

Alphabet (GB) Limited

Section 172 (1) Statement

Section 172 of The Companies Act 2006 states that a director of a company must act in the way it considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing so a director of a company must have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and the environment;
- The desirability of the company maintaining a reputations for high standards of business conduct; and
- The need to act fairly as between members of the company.

The Directors have received guidance and training from the Company Secretary and the Institute of Directors in order to support the performance of their statutory duties and have been briefed on the additional reporting requirements introduced by the Companies Act (Miscellaneous Reporting) Regulations 2018.

The following summarises how the Company's board (the "Board") fulfils its duties under Section 172.

Decision Making

The Board considers and assesses how the Company creates and preserves value over the long term by assessment of opportunities presented by the changes in customer behaviour, regulation, and opportunities and challenges presented through multiple sales channels. Consideration of opportunities for the Company are assessed against associated risks.

The Board engages with a variety of stakeholders, including customers, employees, regulators, and suppliers, to inform and enable balanced decisions that incorporate multiple viewpoints, whilst maintaining the Company's Strategy. In making decisions the Board considers outcomes from engagements with stakeholders as well as the importance of maintaining the Company's integrity, brand and reputation.

The Board fulfils its duties to act in good faith to promote the success of the company through its implementation of Strategy Number One > Next. As part of the Company's Strategy Number One > Next, the Board aims to actively shape and define the transformation to a technology company with a customer-centric approach to providing premium mobility and services. This will enable the Company to achieve the strategic vision 'To become the leading provider for outstanding business mobility'.

The Board ensures that strategic initiatives feed directly into one or more of the following fundamental ambitions - to be easy to do business with, to be accessible across all channels and, crucially, to be at all times customer centric. The Board reviews and considers the various stakeholders when arriving at recommended business decisions consistent with the strategy.

In 2019 the Board implemented a customer focused programme that included all associates within the Company. In response to feedback from customer service surveys that ease of doing business is a key driver of satisfaction, the Board required all staff to attend training and prepare team action plans focused on improving customer interactions.

For further details on how the Company is managed please see the Corporate Governance Statement in the Directors' Report.

Employee Engagement

The Company's workforce is its most valuable asset and the Company's employees are fundamental to the success of the business. The Company invests in training development, coaching and skills acquisition to ensure the required knowledge and behaviours are aligned with the Company's strategy and values.

Examples of the Board's engagement with employees during 2019 include:

- Quarterly Business Briefings conducted on the campus site in Farnborough (Campus). Senior managers attend these briefings with the workforce and constantly review the way in which information is provided to ensure engagement with employees. The briefings give employees a platform to raise questions and put suggestions to the senior management team.
- Employees were invited to participate in an online Global All Employee Survey which helps the Company to assess employees concerns and aspirations.
- The Company has an Employee Consultation Forum. The aim of the forum is to provide a two-way communication process, involving and engaging employees through consultation, enabling them to contribute to the success of the business.
- The Company and the other Group companies on the Campus have created "Campus Trust" whose purpose is to be the guardians of the continued cultural journey and seek synergies between the companies on Campus.
- A Diversity and Inclusion Survey was carried out by the Company. The survey raised awareness of the initiatives and the various Diversity and Inclusion focus groups there are across our Campus.

For further details on how the Company engages with its workforce please see the Employee Engagement Statement in the Directors' Report.

Business Relationships

Stakeholder engagement is important to the Company and the BMW Group as a whole. The Board engages with a diverse group of stakeholders, including customers, suppliers, government, regulators and trade bodies. The views, decisions and actions of our stakeholders have a considerable impact on our business.

