

Stakeholder engagement and s.172(1) statement

This section of the Strategic Report describes how the Directors have had regard to the matters set out in section 172(1) (a) to (f) and forms the Directors' statement required under section 414CZA of the Company 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 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 2019.

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.

Customers

In line with, "We love our customers", Renault Way principles, RCI FS's objective is to lead its business to be customer centric and to treat customers fairly at every stage of their journey. The Board reviews on a regular basis the initiatives, projects and actions that will foster the Company's business relationships with private and business customers, dealers and the Renault-Nissan Alliance brands in the UK.

Employees

RCI FS and its Directors want to protect all its employees by providing a safe and healthy environment and encourages employees to work from home when appropriate. The Company values the diversity of its employees and wants to provide an atmosphere where everyone can contribute and develop in a safe working environment, free from harassment or bullying. RCI FS has in place detailed policies and procedures, accessible to all staff, covering Whistleblowing, Anti-Bribery and Corruption whose oversight is provided by the Board.

Workday (People@Renault) was implemented in July 2019 as a new digital platform to improve employee experiences. Several additional modules of the platform will be deployed in 2020. Employees are kept informed of the corporate activities at a local level, RCI Bank and Services group level and Alliance level. This is done through town hall meetings, breakfasts with the CEO, internal newsfeeds and regular updates from the CEO.

The recruitment process is based on the Renault Way values which ensure RCI FS has the highest skilled employees with behaviour that reflects its corporate values. These principles are: 'We love our customers', 'We decide and contribute', 'We speak the truth', 'We grow together', 'We make it simple'. All Directors, as well as all senior managers, have participated in an introduction and at least one training module outlining these Renault Way principles which have a clear focus on the impact of stakeholders when making decisions.

RCI FS aspires to honour the Declaration of Human Rights and does not use any form of forced labour, nor do we tolerate any form of abuse, either physical or mental.

The Company ensures that sufficient training is provided to all employees in relation to their roles and responsibilities and encourage employees to request any additional training which may be required.

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Regulators

The Company recognises the importance of open and transparent dialogue with the regulators. It has been involved in discussions with the Financial Conduct Authority (FCA) and the consultation in relation to motor finance discretionary commission models, consumer credit commission disclosure and the deployment of the Senior Management and Certification Regime.

Climate Change, Environment and the Community

The Board supports the Company's strategy of deploying climate change initiatives and decreasing its carbon footprint and operations' impact on the environment. Three related internal initiatives were carried out in 2019, with the intention of increasing the number and their scope in 2020. From a business perspective, the strategy relating to Electric Vehicles is a priority in relation to brands financed by RCI FS, given the multiple regulatory changes affecting the motor industry. RCI FS aims at supporting the brands and car dealers by providing bespoke finance products and services to Alliance customers to help their switch towards electric vehicles.

RCI FS encourages various community engagement initiatives which include employees participating as mentors to local school children and providing work experience placements, the provision of internship opportunities with universities and various initiatives to support charitable organisations.

Approval of the 2019 Strategic Report

The Strategic Report for the year ended 31 December 2019 as set out on pages 4 to 9 was approved by the Board on 2 October 2020.

Signed on behalf of the Board by



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