



The Board of Directors which include representatives from the shareholder banks consider and discuss information from across the Company to help understand the impact of operations and the interests and views of our key stakeholders. They review financial, strategic and operational performance as well as information covering areas such as key risks and legal & regulatory compliance. The Company also continues to work closely with the Bank of England (BoE) and the wholesale cash industry to support cash as a payment choice in the UK. The Board of Directors have been regularly updated throughout the financial year on the various discussions at industry level around Access to Cash initiatives, the on-going NCS rules review and the implementation of the new BoE regulatory oversight regime. The information provided to them, has allowed them to make strategic decisions around the on-going future capacity requirements of the Company. As a result of these activities, they have an overview of engagement with stakeholders which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

The Directors, both individually and together, have acted in a way that they considered, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole in the decisions taken during the year ended 6 October 2023. The following are some specific examples of how Directors fulfil their duties:

Long-term view

The assessment of the long-term consequences for decision making made by the Company is underpinned by the Company's risk management strategy. The Board of directors continually monitor the risks affecting the Company and develop strategies that mitigate the likelihood of those risks materialising. These strategies set the general direction for the Company and form the basis for the Company's financial budgets. Senior management in each functional area form part of the decision-making process in setting these financial targets to ensure both cost effectiveness and mitigation of any known or emerging risks. Scrutiny of these financial budgets and plans is undertaken by the Board of directors to ensure the strategic direction maintains the long-term focus, addresses all risks and aligns with the core values of the Company. An example of this, was the site consolidation activity which took place during the year in response to the reduction in cash volumes post the Coronavirus pandemic and the demise of the industry wide Utility programme. The decision was taken in the prior year to close the Leeds Note & Coin processing site and transfer the Coin operations out of Bristol into Birmingham, to better align processing capacity to the on-going future requirements of the Company. Full consultation was undertaken with all affected employees and relevant stakeholders (including union engagement and outplacement support) to ensure a smooth transition of those processing volumes into the other sites.

Interests of the Company's employees

We recognise that our employees are our most important asset and the Company's success relies on our people and the way we lead and engage with them. The directors strive to create a culture of engagement and inclusion where everyone's contribution is valued, and diversity is celebrated. During the year the directors reviewed and discussed the excellent results from the annual employee engagement survey, agreed a continued focus on the Company's ESG strategy, and approved a newly developed 'Mental health roles and resources' training programme, which all link to the Company's wider Corporate Social Responsibility focus (detailed further on page 4). A decision was also made during the year to reduce the Company's Head Office capacity to smaller premises to support the new hybrid working model for our support function staff. Our Chief Executive Officer maintains an active dialogue with all employees, encouraging open communication channels and sharing of ideas and important news. This includes providing monthly communications to all employees, updating them on business performance and all issues that directly impact upon them.

Business relationships with customers and suppliers

Our long-term customer relationships with both direct customers and those of our shareholder banks are based upon trust and a solid understanding of their business needs and objectives. We measure customer satisfaction on a regular basis through the use of customer feedback and service level performance which helps ensure cost competitiveness and excellent customer service to help with both growth and retention of shareholder banks customer business.

Our suppliers help us achieve our core values and all of our suppliers sign up to our Supplier Code of Conduct. We are committed to paying them in a timely manner in accordance with agreed terms of trade and the UK Prompt Payment Code. Our consistent payment performance can be reviewed in our Payment Practice online submissions.

Our Company Reputation

We hold ourselves, employees and all our business partners accountable for high standards which are embodied in our corporate values:

- We treat others in the same way we want to be treated
- We do what we say we will when we say we will
- We have a right first-time approach

Our reputation is built and maintained in our day-to-day activities, engaging proactively with employees, suppliers, customers and other stakeholders to lead by example.

Impact of the Company's operations on corporate social responsibility matters

We engage our employees by allowing them time out of the business to volunteer as a team or individually. People have used their time to; work with animal charities including RSPCA and Holly Hedge Animal Sanctuary, support terminally ill, disabled and disadvantaged children from all over the Northwest at CAFT, work with the Marine Conservation Society doing beach cleans and mentoring second generation migrants and or young adults from low-income families.

We are also particularly proud of our hard work on our environmental impact, which means that a significant proportion of our waste is diverted from landfill and recycled as well as 100% of the Company's IT and telephony waste. Identifying opportunities to reduce our environmental impact has remained a big focus for us this year alongside developing our emissions data.

Acting Fairly

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on stakeholders. In following this approach, our Directors act fairly between the Company's members and decisions are aligned to the Company's values and strategies.

By order of the Board:



Phil Vaughan
Director
6th February 2024