Insight was able to disclose good evidence of engagement activity. More information on the stewardship activity carried out by the Plan's investment manager can be found in the following sections of this report.

Over the reporting year, we monitored the performance of the Plan's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon Investments Limited ("Aon"). Aon's reporting includes Environmental, Social and Governance aspects ("ESG") covering buy rated investment strategies and is designed to assess whether investment managers integrate responsible investment and ESG considerations into their investment decision-making process. Ratings are updated quarterly to reflect any changes in the level of ESG integration or broader responsible investment developments.

There were no assets with voting rights held during the year.

The Plan's stewardship policy can be found in the SIP:

<https://pensioninformation.aon.com/bmwschemes/documents2.aspx>

The SIP demonstrates that,

- We recognise the importance of our role as a steward of capital and need to ensure the highest standards of governance and promotion of corporate responsibility in the underlying companies and assets in which the Plan invests, as this ultimately creates long-term financial value for the Plan and its beneficiaries.
- We regularly review the suitability of the Plan's appointed asset managers and take advice from our investment consultant with regard to any changes. This advice includes consideration of broader stewardship matters and the exercise of voting rights by the appointed managers.
- We will engage with our investment managers as necessary for more information, to ensure that robust active ownership behaviours, reflective of its active ownership policies, is being actioned.

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

Our manager's engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by Insight. Insight has provided information for the most recent calendar year available.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
Insight - Global Asset Backed Securities ("ABS") Fund	40	1,922	Environment - Climate Change; Natural Resource Use/Impact; Pollution/Waste Social - Human Capital Management Governance - Remuneration Other - Impact Bond Sustainability; Green Bond
Insight - UK Corporate Bonds	77	1,922	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights; Human Capital Management Governance - Board Effectiveness - Independence/Oversight Strategy, Financial & Reporting - Strategy/Purpose; Financial Performance; Capital Allocation

Source: Insight

Data limitations

This report does not include commentary on liability driven investments or cash because of the limited materiality of stewardship to these asset classes.

Further, this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Plan's assets that are held as AVCs.