Examples of the Board's engagement with stakeholders during 2019 include:

- Receiving regular customer feedback and insights generated by a number of feedback loops, including Net Promoter Scores (NPS) and Quality Assurance Programmes, such as the Company's 'Customer Committee' which ensures outstanding customer care is a strategic priority and the 'Voice of the Customer' is prominent during executive decision-making.
- Working in close partnership with third party suppliers across all aspects of the relationship and value chain - from initial vehicle supply and procurement with Retailers and Partners, through to 'in life' fleet management (such as breakdown, service and maintenance or tyre/glass replacement) and ultimately asset remarketing and disposal operations.
- Having dedicated procurement and supplier management functions and procedures in place which are responsible for performance and quality management, as well as regular competitive tendering to ensure 'best in class' supplier network.
- Prioritising compliance with the FCA's Senior Management and Certification Regime. Measures undertaken included training of all relevant staff on the requirements of the FCA's Conduct Rules, additional training for those Associates defined by the Company as 'Certified Individuals' and for those holding Senior Management Function designation, including all Board members.
- Engaging in regular exchange with HM Government and its various departments, UK and international NGOs, trade bodies and industry associations as well as universities and other stakeholders in academia.
- Engaging with regulators both at an industry level through trade associations for example the British Vehicle Rental and Leasing Association ("BVRLA") and at an operational level.

For further details on how the Company engages with its stakeholders please see the Stakeholder Engagement Statement in the Directors' Report.

Community and Environment

As part of the BMW Group, the Company has sustainability and environmental care firmly embedded in the company's culture and corporate strategy. The Company strive to pursue BMW Group's mission to be the most sustainable premium provider of individual mobility, for society & the environment. Sustainability runs through all aspects of our business, from energy-saving, recycling and resource-sharing policies in our offices, employee orientation and social commitment, and ultimately flowing into the products and services we bring to customers.

Corporate Social Responsibility is important to the Company and it undertakes many initiatives in this area. Below are some examples of the Company's 2019 actions:

- Working with the Institute of Customer Service on the Company's 'Effortless Experience' programme and helping to benchmark performance beyond the finance and mobility industry.
- Supporting BEN, a not-for-profit organisation that partners with the automotive industry to provide support and advice and runs a Macmillan neighbours programme where trained employee volunteers can help steer other employees towards Macmillan, who may be suffering either themselves or within their wider families.
- The Company's employees have completed over 800 hours of volunteering, supporting the local community including painting projects in local schools, garden clearance and many more local initiatives.
- There is a food bank on Campus to donate to the local community where we collected over 205kg of food donations and we also displayed a festive gift giving tree where you can buy a present and leave under the tree for Children in the local community.
- Supporting a British Heart Foundation Clothes Bank to raise money for the Foundation and this has been a long standing relationship.
- The BMW Group has a long established commitment to supporting education across the UK through BMW Education <https://bmweducation.co.uk/>. The programmes are informative, engaging and accessible to everyone free of charge.

For further details please see the Corporate Governance Statement in the Directors Report.

Culture and Values

The Company's culture is characterised by clear responsibility, mutual respect and trust. Lawful conduct and fair competition are integral to the Company's business activities and an important condition for securing long term success. The Company's primary goal is to avoid risks which could jeopardize the trust which customers, shareholders, business partners and the general public place in the BMW Group. The Company is focused on people, with customers being at the heart of the Company's business.

The Company embraces diversity, flexibility, sustainability and continuous improvement throughout the organisation. It has a customer centric philosophy with transparent, fair and simple processes. The Company's policies are designed to support the Company culture with guidelines cascaded from the ultimate parent, BMW AG.

The Company recognises that long term success is founded on the culture of the organisation. The aim is to be customer-centric and select the best talent to ensure the longevity and success of the organisation and to be considered one of the top employers in the UK.

Extracts from the Directors' Report

Corporate Governance Statement

This report comprises the Corporate Governance Statement for Alphabet (GB) Limited ("Company") required under The Companies (Miscellaneous Reporting) Regulations 2018 for the Financial Year 1st January 2019 to 31st December 2019 ("Financial Year").

The Company has not applied a specific corporate governance code during the Financial Year however as a subsidiary of BMW AG, its ultimate German parent company, it operates in accordance with its parent company's corporate governance expectations. BMW AG adopted its own corporate governance code based on the German Corporate Governance Code ("Code") in 2002. The Code (updated in 2019) sets out how German listed companies should be organised and seeks to formulate recognised standards for good and responsible governance. The Code seeks to promote the trust of investors, customers, employees and the general public in the management and supervision of German listed companies. The Board of Directors of the Company therefore manage the Company in accordance with BMW Group policies in relation to corporate governance, compliance and risk management.

