

RCI FINANCIAL SERVICES LIMITED

YEAR ENDED 31 DECEMBER 2020

Stakeholder engagement and s.172(1) statement

This section of the Strategic Report describes how the Board of Directors have had regard to the matters set out in section 172(1) (a) to (f) and forms part of the Directors' statement required under section 414A of the Companies Act 2006.

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of the company for the benefit of its stakeholders as a whole, and in doing so, had 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 reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company

The Directors also took into account the views and interests of a wider set of stakeholders including our regulators. The following section are examples of how the directors have had regard to the matters set out in sections 172 (a)-(f) when discharging their section 172 duties and the effect of that on certain decisions taken by them.

How stakeholder interests have influenced decision-making

RCI FS recognises the importance of engaging with stakeholders to help inform strategy and decision-making. In making its decisions, the Board considers stakeholder interests as well as the need to maintain a reputation for high standards of business conduct.

Stakeholder	Description	Engagement
Shareholder	RCI FS has one shareholder (RCI Bank UK Ltd)	In developing its business strategy, the Company has considered RCI Bank UK's and RCI Bank and Services' midterm plan to ensure RCI FS' priorities and initiatives were consistent with the shareholder's objectives.
Retail Customers	The Bank has around 300,000 Financial Services customers	RCI FS' strategic objective is to lead our business to be customer centric and to treat customers fairly at every step of their journey. Due to the unprecedented challenge of COVID-19, call durations were extended by our customer services team, as we dedicated time to support customers and explain the financing options available to them including 'payment holiday' options.
Employees	The average number of people employed by the company during the year was 284 (Full time equivalent)	Our employees are a fundamental asset of RCI FS. In line with the Renault Way principles, employees are engaged with corporate activities at a local level, RCI Bank and Services group level and Alliance level via town hall meetings, breakfasts with the CEO, internal newsfeeds and regular updates from the CEO. Staff moved to homeworking during the pandemic and communication with employees was increased to include a weekly company-wide call. Employees were also given the opportunity to ask questions on any topic directly to the Executive Committee. Regular staff surveys were conducted to ensure that those suffering in lockdown were contacted individually. All new employees followed a detailed induction that included gaining awareness of the Renault Way. Continual training is provided to all employees in relation to their roles and employees can request additional training where required. Through its diversity and inclusion policy, RCI FS seeks to ensure that every employee, without exception, is treated equitably and that all employees are aware of their responsibilities. Our policies and procedures fully support our disabled colleagues. We take active measures to do ensure that we have a robust reasonable adjustment policy. RCI FS is responsive to the needs of its employees. As such, should any employee of the

		Company become disabled during their time with us, we will actively retrain that employee and make reasonable adjustments to their working environment where possible, to keep the employee within RCI FS. It is the policy of the Company that the recruitment, training, career development and promotion of disabled persons should ensure full inclusion in all aspects of RCI FS life.
Suppliers & key Outsourced relationships	RCI FS have a wide variety of suppliers providing goods and services to the Company	The relationship with suppliers is fundamental to the quality level provided to customers, with a monitoring of the arrangements involving key suppliers to ensure an adequate level of service and oversight by the Company's management.
The Dealership network	The Alliance dealers are key partners to RCI FS' business	The dealers act as intermediaries to provide our customers with financial solutions for buying their vehicles and services. The Company, which provides funding to the dealer network, ensured that adequate payment extension measures were offered to those that were adversely impacted by the pandemic and related closure of car showrooms.
Regulators	RCI's principal regulators is the FCA	It is RCI FS's policy to interact with its Regulators in an open and cooperative way. RCI FS has implemented the FCA's Finalised Guidance in respect of the fair treatment of customers affected by coronavirus and has also prepared an action plan to implement FCA rules and guidance in respect of discretionary commission schemes, effective from 28 January 2021.
Communities and the environment	The geographic locations in which RCI FS has offices (Maple Cross, England)	RCI FS encourages various community engagement initiatives that include employees participating as mentors to local school children and providing work experience placements, internship opportunities with universities and various initiatives to support charitable organisations. A climate change strategy has been established by RCI Bank UK Ltd covering the activities of RCI FS, deploying initiatives for decreasing the carbon footprint and the operations' impact on the environment. In 2020 we established carbon emission data for our offices and remarketing areas of the business. We used this report to produce an action plan to target areas for reduction. We have introduced a remote working policy that will limit staff commuting, a paperless solution for documentation, and a regular update communication to our staff. Finally, we have offset our carbon emissions through an external partnership.
Business relationships and Conduct	The Company conducts its business responsibly having regard to appropriate customer outcomes, and ensuring regulatory compliance and high standards of professional conduct	RCI FS continued to develop its Corporate Governance Framework during 2020 and this will be further embedded during 2021. High standards of professional conduct are communicated via the Code of Conduct and adherence to the Senior Manager and Certification Regime. The Board is committed to embedding Section 172 factors in the culture of the business and decision making at all levels of management.