

## **BMW FINANCIAL SERVICES (GB) LIMITED. SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR 2025.**

This statement sets out the actions taken by BMW Financial Services (GB) Limited during the period 1 January to 31 December 2025, pursuant to section 54 of the UK Modern Slavery Act 2015 ('the Act') to prevent modern slavery and human trafficking in our operations and supply chains. Where appropriate, it references BMW Group frameworks that BMW Financial Services (GB) Limited applies. Group-wide standards are identified as such; UK-specific activities, responsibilities and results are set out separately.

The statement considers:

- BMW Group business and supply chains
- BMW Group's approach to human rights (including slavery and human trafficking)
- The approach of the BMW Group to eliminating slavery and human trafficking from its business and supply chain

Although not all BMW Group companies are subject to the Act, BMW Group takes a group-wide approach to its human rights commitments.

### **THE BMW GROUP'S BUSINESS**

The BMW Group is one of the most successful manufacturers of cars in the world, with the BMW, MINI and Rolls-Royce premium and luxury brands. The BMW Group also holds a strong market position in the motorcycle industry and is a successful financial services provider. Our success is based on long-term thinking and responsible action. We have established ecological and social sustainability throughout the value chain, comprehensive product responsibility and a clear commitment to conserving resources as an integral part of our strategy.

The BMW Group's production network comprises 32 locations in 15 countries. Operating on a global scale, the BMW Group employed a workforce of 154,540 people at the end of the year under report.

The global sales network of the BMW Group's automobile business currently comprises 3,400 BMW, over 1,600 MINI and 147 Rolls-Royce dealerships. Currently, BMW motorcycles are sold by more than 1,300 dealerships and importers in around 100 countries.

- The ultimate parent company of the BMW Group is **Bayerische Motoren Werke Aktiengesellschaft (BMW AG)**, which was founded in 1916 and is headquartered in Munich, Germany.
- The BMW Group is a leading provider of financial services in the automotive sector. The Financial Services segment's main business is credit financing and the leasing of BMW Group brand automobiles and motorcycles to retail customers. Customers can also choose from an attractive array of insurance products.

### **SUPPLY CHAIN APPROACH – UK APPLICATION**

The organisations main product is the building and manufacture of motor vehicles.

The automotive supply chain is complex, with multiple tiers between manufacturers and raw-material sources. Our supply chains operate in local and global markets under a multi-tier system depending on the product or service required.

Where local suppliers can be used, this is preferred when consistent with quality, cost and sustainability requirements. Procurement is conducted centrally by the BMW Group Purchasing & Supplier Network. For UK-relevant categories and services, we apply a risk-based approach comprising:

- ❖ Standardised supplier self-assessments (SAQs) and contractual incorporation of the BMW Group Supplier Code of Conduct.
- ❖ Risk-based on-site audits/assessments for higher-risk suppliers.
- ❖ Binding corrective action plans (CAPAs) with deadlines and verification of effectiveness. Locality alone is not used as a proxy for modern slavery risk reduction.
- ❖ Suppliers are sourced centrally through a tender process by the BMW Group Purchasing and supplier network departments.
- ❖ To improve visibility in this area for the BMW Group, we conduct Online Assessments (Self-Assessment Questionnaires) on our Tier 1 suppliers to establish their commitment and capacity in operating compliant and sustainable business practices including partnerships with their own supply chains to reduce the likelihood or impact of Modern Slavery and Human Rights abuses. We request our Tier 1 suppliers to pass their obligations from the Supplier Code of Conduct onto their Tier 1 suppliers, to ensure that they also have required Human Rights and Modern Slavery policies and procedures in place.
- ❖ Our suppliers of direct and indirect goods and services are responsible for the largest share of our value creation, and we place great emphasis on them to safeguard social and legal standards by way of our Supplier Code of Conduct and International Purchasing Terms and Conditions.