Although the Company has not adopted a UK specific corporate governance code, the Company's Board of Directors ("Board") have considered The Wates Principles and in this statement the Company has set out how the Company has aligned itself to these governance principles in the Financial Year.

Purpose, strategy and values

The Company provides a wide range of mobility solutions to customers through several distribution channels in the United Kingdom ("UK"). Its mobility solutions include vehicle funding and other associated products and services.

The Company's strategy is based on BMW AG Strategy called "Strategy Number One > Next". As part of "Strategy Number One", the Company will actively shape and define the transformation to a technology company for premium mobility and services. As a driver of innovation BMW AG and the Company is playing a leading role in the automotive industry of the future. Digitalisation opens up new opportunities to take individual mobility to the next level - electric, connected and autonomous.

Strategy Number One > Next means a vision to shape tomorrow's individual mobility with a strategic approach of leveraging innovative technologies, digitalisation and sustainability to deliver unique customer experiences and offer the best solutions to the individual customers' mobility needs. It also means having a competitive advantage by having the most emotional products, attractive services and having a corporate culture to create the future with operational excellence.

The Company's vision has been developed to provide a framework which engages employees to deliver the best outcomes for the Company's shareholders, employees and customers.

Culture

The Company's culture is characterised by clear responsibility, mutual respect and trust. Lawful conduct and fair competition are integral to the Company's business activities and an important condition for securing long term success. The Company's primary goal is to avoid risks which could jeopardize the trust which customers, shareholders, business partners and the general public place in the BMW Group. The Company is focused on people, with customers being at the heart of the Company's business.

The Company embraces diversity, flexibility, sustainability and continuous improvement throughout the organisation. It has a customer centric philosophy with transparent, fair and simple processes. The Company's policies are designed to support the Company culture with guidelines cascaded from the ultimate parent, BMW AG.

The Company recognises that long term success is founded on the culture of the organisation. The aim is to be customer centric and select the best talent to ensure the longevity and success of the organisation and to be considered one of the top employers in the UK.

There are 5 core values which the whole of the BMW Group including the Company adhere to and these are Responsibility; Appreciation; Transparency; Trust and Openness. These five core values encompass principles of action which define the framework for cooperation within the BMW Group of companies. Based on these core values the Company prides itself in a collegiate atmosphere of mutual trust and understanding. Employees are fully engaged with the business and there is a culture of openness and authenticity.

The Board and senior management have taken active steps to drive cultural change and to ensure corporate strategy and customer orientation principles and values are embraced across the organisation.

A brand new employee cultural identity was developed in recent years encouraging associates to be authentic, inspirational and creating an environment where people feel valued. At the heart of authenticity is the deep set of ethics, values and trust.

All of these cultural and value based initiatives are reviewed by the Board of Directors of the Company and the Management Committee and communicated to the business as a whole at regular business briefings.

Board Composition

The Board of the Company consists of two statutory directors, being Nick Brownrigg, the Chief Executive Officer (CEO), Stefan Oswald, the Chief Financial Officer (CFO) (both locally based in the UK).

The board of Company consisted of three statutory directors for the period 1st January 2019 to 1st September 2019. John Chuhan, Chief Risk Officer (CRO) resigned as a Director on 1st September 2019.

The Board combines global experience inside and outside the BMW Group in different business areas ensuring that Board decisions incorporate diverse perspectives.

All members of the Board are designated Senior Management Functions by the FCA. All employees in a Senior Management Function must be approved by the FCA before they commence the role, and must pass an annual check that they remain fit and proper to undertake the role.

Independent assurance is provided by the BMW Group Internal Audit Department and BMW Group Legal (UK).

