

# Stakeholder engagement

## Delivering for our stakeholders

At Close Brothers, we have a long-term track record of creating value and delivering positive outcomes for all of our stakeholders.

We work hard to understand and meet the needs of our different stakeholder groups, engaging with them and adapting our service and offering to create value for them. We undertake a comprehensive programme of stakeholder engagement and consider the feedback provided, embedding this in the decision-making process throughout the group.

## Section 172 Statement and Statement of Engagement with Employees and Other Stakeholders

Section 172(1) of the Companies Act 2006 requires the directors of a company to act in a way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other factors) to various other considerations and stakeholder interests:

- 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 is responsible for establishing and overseeing the company's values, strategy and purpose, all of which centre around the interests of key stakeholders and other factors set out in section 172(1).

The Directors are conscious that their decisions and actions have an impact on stakeholders, including employees, customers, suppliers, communities and investors, and they have had regard to stakeholder considerations and other factors in section 172(1) during the year.

Regular engagement with stakeholders, both directly and indirectly via management, has continued to be an important focus for the Board and has ensured that the Directors are aware of and have effective regard to the matters set out in section 172(1). Throughout the year, the Board received and discussed stakeholder insight and feedback and it ensured that stakeholder considerations were taken into account in the Board's deliberations and decision-making.

Whilst the Board acknowledges that, sometimes, it may have to take decisions that affect one or more stakeholder groups differently, it seeks to treat impacted groups fairly and with regard to its duty to act in a way that it considers will be most likely to promote the success of the company for the benefit of its members as a whole, having regard to the balance of factors set out in section 172(1).

Considerations relating to the factors in section 172(1) are an important part of governance processes and decision-making at both Board and executive level, and more widely throughout the group. For example, the schedule of matters reserved to the Board and the terms of reference for each of the Board's committees emphasise the importance of decision-making with regard to relevant factors under section 172(1) and broader stakeholder considerations.

Necessarily in a large and regulated group, some decisions are taken by management or the directors of subsidiary companies. These decisions are taken within parameters set by the Board and there is a robust framework that ensures ongoing oversight, monitoring and challenge by the Board and its committees (including certain decisions and activities that are always reserved to the Board or its committees). The Board has regard to relevant factors set out in section 172(1) in its activities in these areas, including considerations relating to the potential impact of delegated decisions on the long-term success of the group as a whole, the group's reputation for high standards of business conduct and the consequences of local decisions on the group's stakeholders.

*Detail on the Board's engagement with, and consideration of, the company's stakeholders can be found on pages 132 and 133 of the Corporate Governance Report.*



## Colleagues

With approximately 3,000 employees around the UK, Ireland, the Channel Islands and Germany, we have a diverse and motivated workforce which delivers the highest levels of service to our customers and partners. We are committed to the development of our colleagues, ensuring they are supported and engaged.

Listening to our colleagues enables us to build an engaged workforce, allowing us to develop and retain high levels of expertise. We are able to ensure we are considering the views of all colleagues and making sure everyone feels included.

### Key priorities of our colleagues

- A safe working environment.
- A fair and inclusive culture where employee feedback is valued.
- Being appropriately rewarded for their contributions.
- Opportunities for training and development.

### Our engagement during the year

- We conducted our latest employee opinion survey, which closed in February 2025, to gather feedback from our colleagues, anonymously. The results of this survey gave us insight into key topics including our customers and clients, leadership, culture, a sense of belonging, and colleague wellbeing.
- Follow-up focus groups were conducted with different teams to understand more around colleague sentiment, with action plans created to ensure we are focusing on the areas that matter most to our colleagues, as well as ensuring we are meeting the needs of other stakeholders.
- We held regular town halls, providing employees with updates from across the business and the opportunity to ask questions directly to senior management.
- We continued to engage with colleagues at the point of joining, when returning from parental leave and celebrating work anniversaries, through completing surveys to share their personal experiences of working at Close Brothers.
- We have eight employee-led inclusion networks which act as a voice for our colleagues.



## Customers and partners

Central to all decision-making is doing the right thing for customers and partners, by helping them access financial solutions to meet their needs across all market conditions. We engage with customers throughout their end-to-end journey and actively seek their feedback in order to continually improve our service and deliver good customer outcomes.

### Key priorities of our customers and partners

- Excellent customer service: receiving consistent, responsive and supportive service delivered with clarity and ease.
- Price and value of products and services: implementing customer-led propositions that meet their individual requirements.
- Building and maintaining strong personal relationships based on trust and specialist expertise.
- Fair and equitable conduct of business.
- Meeting and adapting to their needs throughout economic cycles, technological advances and regulatory changes.

### Our engagement during the year

- We delivered customer-focused training to further enable a culture of continuous improvement to streamline processes and enhance the customer experience.
- We continued to hold regular customer forums, with feedback proactively reviewed and areas of improvement identified, as well as actions being taken to meet our customers' changing needs and support better outcomes.
- We continue to invest in strengthening our capability to capture, consolidate and act upon customer and partner feedback by extending experience measurement to more interaction points.
- We are evolving as a business to be more agile and offer easier access to our products and services. We have strengthened digital capabilities in response to customer needs and market dynamics.
- We have improved our customer service across several businesses, increasing our responsiveness to customers.



### Regulators and government

We are committed to sustaining high standards of business conduct in line with regulatory, governmental and legal expectations and operate prudently within the laws and regulations that apply to us.