## THE BMW GROUP'S COMMITMENT TO HUMAN RIGHTS INCLUDING SLAVERY AND HUMAN TRAFFICKING

- ⇒ The BMW Group takes its social responsibility seriously. Our corporate culture is based on the values of openness, appreciation, trust, transparency and responsibility; our corporate governance is aligned with ethical principles. Various internationally recognised guidelines serve as guidance for dealing with employees in a socially sustainable manner and for ensuring social standards.
- ⇒ In December 2022, we published our "[Policy Statement on Respect for Human Rights and Corresponding Environmental Standards](#)". This sets out our commitments, due-diligence procedures, risks identified and expectations of employees and suppliers.
- ⇒ The BMW Group is supportive of initiatives to standardise sustainability requirements and introduce monitoring mechanisms, for example in mining and the processing of critical raw materials. We see a high risk for modern slavery in these areas. The BMW Group is therefore an active member in the major networks on human rights, including:
  - UN Global Compact – the world's largest initiative for responsible corporate leadership.
  - Econsense – Forum for Sustainable Development of German Business.
  - Drive Sustainability – The European Business Network for Corporate Social Responsibility.
  - Responsible Business Alliance – Industry coalition dedicated to corporate social responsibility in global supply chains.
  - Industry Dialog Automotive for Business and Human Rights of the German government.
  - German Institute for Compliance – Leader of the working group Human Rights.

In addition, the BMW Group participates in various cross-sectoral initiatives for example:

- ✓ Aluminium Stewardship Initiative - for environmental, social, and human rights standards in aluminium production (ASI); and,
- ✓ Responsible Minerals Initiative – a framework to enable member companies to identify and address potential adverse impacts arising from their business activities related to extraction, transportation, and manufacturing of minerals.

For more information on our activities in raw materials and standardisation initiatives, see our current [BMW Group Report](#)

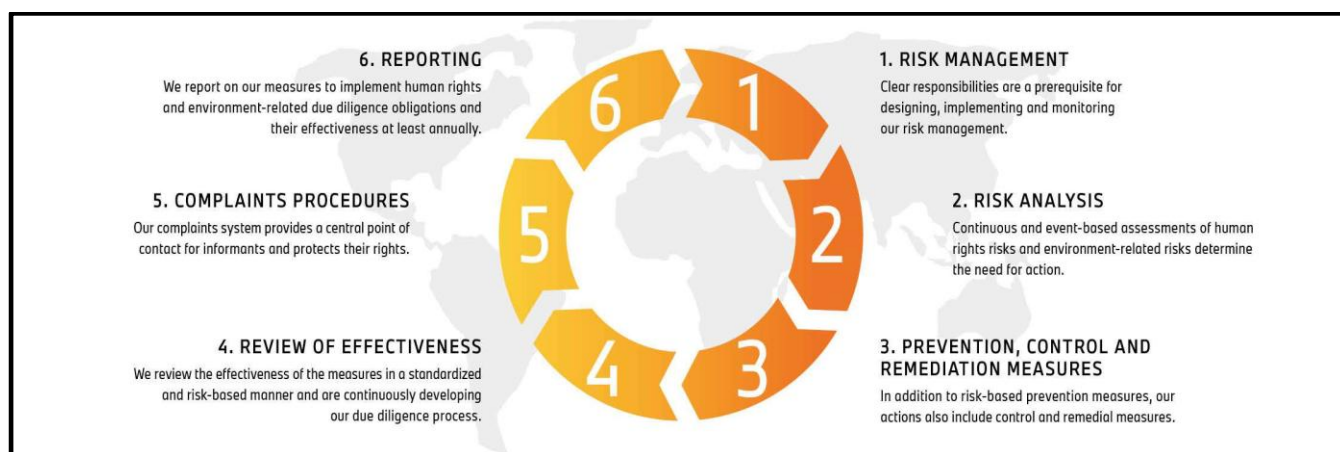
2025 and our website [here](#).