Committees of the Board

The Company is managed by the Board, its Executive Management Committee and five other Committees. The Executive Management Committee which meets bi-weekly manages the Company's business. The Executive Management Committee works to:

- Ensure that customers are treated with fairness and respect and that good customer outcomes are achieved;
- Ensure compliance with laws and regulation;
- Manage company's risk;
- Ensure employee engagement and change management initiatives are designed to achieve strategic objectives;
- Promote the sustainable success of the Company for the benefit of the members as a whole taking consideration of all the Company's stakeholders, its corporate social responsibilities and the environment the Company operates in;
- Approve strategic objectives, initiatives and long-range planning in line with our parent company, BMW AG;
- Ensure that the necessary financial and other resources are made available to ensure objectives are achieved;
- Monitor progress towards achievement of strategic objectives; and
- Ensure organisational and structural changes are carried out in line with strategic objectives;
- Operate within a framework of effective systems of corporate governance and internal controls appropriate to the environment in which it operates, which enable the assessment and management of opportunities and risks.

The Board and Executive Management Committee have delegated appropriate matters to: a Local Credit Committee, National Risk Committee, Commercial Committee, Operational, Projects & Change Committee and Compliance Committee (the "Sub-Committees"). Sub-Committees act to work on detailed topics which would be too time consuming for the Executive Management Committee and provide appropriate challenge to the Executive Management Committee and the Board in their areas of expertise. The CEO acts as Chairman of the Executive Management Committee and with the support of the CFO and General Counsel oversees the efficient and effective operation of the Company's Board and its Committees. This includes consideration of the size and structure of the Board, Executive Management Committee and Sub-Committees so that they are appropriate to meet the strategic needs and challenges of the organisation and enable effective decision-making. Consideration is given to the balance and diversity of the Board and all its Committees.

The Company has adopted a Diversity and Inclusion Policy and through the application of this Policy the Company aims to ensure everyone is treated fairly and equitably and there are arrangements in place to prevent discrimination in the workplace. The Company is committed to encouraging diversity being inclusive and preventing discrimination amongst the workforce. This is promoted through a number of in house network groups which cover a range of subject areas such as mental health and disability. Whilst the Company does not have any independent non-executive directors, the Chairman of the Board acts in a capacity largely independent of the day to day management of the Company's business. In addition the Company frequently makes use of a large internal audit function who audit different parts of the Company's business to ensure operation in accordance with relevant Company policies and procedures and laws and regulations.

The Management Committee comprises the CEO and the most senior managers in the areas of Finance, Operations, Commercial, Risk and Compliance. The effectiveness of Management Committee members and members of the Sub-Committees is measured via the Company's annual appraisal process (known as "Portfolio") where all employees are reviewed against their objectives which include continuous professional development. Strengths and weaknesses are discussed against a backdrop of feedback from key stakeholders. A rating is given with development goals followed up.

Each Committee has its own terms of reference and a formalised approach with an agenda circulated in advance, minutes taken, voting rules and escalating processes. Each Committee has a Secretary who ensures the timely distribution of materials prior to meetings and works to ensure the accuracy of documents submitted to the Committees for consideration and approval. The Chairperson of a Committee reports key matters at the Management Committee who also reviews minutes of all sub-committee minutes.

Sustainability

Sustainability and responsibility for the environment is firmly embedded in the Company's culture and corporate strategy. The Company has implemented sustainability throughout its value chain. In addition to reducing CO2 emissions the strategy focuses on achieving continuous progress in areas such as environmental protection, supply chain sustainability, employee orientation and social commitment.

Sustainability forms an important part of our Number One > Next strategy. The Company is an active participant in HM Government "Go Ultra Low" campaign.

Opportunity and risk

Opportunity

The Board considers and assesses how the Company creates and preserves value over the long term by assessment of opportunities presented by the changes in customer behaviour, regulation, taxation, opportunities and challenges presented by new finance concepts for mobility services such as car sharing, short term rental and subscription models.

Risk

The Company has an internal control system which follows a BMW Group Internal Control system methodology ("ICS") to ensure it has appropriate and effective internal controls integrated and applied in its processes so as to maintain correct and reliable financial and accounting records and to comply with legal requirements. The CFO is responsible for ensuring the operation of the ICS including, but not limited to, ICS training, control measures, key control indicators, management reporting and roles and authorisation concepts. Risks are monitored and managed at an operational level through the National Risk Committee. There are clear roles and responsibilities within this Risk management system set out in the Company's Risk Management Policies.

