

## First Response Finance Limited

### Strategic Report (continued) for the Year Ended 31 March 2021

#### Section 172(1) of the Companies Act (continued)

Highlights: Shareholder views are always considered in any key action or project undertaken, and their interests and values inform our annual Business Plan.

Key Measure: Return on Assets 5.9%<sup>1</sup> (2019/20: 6.3%).

• *Regulator:* Whilst we do not have direct regulatory supervision, we value the opportunities to engage with our regulator; the Financial Conduct Authority. These ensure we can proactively plan for regulatory change and uphold our reputation as a responsible lender.

Engagement: We engage with our Regulator in a variety of ways. Directors and senior managers engage with regulators via our inclusion in their Thematic Reviews, as was the case in 2020/21, and via our membership of trade associations. Regulatory correspondence (such as Sector Views and Portfolio Strategy letters) and engagement is discussed by the Board and acted upon as appropriate. Regulatory risk reporting and horizon scanning is carried out within the Risk and Compliance Committee and reported to the Board. The Board provided oversight of our move to the Senior Manager and Certification Regime during 2020/21.

Highlights: The view of our regulator and their concerns within our market informs the projects, oversight and assurance plans completed each year.

Key Measure: Not applicable.

• *Suppliers:* Beyond our important dealer intermediaries who provide us with customer applications for automotive finance, we do not have a significant number of suppliers. However, it is important that we treat all 3rd parties fairly, whilst ensuring we are dealing with suppliers who act responsibly, and we mitigate risks arising from our relationship with them.

Engagement: There is an established on-boarding process for suppliers including our dealer intermediaries, and we have performance monitoring and assurance processes to review supplier performance. We feel it is appropriate to pay promptly for the services we receive, and our suppliers tell us that they value this. Also, the Company complies with our duty to report on payment practices via the Business and Industry government website.

Highlights: Our last government payment statistics report shows that we pay 93% of our invoices within 30 days. Our Board reviewed and approved our Modern Slavery Act Statement during the year and reviewed and approved our anti-bribery and corruption processes and controls. Regarding Dealer Intermediaries, during the year we declined to on-board 428, terminated relationships with 37 for not meeting our standards and terminated 426 that lost or lapsed their regulatory permissions.

Key Measure: Average days for invoice payment is 13 days as at March 2021 (2019/20: 13 as at March 2020).

• *Society:* By offering credit solutions to our under-served non-prime customers, we believe that we are helping society by supporting financial inclusion. Beyond this we also believe it is important to reduce our impact on the environment where we are able, and support our staff chosen charity SANE who provide support services for those with mental health issues.

Engagement: We work closely with our chosen charity SANE to engage our employees in undertaking various events that raise money to fund their services; every loan we make also provides a charity contribution. We operate a 'matching' charity policy whereby if our employees opt to raise money for their own charities we will match the money they raise in support of their chosen charity, and then we will match the total money raised for their chosen charity and send this to SANE. All our waste is recycled, and we have installed Solar Panels on buildings we own, to reduce our energy usage and have a largely paperless operation.

Highlights: During the year we supported SANE and other charities with £38k of donations (2019/20: £47k).

Key Measure (Latest): 2020/21 GHG emissions Gas 18.4, Electric 84.52 (2019/20: Gas 32.4, Electric 189.9).

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<sup>1</sup>: Return on Assets is calculated as profit after tax (2020/21: £10,755k, 2019/20: £10,095) as a percentage of the average of total assets of the last two years (2021/21: £183,383k, 2019/20: £160,387k).

## First Response Finance Limited

### Strategic Report (continued) for the Year Ended 31 March 2021

#### Energy and carbon reporting

We have reported on all sources of GHG emissions and energy usage as required under The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended.

#### GHG emissions and energy usage

##### GHG emissions and energy usage data for period 1 April 2019 to 31 March 2021

	UK and offshore	
	2021	2020
Emissions from combustion of gas (Scope 1 - tonnes of CO2e)	18.4	23.43
Emissions from combustion of fuel for transport purposes (Scope 1 - tonnes of CO2e)	33.6	50.0
Emissions from electricity purchased for own use, including for the purposes of transport (Scope 2 - tonnes of CO2e)	51.0	81.7
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3 - tonnes of CO2e)	0.6	51.3
<b>Total gross tonnes of CO2e based on above</b>	<b>103.6</b>	<b>206.4</b>
Intensity measurement, tonnes of CO2e per £m revenue	2.18	4.51

#### Reporting boundary and methodology

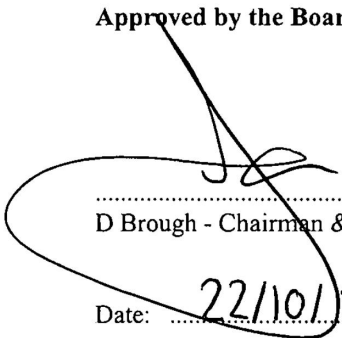
The reporting boundary used for collation of the above data is the entire operations of the Company. We have followed the latest versions of the UK Government environmental reporting guidance, including the GHG Protocol Corporate Accounting and Reporting Standard and the UK Government's GHG Conversion Factors for Company Reporting, to calculate the above disclosure.

We have chosen tonnes of CO2e per £m of turnover as our intensity measure believing this to be both the most appropriate measure and also, given its widespread use, one that enables meaningful comparison across organisations.

#### Energy efficiency actions taken

During 2020/21 we have taken a number of steps to improve energy efficiency the most prominent being to fully support working from home for all of our staff throughout the COVID-19 pandemic. As the guidance now changes to supporting a return to an office environment we remain supportive of working from home and will adapt and equip our footprint as appropriate.

Approved by the Board of Directors and signed on behalf of the Board:



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D Brough - Chairman & CEO

Date: 22/10/2021

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