## THE BMW GROUP'S DUE DILIGENCE PROCESS FOR HUMAN RIGHTS (INCLUDING SLAVERY AND HUMAN TRAFFICKING)

BMW Financial Services (GB) Limited is part of the BMW Group and subject to the UK Modern Slavery Act. In this statement, we distinguish between:

- Measures and results specific to BMW Financial Services (GB) Limited (UK-relevant and Section 54 compliant), and
  - BMW Group frameworks (policies and due-diligence processes) adopted in the UK context.
- Where group processes are described, we explain their concrete application in the UK.

We have established appropriate due diligence processes to ensure compliance with social and environmental standards – both within our own company and in our relationships with suppliers and other business partners. We are guided by internationally recognized standards, including the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights and the Ten Principles of the UN Global Compact. The associated demands of our company, our supply chain and our other business partners are anchored at the BMW Group through internal guidelines.



- BMW Group Policy Statement on Respect for Human Rights and Corresponding Environmental Standards [here](#)
- BMW Group Code on Human Rights and Working Conditions [here](#)
- Joint Declaration on Human Rights and Working Conditions [here](#)
- BMW Group Code of Conduct [here](#)
- BMW Group Supplier Code of Conduct [here](#)

To fulfil our responsibility, the BMW Group relies on cooperation with our employees, our business partners, and our suppliers – because the only way to address the risks in our supply chain effectively is by working together.

That is why our approach to compliance with human rights and environment-related standards applies to:

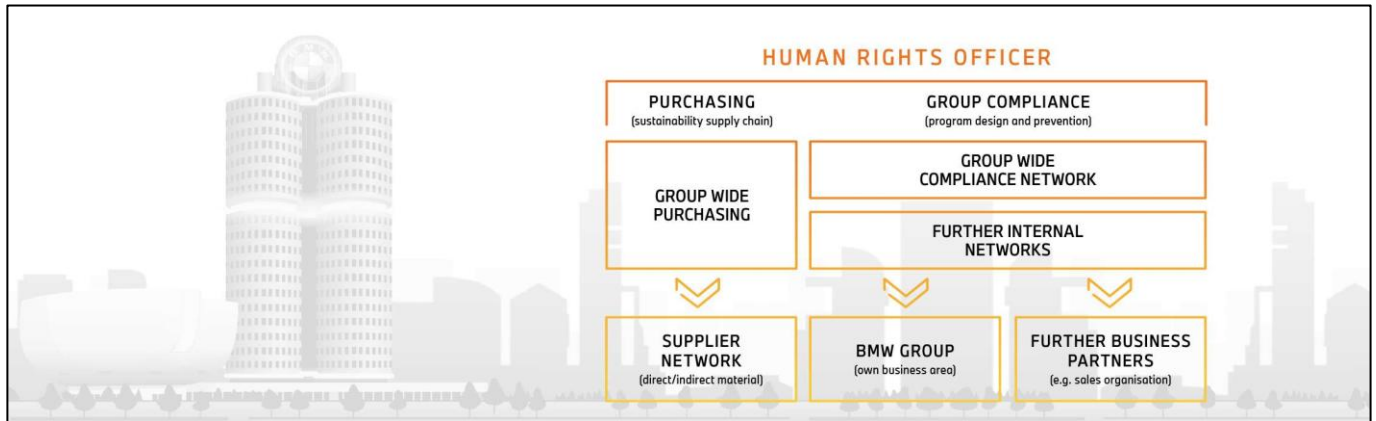
- our own business area
- our suppliers
- and our other business partners.

## RESPONSIBILITIES AND GOVERNANCE

Responsibility for meeting human rights and related environmental standards sits with the relevant functions and operating units. In the UK:

- A central UK Compliance Manager coordinates modern slavery and human rights topics, oversees UK-specific processes and reports to UK senior management.

- ✚ The BMW Group Chief Compliance Officer acts as the Group's Human Rights Officer; BMW Financial Services (GB) Limited applies group frameworks and supplements them with UK-specific controls.
- ✚ Mandatory training for UK risk-exposed roles (e.g. Procurement, Facility Services) and regular internal communications reinforce awareness. UK training coverage rates are reported.



