Implementation Statement ("IS")

BMW (GB) Limited Employee Benefits Plan (the "Plan")

Plan Year End – 31 December 2025

The purpose of the Implementation Statement 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 2025 to achieve our objectives and implement our policies as set out in the Statement of Investment Principles ("SIP"). It includes:

1. A summary of any review and changes made to the SIP over the year
2. How our policies in the SIP have been followed during the year; and
3. 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.

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 August 2024, the Trustee secured a Bulk Purchase Annuity Agreement (the "Annuity Policy") with Legal & General Assurance Society ("LGAS" and the "Insurer"). The residual DB assets are invested with BlackRock in a liquidity fund to support the ongoing cashflow requirements of the Plan.

This IS does not disclose stewardship information on investments in cash funds due to the limited materiality of stewardship of this asset class.

Changes to the SIP during the year

There were no changes to the SIP during the reporting period, as the investment strategy remained unchanged.

The Plan's latest SIP can be found here:
https://pensioninformation.aon.com/bmwschemes/documents2.aspx

How the policies in the SIP have been followed

The SIP outlines a number of the Trustee's key objectives and policies. The full wording of these SIP policies can be found in the SIP (which can be accessed via the link above). In the table below we set out what has been done during the Plan year to meet the policies in the SIP.

Objective *Set an investment strategy with regards to meeting the Plan's liabilities as they fall due, plus an agreed level of outperformance relative to the required returns to meet the liabilities.*	The Trustee has insured all the Plan's past service liabilities through Bulk Purchase Annuity Agreement with LGAS. There are some surplus assets which the Trustee invests in liquidity funds to meet expected ongoing and future expenses.
Risk *The Trustee has identified a number of key risks within the investment strategy, which it monitors through a number of different means.*	Mismatching risk is now largely mitigated following the purchase of the Annuity Policy, as all past service liabilities are fully hedged across interest rate, inflation and longevity risk. The Trustee invests surplus assets within a liquidity fund, ensuring there is sufficient liquidity to meet ongoing cashflow requirements. Investment manager risk remains within the surplus assets. This is managed by quarterly manager performance monitoring. The Trustee also reviews the surplus investment strategy to ensure it is suitable. The largest risk underlying the Annuity Policy is that of LGAS defaulting. The Trustee considered the credit strength of LGAS as part of its due diligence process and on an ongoing basis.
Asset Allocation Strategy and Monitoring Investments	Following the purchase of the Annuity Policy, the Plan's risk associated with its members are fully hedged across interest rate, inflation and longevity risk, with some remaining surplus assets. The Trustee has reviewed the surplus investment strategy to ensure it invests these assets appropriately based on the future expenses, its cashflow requirements and the Trustee's objectives in relation to the surplus assets. Ongoing performance and asset allocation is monitored through reporting provided by the investment manager of the surplus assets.
Environmental, Social and Governance ("ESG") considerations *The Trustee believes that environmental, social and governance, including climate change, are important factors when making investment decisions. At the stock level, the Trustee has delegated these considerations to the investment managers, having first agreed an appropriate benchmark and investment restrictions.*	The Trustee regularly reviews the ESG related issues which may impact on the Plan's investments. As part of the insurer selection for the Annuity Policy, the Trustee considered ESG, including climate change, as part of the due diligence process. The Trustee produced the IS over the year, where ESG engagement activity across managers was reviewed for the Plan's Additional Voluntary Contributions ("AVCs")
Arrangements with Investment Managers	The Trustee monitors its investment managers on an ongoing basis as it receives quarterly reports from its investment managers.
Monitoring Investment Managers Costs	The Trustee reviews the costs of current investment managers and alternative providers to ensure the Plan receives fair value for the strategy followed.

Our Engagement Action Plan

We recognise our responsibilities as a steward of investment capital; however, we have limited ability to directly influence the Insurer's the ESG integration, stewardship policies or practices.

As part of the due diligence undertaken when selecting LGAS as the Plan's insurer, the Trustee considered ESG factors in its decision-making process. The Trustee expects LGAS to use its influence and purchasing power, where possible, to ensure that ESG factors, including climate change, good corporate governance, accountability, and positive change are appropriately considered by its underlying investment managers. Responsibility for managing the arrangements (with the exception of the residual assets) with its underlying investment manager rests with LGAS.

Should we be provided with any opportunity which we deem appropriate to influence LGAS in these areas, we will consider it and take reasonable steps. We were unaware of any such opportunity during the Plan year.

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Plan's managers use proxy voting advisers.

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 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

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support

Managers	Description of use of proxy voting advisers *(in the managers' own words)*
BlackRock (Underlying fund manager for the Fidelity funds)	Proxy research firms provide research and recommendations on proxy votes as well as voting infrastructure. BlackRock Investment Stewardship leverages Institutional Shareholder Services ("ISS") as an external proxy services vendor. ISS' electronic voting platform allows BlackRock Investment Stewardship to monitor voting activity, execute proxy vote instructions, record keep, and generate client and regulatory voting reports. BlackRock Investment Stewardship also uses Glass Lewis' services to support research and analysis. In addition to the global research provided by ISS and Glass Lewis, BlackRock Investment Stewardship subscribes to market-specific research providers including Institutional Voting Information Service in the UK, Ownership Matters in Australia, Stakeholder Empowerment Services in India, and ZD Proxy in China. Although proxy research firms provide important data and analysis, BlackRock Investment Stewardship does not follow any proxy research firm's voting recommendations. BlackRock Investment Stewardship has operational specialists on the team who are fully focused on ensuring votes cast on behalf of clients are successfully instructed, using its vendor's electronic voting platform. The controls BlackRock Investment Stewardship has in place ensure that the team identifies upcoming meetings, cast votes ahead of the voting deadline for each meeting, reconcile holdings with ballots received, and identify any uninstructed ballots.
M&G Investments ("M&G") (Underlying fund manager for the Prudential funds)	M&G use the ISS STOXX voting platform to vote and implement their voting policy through a custom voting service. As shareholder meetings arise, the custom voting service refers resolutions that contravene the voting policy. M&G also use research from ISS and the Investment Association's Institutional Voting Information Service (for UK companies) to help make voting decisions.

Source: Investment managers

Our managers' 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 the Plan's material managers. Given the significant number of funds in the DC and AVC arrangements, and none of them being material on a standalone basis, the engagement themes have been provided at firm level rather than fund level. Additionally, the managers have provided information for the most recent calendar year available.

Funds	Number of engagements		Themes engaged on at a firm level
	Fund level	Firm level	
BlackRock (Underlying fund manager for the Fidelity funds)	-	2,362	Environment - Climate Risk Management; Biodiversity Social - Talent & Culture; Health & Safety Governance - Corporate Strategy (Disclosure/Governance); Board Effectiveness and Director Qualifications; Business Oversight/Risk Management
M&G Investments ("M&G") (Underlying fund manager for the Prudential funds)	-	533	Environment - Climate change; Natural resource use/impact Social - Human and labour rights; Public health; Human capital management Governance – Remuneration; Strategy, Financial and Reporting; Board effectiveness - Other

Source: Investment managers

Data limitations

This report does not include commentary on the Annuity Policy or cash because of the limited materiality of stewardship.