The Company's policies are determined by its Management Committee and drafted by or under the supervision of the Management Committee member with responsibility for the area covered by the policy. The BMW Group operates a four eye principle throughout the Group. Under this requirement all documents with binding content must be reviewed and signed by two signatories with appropriate levels of authority to bind the relevant company delegated to them by the board of that company."

Employee Engagement Statement

Workforce

Our workforce is our most valuable asset. We invest in training development, coaching and skills acquisition to ensure the required knowledge and behaviours are aligned with the Company's strategy and values. It is important for our employees to feel connected to the Company's purpose. Through quarterly Business Briefings conducted on the campus site in Farnborough ("Campus") we seek to ensure our purpose and the important role employees have is clearly communicated. Senior managers attend these briefings with the workforce and constantly review the way in which information is provided to ensure engagement with employees. The briefings give employees a platform to raise questions and put suggestions to the senior management team.

In the Financial Year employees were invited to participate in an online Global All Employee Survey which helps the Company to assess employees concerns and aspirations, with a significant improvement in engagement compared to the 2017 survey. The key aspects of the survey relate to leadership, team, strategy, processes, and culture and employer attractiveness.

The Company has an Employee Consultation Forum. The aim of the forum is to provide a two-way communication process, involving and engaging employees through consultation, enabling them to contribute to the success of the business. It also offers management the opportunity to consult over business related issues and gain commitment to change. The forum discusses business wide issues impacting employees, provides key information on employment policies and terms of employment, serves as a central communication channel for employees and is an important mechanism of communication between management and employees.

The Company and the other Group companies on the Campus have created "Campus Trust" whose purpose is to be the guardians of the continued cultural journey and seek synergies between the companies on Campus. The Campus Trust guides the cultural development of the Campus and aims to make it a successful and happy place to work in. It does this through living and breathing the 5 core values of Responsibility, Appreciation, Transparency, Trust and Openness and through the Employee Identity "What Moves You", which encourages everyone to be authentic, inspirational and collaborative.

Diversity and Inclusion

The Company has adopted a Diversity and Inclusion Policy and through the application of this Policy the Company aims to ensure everyone is treated fairly and equitably and there are arrangements in place to prevent discrimination in the workplace. The Company is committed to encouraging diversity, being inclusive and preventing discrimination amongst the workforce and these commitments extend to recruitment and selection, training, career development, flexible working arrangements, promotion and performance appraisal. This is promoted through a number of in house network groups which cover a range of subject areas such as mental health and disability.

In the Financial Year a Diversity and Inclusion Survey was carried out by the Company. The survey raised awareness of the initiatives and the various Diversity and Inclusion focus groups there are across our Campus. The ethos of Diversity and Inclusion means the Company is very supportive of individuals to achieve their full potential regardless of physical ability. In the event of Associates becoming disabled, every effort is made to ensure that their employment with the Company continues and to provide specialised training where this is appropriate. Examples of initiatives that the Company is working on include: supporting an accessible campus; promotion of quiet spaces; inclusive leadership; disability awareness and becoming a disability confident employer.

There is a PRIDE network group which supports the Company's LGBT community. The Company was represented at the PRIDE parade in London this Financial Year. Other campus groups include a group supporting working parents and part time workers called, "Timewise". The Survey also looked at culture and ethnicity. The Company is looking to create more awareness around BAME and engages with external organisations to benchmark and see how their network groups are supporting this issue. The Company has a focus group called "Minds Matter" which brings together passionate employees from the BMW community who seek to drive cultural change surrounding issues of mental health.

Recruitment

The Company is an equal opportunities employer of around 400 staff. Recruitment decisions are based upon the match of the individual's competencies, skills and knowledge to the requirements of the role. A variety of selection methods are used for both internal and external recruitment including assessment centres, competency-based interviews and psychometric tests.

Offers of employment are made subject to satisfactory completion of pre-employment checks, which include verification of reasons for leaving past employers, qualifications and honesty.