## RISK ASSESSMENT - UK FOCUS AND TERMINOLOGY

We assess -

- ✓ Potentially affected groups (own employees, workers of business partners and suppliers, local communities).
- ✓ Geographic, sector and category risk drivers (e.g. labour conditions, subcontracting, raw-material exposure). For the UK, service suppliers (e.g. security, cleaning, catering, agency workers) are prioritised given elevated risk factors (shift work, outsourced labour, multi-tier subcontracting). Regulatory developments are continuously reflected in the methodology.

### Preventive, Control and Remedial Measures — Escalation Path

We deploy preventive and control measures and apply a clear escalation pathway.

- ✓ Prevention - Contractual clauses (Supplier Code of Conduct), mandatory policies on working conditions and human rights, training and supplier communications.
- ✓ Controls - SAQs, risk-based audits, CAPA follow-up with deadlines and effectiveness testing.
- ✓ Remediation/escalation - Priority non-conformities require CAPAs with defined timelines; failure to remediate triggers staged sanctions (e.g. blocking new awards, temporary suspension, termination).

Zero tolerance means that serious breaches without timely remediation leads to suspension or termination. In 2025, no existing relationships were terminated for severe ESG violations; remediation packages were implemented and verified. Relevant case numbers and outcomes are reported in KPIs.



## VERIFYING EFFECTIVENESS

- Our due diligence processes are designed to identify human rights and environmental risks, as well as adverse impacts, with a focus on effectively preventing, halting or minimizing such risks. Assessing the effectiveness of our due diligence processes and measures at regular intervals is crucial to maximizing our efficiency – because a measure can only be deemed effective if it improves, or helps improve, environmental protection or the situation of rights-holders.
- Our effectiveness analysis not only evaluates whether implemented risk management processes remain compliant with the German Supply Chain Due Diligence Act, but also whether they are seamlessly integrated and successfully executed. It provides information on whether the measures are achieving the intended risk reduction or remedial effect. We can continuously refine our processes based on this information.
- Suppliers who fail to meet the minimum requirements of BMW Group in line with International Standards and in accordance with legal requirements are given additional support to ensure compliance and must adhere to corrective actions issued. The BMW Group has a zero-tolerance approach for non-compliance in ensuring basic human rights and sustainability mechanisms throughout our supply chains.

## GRIEVANCE MECHANISMS – OUTCOME FOCUS

- Multiple channels are available for internal and external whistleblowers to raise concerns about potential human rights violations and breaches of environmental standards. Confidentiality and protection of whistleblowers is a priority; grievances can be reported anonymously. We do not take steps to identify anonymous informers.
- We provide confidential and anonymous channels (SpeakUP Line, Ombudsperson, Human Rights Contact Supply Chain). For the UK, we report intake volumes, substantiation rate, average handling time, remediation actions and verification of effectiveness. Process KPIs and anonymised case examples evidence functionality.
- The BMW Group ombudsperson can be contacted by email - [bmw-ombudsperson@hvc-strafrecht.de](mailto:bmw-ombudsperson@hvc-strafrecht.de). For any queries relating to reports of possible infringements of BMW Group sustainability policies in the supplier network, the contact email address is [humanrights.sscm@bmwgroup.com](mailto:humanrights.sscm@bmwgroup.com).

## INTEGRATION AND PROCESS EVOLUTION – EFFECTIVENESS

- ✚ Responsible supply chain management is integral to good corporate governance. Our partner selection is based on quality, innovation, flexibility, cost and sustainability. Obligatory sustainability standards are embedded in all supply contracts. We rely on systematic risk analyses and on-site audits integrated into our business processes. The elimination of identified risks up to start of production is a prerequisite for commissioning a supplier.
- ✚ A multi-stage due diligence process has been established across all relevant areas of the organization to delineate our responsibility for the supplier network. We rely on systematic risk analyses as well as prevention, empowerment, and remediation measures. We use standardized online assessments and on-site audits that are integrated as part of our business processes.
- ✚ Since 2014, the Drive Sustainability questionnaire has been integrated into procurement. Based on recent insights, standalone SAQ campaigns are being replaced by an integrated due-diligence model (combining SAQs, contractual obligations, risk-based on-site assessments and CAPA verification) that improves outcomes (e.g. fewer repeat non-conformities, higher CAPA completion rates). Roll-out continues in 2024/2025 in UK subsidiaries for high-risk product and service groups.