We foster an open, transparent and cooperative relationship with regulators, government authorities and trade associations in the jurisdictions in which we operate. Active engagement helps to ensure we are aware of and adapting to the evolving regulatory framework.

#### Key priorities of our regulators and government

- Customer outcomes
- Operational and financial resilience
- Financial crime prevention
- Corporate social responsibility
- Digitisation, use of Artificial Intelligence and enhanced data analytics
- Supporting growth and innovation in the UK

#### Our engagement during the year

- We have engaged constructively with our regulators during this period. We have provided information in support of the FCA's vulnerable customer and Retail Banking Business Models ("R2B2") thematic reviews and the Premium Finance Market Study, as well as in connection with the FCA's review of historical motor finance commission arrangements and the wider Supreme Court Appeal.
- We continued to enhance and align our approach with regulatory expectations and actively monitored the FCA's formal and informal guidance on Consumer Duty as well as the results of the annual Financial Lives Survey.
- We continued to engage actively with the PRA on our IRB application and have provided information in support of the PRA's surveys in respect of transforming data and operational resilience.
- We undertook reporting and analysis as requested, and held regular meetings with our regulators, enabling them to better understand our business activities and how we are operating in a controlled and prudent manner.



### Suppliers

Our business is supported by a diverse and reliable network of suppliers, which enables us to consistently deliver high standards of service to our customers and partners. We are committed to maintaining transparent, sustainable, and mutually beneficial relationships with our suppliers.

Over the past year, we have placed particular emphasis on strengthening our engagement with key strategic suppliers. This focused approach ensures that we are aligned on strategic priorities and can collaborate effectively to drive continuous improvement across our front and back-office operations.

Our supplier engagement is built on openness and collaboration, with the shared goal of delivering services that support our business objectives while identifying opportunities for innovation and enhancement.

#### Key priorities for our suppliers

- Building strong, sustainable relationships with Close Brothers.
- Conducting business in a fair, ethical, and equitable manner.
- Ensuring clear and efficient payment processes.
- Understanding and aligning with the group's purpose and strategic direction.
- Maintaining a robust and proactive risk management framework.
- Achieving maximum commercial value for Close Brothers.

#### Our engagement during the year

We conducted our annual supplier survey to engage with our suppliers on topics such as how they feel about doing business with us, how likely they would be to recommend us as a client, and the transparency of our strategies and priorities. This year's survey has indicated that:

- 100% of our suppliers reported being "Very Satisfied" or "Satisfied" with the support they receive from Close Brothers.
- 83% of our suppliers described feeling "Very Satisfied" or "Satisfied" with our approach to Supplier Management.
- 83% of our suppliers described doing business with us as "Easy" or "Very Easy".
- 100% of our suppliers rated Close Brothers as a "High Quality" or "Very High Quality" client compared to others they work with.

We continue to prioritise supplier engagement and transparency, and we are committed to building strong, collaborative relationships that support mutual success.



## Communities and environment

Close Brothers is committed to contributing long-term value and making a positive impact on the communities in which we operate and the environment more broadly. This underpins the growing range of programmes and initiatives we support that benefit society and the environment.

Engaging with local communities helps the Board and our employees develop their understanding of our customers and partners so that we can support them and help them to achieve their ambitions, whilst also building employee engagement. We firmly believe that environmental considerations should form an integral part of our business decisions, and employees across the group are actively engaged on responsible behaviours and environmental issues.

### Key priorities of our communities and the environment

- A suitable strategy for approaching sustainability issues.
- Support for community initiatives.
- Take active steps to ensure equity of opportunity, regardless of background or experience.
- A long-term focus on addressing the impacts of climate change.

### Our engagement during the year

- Colleagues completed numerous volunteering activities to positively impact local communities, including volunteering at food banks, animal shelters and community gardening projects, and supporting youth groups such as Guides, Scouts and Cadet groups and children's sports teams.
- Several colleagues, including members of our Group Executive Committee, continue to fulfil trustee roles for various charities to support local communities.
- Maintained our partnership with the University of Sheffield AMRC Training Centre. Our apprentices, part funded through the Close Brothers SME Apprentice Programme, have entered their third year of training.
- Continued to support social mobility and ethnic diversity programmes, hosting 32 interns across the group in partnership with upReach and the 10,000 Interns Foundation.



## Investors

Close Brothers has a proven and resilient business model and is focused on generating long-term, sustainable value for its investors, while also maintaining a strong balance sheet.

Our investors are the providers of capital to our business, so it is important that we engage actively with them and listen and respond to their feedback through an established and comprehensive programme throughout the year.

### Key priorities of our investors

- Strong returns and financial resilience through the cycle.
- Managing the impact on the group following the FCA's review of historical motor finance commission arrangements and the Supreme Court appeals.
- Capital generation and distributions.
- Sustainable business model.
- Appropriate governance practices and regard for environmental and social responsibility.

### Our engagement during the year

- Continued our comprehensive programme of communication throughout the year, providing regular market updates and, in total, hosting c. 200 meetings in the year with current and prospective equity and debt investors.
- We held two analyst presentations for the 2024 Preliminary Results and 2025 Half Year Results, and attended multiple sales desk briefings and conferences.
- Undertook investor roadshows covering the UK, Europe and North America, meeting more than 80 existing and prospective shareholders.
- Held our annual corporate governance roadshow, with our Chairman meeting with 12 of our largest shareholders.
- Welcomed retail investors at our AGM where they had the opportunity to engage with board members.
- Regularly engaged with all of our sell-side analyst followers, as well as our credit rating agencies.