All roles are assessed and provided with job specifications. These detail the purpose of the role, key accountabilities, selection criteria and competencies required. The recruitment process is designed to ensure the most suitable candidate is selected and also to highlight any additional training required in order to ensure the

Career Development

The Company recognises the importance of career development and progression. To assist in this a performance management process is employed. This process provides the following:

- ensures the employee has a clear understanding of what is expected of them;
- enables the employee to monitor their performance against the requirements for their role;
- provides a fair and consistent way of measuring the performance of all staff;
- helps identify any training needs;
- helps identify how employees can maximise their potential;
- enables employees to discuss their aspirations for the future; and
- influences salary and bonus payments.

Succession planning is performed annually following the performance review process.

Individuals establish a Personal Development Plan with their manager each year as part of the Performance Management Process. Formal, informal (coaching etc.), computer based and on-the-job training is then provided to meet individual training needs and in fulfilment of best practice and legislative requirements.

The Company has a Performance Management Process in place, which appraises employee's performance by consideration of target achievement and leadership behaviour. In order to ensure all employees have a clear understanding of expectations, an individual target agreement is drawn up for every employee at the beginning of the year as part of the Performance Management Process. Achievement of the targets is appraised informally throughout the year in feedback meetings with the line manager and is formally assessed in the performance review process, which takes place at the end of the year.

Training

It is the policy of the Company that all employees are trained and developed in order to satisfy the statutory, regulatory and professional requirements expected of their role. Training and development is ongoing and monitored to ensure required levels of knowledge are achieved and maintained.

All roles are assessed and provided with job specifications. These detail the purpose of the role, key accountabilities, selection criteria, and competencies required. The recruitment process described above is designed to find the most suitable candidate to match the specification and also highlight any additional training required to ensure the person is competent and remains competent for that role. Additionally, in the case of internal staff, the job specification can ensure that other employees are sufficiently trained to be competent in another role to ensure the Company has adequate cover should there be peaks in the business or staff absence.

Training is planned to ensure that it is received at the appropriate times. Training on legal and regulatory requirements are provided to all relevant personnel.

Records are retained of all training undertaken, future training required by an employee is captured as part of the portfolio process.

Remuneration

It is a stated aim of the Company to reinforce the connection between performance and reward and this makes the merit principle a fundamental value in our corporate culture. Remuneration is intended to promote the personal performance of every employee including members of the Board and its Committees.

All employees receive a base salary, have access to a range of flexible benefits, and are eligible for a bonus payment on an annual basis to promote personal performance, collaboration and the assumption of entrepreneurial responsibility. The bonus is based on personal achievement and achievement of the targets of the Company as a whole.

Stakeholder Engagement Statement

Stakeholder engagement is important to the Company and the BMW Group as a whole. The BMW Group operates in a highly connected environment. Our products and services are used extensively throughout the UK and we attract interest from, and are interested in a diverse group of stakeholders.

We highly value regular exchange with the stakeholders. The views, decisions and actions of our stakeholders have a considerable impact on our business. Some examples of the stakeholders that the Company engages with are referred to below. Some examples of the stakeholders that the Company engages with are referred to below.

Customers

One of the key pillars of Alphabet's strategy in the UK since 2016 is our Customer-centric approach, which channels all customer experience initiatives and innovations under the mantra: 'putting the customer at the heart of everything we do'. In 2019, our approach was 'Customer Forever' - finding new ways to retain customers, deepen existing relationships and make things easy for customers in order to deliver an 'effortless experience'.

These programmes have been driven by customer feedback and insights generated by a number of feedback loops, including Net Promoter Scores (NPS) and Quality Assurance Programmes, such as our 'Customer Committee' which ensures outstanding customer care is a strategic priority and the 'Voice of the Customer' is prominent during executive decision-making. In 2019 Alphabet joined the Institute of Customer Service who we are working with on our 'Effortless Experience' programme, as well as helping to benchmark our performance beyond the finance and mobility industry.

Today's fleet leasing and mobility provider serves a hugely diverse customer base with very different needs and expectations, so it is vital that Alphabet understand these and tailor our offerings to meet customers' precise demands.

The Company recognises the importance of treating customers fairly and appropriately at all times. The Senior Management Team is committed to developing a customer centric business, ensuring that all customers are treated in accordance with applicable laws and regulations, and in accordance with the standards of the Company.