## INCREASING TRANSPARENCY AND MINIMISING RISKS

The increase in transparency and resource efficiency in our supply chains is based on compliance with environmental and social standards, defined in the BMW Group Supplier Code of Conduct. The code summarizes BMW Group's requirements and expectations for the global supplier network, in accordance with internationally recognized sustainability standards and guidelines. We expect our business partners to comply with all legal requirements, protect the Environment and respect human rights. The Supplier Code of Conduct is enshrined by contract as an integral part of the company's purchasing terms and conditions.

The Supplier Code of Conduct summarises our requirements and expectations for the global supplier network in line with internationally recognised standards (UN Global Compact, ILO core labour standards). We expect business partners to comply with legal requirements, protect the environment and respect human rights.

## WORLDWIDE EVALUATION OF RELEVANT SUPPLIER LOCATIONS

The BMW Group has defined minimum requirements for supplier locations throughout its global value chain. For example, these minimum requirements include the implementation of preventive measures to minimize the potential negative impact for parties involved, such as the supplier's employees. Compliance with these requirements is verified using the Drive Sustainability questionnaire.

The due diligence activities are integrated into the business process. The aim is to implement prevention measures to minimize human rights violations by the time all our immediate suppliers start production.

Preventive measures we require, depending on company size include:

- ✓ An appointed member of management with responsibility for social sustainability
- ✓ The publication of a CSR / sustainability report
- ✓ Code of Conduct
- ✓ A policy on working conditions and human rights
- ✓ An occupational health and safety policy
- ✓ A certified occupational health and safety management system according to ISO 45001 or comparable
- ✓ Supplier Sustainability Policy communicated to subcontractors which includes prohibition of:
  - Child labour and young workers
  - Modern slavery (i.e., slavery, servitude and forced or compulsory labour and human trafficking)
  - Harassment and non-discrimination

In the period under review, we assessed 7,891 (2024:12,078 / 2023: 7,650 / 2022: 7,183 / 2021: 5,101 / 2020: 3,220) nominated and potential supplier locations based on the industry-wide Drive Sustainability questionnaire worldwide. Our focus is on suppliers with a large tendering volume.

Minimum requirements for supplier locations include preventive measures to minimise potential negative impacts on workers. Compliance is verified using the Drive Sustainability questionnaire. Due-diligence activities are integrated into the business process to ensure preventive measures are implemented by the time immediate suppliers start production.

### Sustainability assessment of relevant supplier locations — 2025 highlights

- ✓ Proportion of production material suppliers with preventive measures implemented at award: **84%** (2024: 79%/ 2023: 55%)
- ✓ Proportion with agreed preventive measures at award: **10%** (2024: 17 % / 2023: 31%)
- ✓ **102 on site audits/assessments** conducted (2024: 132 / 2023: 95 / 2022: 49)
- ✓ **32 of 36 follow ups** confirmed redress of priority non-conformities; A follow up on-site assessment is planned for all four cases.
- ✓ No supplier relationship was terminated due to severe ESG violations in 2025.
- ✓ 27 indications of potential violations reported: 10 closed by year end.

### KPIs and effectiveness clarification

We distinguish substantiated vs. unsubstantiated cases and the remediation taken. Outcome metrics accompany outputs (e.g. reduction in repeat non-conformities, CAPA effectiveness rate, median time from report to remediation). UK-specific KPIs are presented separately.

## UK EVALUATION OF HIGH-RISK SUPPLIERS

We consistently evaluate high risk UK service suppliers (e.g. parts distribution, agency labour, lifestyle products, maintenance, security, cleaning, catering, landscaping). In 2025, 36 suppliers were identified as high risk. Their sustainability performance, especially observance of human rights and prohibition of forced labour, human trafficking and child labour, is monitored.

