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. Further detail on key stakeholder interaction is also contained within the Directors' report on page 16.

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of RCI Bank UK Ltd 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 Board also noted the views and interests of a wider set of stakeholders including our regulators. The following 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. The following section is not deemed to be exhaustive but intends to describe some of the actions and decisions related to the above matters that are considered relevant to the Board's activity and engagement with stakeholders in 2023.

At the scheduled Board meetings during 2023 the Board approved the business strategy. The Board reflected on customer surveys and results, covering customer loyalty, customer retention and satisfaction. The Board also reviewed customer complaint trends. The Board received an update from the Chief Customer Officer, the Chief Information Officer, the Chief People Officer and the Head of Network Funding. In the October 'Awayday' the RCI UK approach to the wider market and economy context was considered. The Board approved the ESG Strategy. Further work of the Board is included in the table below.

How stakeholder interests have influenced decision-making

RCI UK recognises the importance of engaging with stakeholders to inform strategy and Board decision-making and this report details some of the work of the Board during 2023. Further detail of stakeholder engagement is within the Directors report on page 16.

The Board considers stakeholder interests as well as the need to maintain a reputation for high standards of business conduct. In this fifth year of banking activity, the Board's priority was to continue to focus on oversight responsibilities, and further develop corporate governance structures to promote the success of RCI UK for the benefit of its stakeholders as a whole.

Stakeholder	Description	Engagement
Shareholder	RCI UK has one shareholder	In developing its business strategy, the Board has considered MFS Group mid-term plan 'Together 4 Customers' to ensure RCI UK's priorities and initiatives were consistent with the shareholder's objectives. This plan has been embraced locally to ensure success and overall consistency with Group.
Depositors and Retail Customers	The Bank has around 146,000 deposit customers and 320,000 Financial Services customers	RCI UK's strategic objective is to lead our business to be customer centric and to treat customers fairly at every step of their journey adhering to Consumer Duty rules. The Board and Board Risk Committee receive regular MI and receive a full suite of conduct risk indicators including complaints. The Board receive a regular update from the Chief Customer Officer to ensure customer views are taken into consideration in decision making.
Employees	The average number of people employed by RCI UK during the year was 334 (Full time equivalent)	Our employees are a fundamental asset of RCI UK. In line with the values of the Mobilize FS Way, employees are engaged with corporate activities at a local level RCI UK, MFS Group level and Alliance level via town hall meetings, breakfasts with the CEO, internal newsfeeds and regular updates from the CEO. Communication with employees includes a fortnightly company-wide call. Employees are also given the opportunity to ask questions on any topic directly to the Executive Committee. Regular 'Pulse' staff surveys are conducted on a bi-weekly basis to take the temperature of the company and to act quickly to resolve any issues that occur. All new employees follow a detailed induction that included gaining awareness of the Mobilize FS Way and governance. 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 (D&I), and the Renault Group D&I Charter, RCI UK 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 colleagues with disabilities. We take active

		measures to ensure that we have a robust reasonable adjustment policy. RCI UK is responsive to the needs of its employees. As such, should any employee of the Group 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 UK. 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 UK life. There are 9 registered disabled employees in the business. In 2024 we will partner with a platform that will allow us to collect our DEI data. We will use the data to gain insights into our inclusion, belonging, bias and equity to enable us to create action plans and enhance our DEI strategy.
Suppliers & key Outsourced relationships	RCI UK have a wide variety of suppliers providing goods and services	The relationship with suppliers is fundamental to the quality level provided to customers. The Board receive MI for our key outsource suppliers to ensure an adequate level of service is maintained for customers. The Outsourcing and Third Party Risk Committee manages outsource and third party risks and reports to ExComm and ultimately the Board. The Committee uses scorecard reporting and encourages close working relationships with suppliers. The average time to pay invoices in 2023 was 15 days with 93% of invoices being paid within 30 days showing a commitment to our suppliers.
The Dealership network	The Alliance dealers are key partners to RCI UK's business	The dealers act as intermediaries to provide our customers with financial solutions for buying their vehicles and services. RCI UK provides funding to the dealer network for new unregistered and used vehicles, vehicle parts, as well as funding programmes for Renault and Nissan including demonstrators and courtesy vehicles. High levels of dealer vehicle stock were funded well into 2023, particularly for Renault, as manufacturers and dealers managed the logistical challenge of transporting vehicles from the import centres to dealers for preparation and delivery of the high volume of outstanding customer orders. We also managed the request for uplifts in limits within our risk appetite, ahead of the UK peak vehicle registration months in March and September. Due to the higher volumes of Renault vehicles at the import centre, Renault UK agreed to rebate dealer interest charges where delays had been experienced to support the network in the high-interest environment. This was not required for the Nissan network where the majority of vehicles are manufactured in Sunderland and delivery to dealer does not largely rely on processing and delivery from import centres.
Regulators	RCI UK's principal regulators are the PRA and FCA	It is RCI UK's policy to interact with its Regulators in an open and cooperative way. Members of the Board and senior managers meet with the PRA on a bi-monthly basis and this relationship is positive.
Communities and the environment	The geographic locations in which RCI UK has offices: Maple Cross, England	RCI UK encourages various community engagement initiatives. Our internship opportunities with universities continues to provide a rich and varied access to talent. The Board has established an ESG Strategy, which focuses on Climate, Wellbeing and Diversity issues. To meet our ambition of being a net-zero company, the strategy details initiatives to decrease RCI UK's carbon footprint and its operational impact on the environment. We also offset our internal operation's carbon emissions through an external partnership and an investment in nature-based projects as voted by our staff. Finally, the strategy also focuses on how we support our customers to transition to greener mobility solutions.
Business relationships and Conduct	The Board conducts its business responsibly having regard to appropriate customer outcomes, and ensuring regulatory compliance and high standards of professional conduct	RCI UK continued to embed the Corporate Governance Framework during 2023. High standards of professional conduct are communicated via the Code of Conduct and full application of 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.