The Company's strategic approach is to place customers at the heart of its business. The Company's plan for achieving its vision to be the leading provider of outstanding business mobility rests on aligning people, culture and leadership around meeting the needs and desires of its customers. That means treating customers fairly at all times and providing excellent service and relevant, desirable products.

Suppliers

Alphabet provides an unparalleled breadth and depth of funding, fleet management and mobility solutions to a wide range of customers - from individuals, sole traders and SMEs through to public sector organisations and large corporates. In order to be able to provide this range of products and services to a broad spectrum of customers, Alphabet works in close partnership with third party suppliers across all aspects of the relationship and value chain - from initial vehicle supply and procurement with Retailers and Partners, through to 'in life' fleet management (such as breakdown, service and maintenance or tyre/glass replacement) and ultimately asset remarketing and disposal operations.

Alphabet and the BMW Group have dedicated procurement and supplier management functions and procedures in place which are responsible for performance and quality management, as well as regular competitive tendering to ensure 'best in class' supplier network.

Government, Regulators and Trade Bodies

The Company is authorised and regulated by the Financial Conduct Authority, and registered with the Information Commissioner's Office. We have an open and cooperative relationship with our regulators, and we proactively engage with them, to both understand what regulators seek to achieve through proposed regulatory changes, and to provide feedback as to how we believe this can best be achieved in a proportionate way, avoiding any unintended consequences where possible.

During 2019 the Board prioritised compliance with the FCA's Senior Management and Certification Regime. Measures undertaken included training of all relevant staff on the requirements of the FCA's Conduct Rules, additional training for those Associates defined by the Company as 'Certified Individuals' and for those holding Senior Management Function designation, including all Board members. All employees in a Senior Management Function must be approved by the FCA before they commence the role, and must pass an annual check that they remain fit and proper to undertake the role.

The Company engages in regular exchange with HM Government and its various departments, UK and international NGOs, trade bodies and industry associations as well as universities and other stakeholders in academia. In dialogue with these stakeholders, the Company wishes to build trust, understand positions, identify trends as well as build on and consolidate partnerships. The Company engages with its regulators both at an industry level through trade associations for example the British Vehicle Rental and Leasing Association ("BVRLA") and at an operational level.

Community and Charity

Corporate Social Responsibility is important to the Company and it undertakes many initiatives in this area. The Company organised many fundraising events throughout the year with its own "Charity Champion" group comprising of employee volunteers.

The Company also supports BEN, a not-for-profit organisation that partners with the automotive industry to provide support and advice and runs a Macmillan neighbours programme where trained employee volunteers can help steer other employees towards Macmillan, who may be suffering either themselves or within their wider families.

The Company's employees have completed over 800 hours of volunteering, supporting the local community including painting projects in local schools, garden clearance and many more local initiatives. There is a food bank on Campus to donate to the local community where we collected over 205kg of food donations and we also displayed a festive gift giving tree where you can buy a present and leave under the tree for Children in the local community. The Company also supports a British Heart Foundation Clothes Bank to raise money for the Foundation and this has been a long standing relationship. The BMW Group has a long established commitment to supporting education across the UK through BMW Education <https://bmweducation.co.uk/>. The programmes are informative, engaging and accessible to everyone free of charge.

Environmental Matters

Part of the BMW Group, Alphabet has sustainability and environmental care firmly embedded in the company's culture and corporate strategy. Alphabet places sustainability and environmental responsibility at the heart of our supply and value chain.

As a leader in the fleet and mobility industry, we recognise we have an important role to play in the protection of the environment and sensible management of limited natural resources. Consequently, sustainability runs through all aspects of our business, from energy-saving, recycling and resource-sharing policies in Alphabet offices, employee orientation and social commitment, supplier chain responsibilities and ultimately flowing into the products and services we bring to customers.

Delivering a more sustainable approach to mobility is a key part of Alphabet's proposition to organisations and business fleets, providing funding, fleet management and mobility solutions which create effective ways to reduce fuel consumption and CO2 emissions for fleets. As a result, Alphabet are one of the UK's leading providers and proponents of ultra-low and zero emission vehicles for fleets.