Among the 36 suppliers:

- 28 suppliers already fulfil our minimum requirements on environmental, social, and compliance/governance related aspects.
- 4 suppliers have yet to agree with the BMW Group on a deadline for implementing preventive measures. However, among these suppliers:
  - 4 suppliers fulfil the requirement of appointing a management person responsible for social sustainability,
  - 4 suppliers have a code of conduct,
  - 4 suppliers have a policy on working conditions and human rights,
  - 2 suppliers have defined requirements for their suppliers that include the prohibition of modern slavery,
  - 3 suppliers have established communication channels for CSR/sustainability requirements
- The 4 remaining suppliers have already been contacted to identify possible risks as part of our process.

The lower number of high-risk suppliers (36) compared with last year (105) is due to the different selection of commodities provided in the updated process description.

In addition, this year there are no suppliers in the roster that have agreed on a deadline for implementing preventive measures and are currently in the implementation phase.

### UK high-risk supplier programme — Outcomes

Beyond minimum-requirement status (policies, codes, designated responsibility), we report outcome metrics:

- Share of high-risk suppliers closing priority non-conformities within defined timelines.
- UK risk-score trend over 12 months.
- Rate of CAPAs verified as effective in the UK cluster.  
This strengthens the link between preventive measures and actual risk reduction.

### TRAINING– COVERAGE AND EFFECTIVENESS

We offer a wide range of sustainability training programmes for purchasers, internal process partners and suppliers. Content and format are reviewed annually with specialist departments and adjusted where necessary. After the adoption of the UN Guiding Principles, the BMW Group implemented comprehensive employee training. In 2025, web-based training continued as part of BMW (UK) Manufacturing Limited's annual mandatory programme.

⇒ For the UK, we report coverage by target group, pre-/post-testing to verify knowledge and correlations with process/audit outcomes (e.g. fewer CAPA failures), demonstrating effectiveness beyond attendance.

### UK ORGANISATIONAL ENHANCEMENTS

In 2024, a new centralised compliance function was formed within the UK, creating a uniform approach on the respective elements. A specialist Compliance Manager has been appointed to oversee topics relating to human rights and modern slavery, which allows us to better coordinate, collate and communicate updates and changes to the wider business and implement robust processes in conjunction with the BMW Financial Services (GB) Limited Compliance team. We have managed to successfully review and scope out market challenges, new regulatory and legal updates relating to human rights and modern slavery topics and, ensure these are embedded into our policies, trainings and supply chain management.

*M Dennett*

M Dennett (Jun 16, 2026 17:55:11 GMT+1)

Mike Dennett  
Chief Executive Officer  
BMW Financial Services (GB) Limited  
Date **16/06/2026**

*Ursula Wingfield*

Ursula Wingfield (Jun 24, 2026 16:17:51 GMT+1)

Ursula Wingfield  
Chief Financial Officer  
BMW Financial Services (GB) Limited  
Date: **24/06/2026**

#### COMPANY REFERENCES.

- Our policy **Respect for people and the environment** contains all relevant information for this topic on our website [here](#).
- More information about the BMW Group **Complaints Mechanism** is published [here](#).
- Our policy, the **Joint Declaration on Human Rights and Working Conditions in the BMW Group**, has been adopted by the BMW AG's CEO with Works Council assent in 2005, reconfirmed in 2010. The document is available on our website [here](#).
- The **BMW Group Report 2025** is published on our website [here](#).
- The **BMW Group Code on Human Rights and Working Conditions** is published on our website [here](#).
- The publicly available **BMW Group Supplier Code of Conduct** outlines principles we require our suppliers to adhere to including respect for human rights, as published on our website [here](#).
- The **Supplier Code of Conduct** is incorporated into our **International Purchasing Terms and Conditions** [here](#) and our **General Terms and Conditions** [here](#).
- Further information regarding our sustainability requirements for BMW Group suppliers can be found in our documentation: **Sustainability Questionnaire for Suppliers** [here](#).