

# Corporate Policy Manual

Putting colleagues  
on a path to a better  
everyday life

## Introduction

Our corporate policies, which are reviewed, monitored and approved by the Board of Provident Financial plc, set out the codes of conduct, controls, processes and requirements of all employees, divisions and the Corporate Office within Provident Financial plc. They are a key element of our corporate governance framework and help us to demonstrate that we meet the requirements of the UK Corporate Governance Code and comply with all applicable laws and regulations.

The detailed policy requirements are aligned with the Group's strategy, risk appetite and corporate values and support my commitment to operate our businesses in a sustainable, socially responsible and ethical way which means that we must act with integrity in all of our business dealings and as a Group have zero tolerance to corruption in any form.

The divisional boards and senior management within the Corporate Office are responsible for maintaining adequate procedures and controls to ensure that they and their businesses comply with the corporate policies and the group and divisional Finance Director's will be the responsible senior manager for ensuring compliance with the Corporate Policies within their division or corporate office. Non-compliance with these policies is not acceptable and any potential areas of non-compliance must be immediately escalated to the relevant Policy Owner for the appropriate course of action to be considered. Persistent non-compliance may result in disciplinary action.

In order to demonstrate compliance, each divisional Managing Director, Finance Director and relevant senior management within the Corporate Office must certify compliance with the Group's corporate policies annually within two weeks of the end of the relevant financial period for the Group reporting (i.e. December). The certification must be supported by documentary evidence that a due process has been followed in completing the certificate. The status of compliance along with a summary of the timeliness and adequacy of the certification received, together with specific policy exceptions, will be reported to the Board of Provident Financial plc.

Finally, as part of their ongoing assurance programme, internal audit will review the adequacy of the procedures adopted by management in ensuring compliance with our corporate policies. Please ensure that where relevant the

policy requirements are understood and followed and in the event of any queries then please contact the appropriate policy owner.

Malcolm Le May  
Group Chief Executive Officer

## Anti-bribery and Corruption

Provident Financial Group takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships, wherever it operates, and implementing and enforcing effective management systems to counter bribery, corruption and other financial crimes.

This policy applies to all employees, self-employed agents, contractors and directors in relation to the business activities undertaken by, or on behalf of the Provident Financial Group. It also applies to any third party which is undertaking business for or on behalf of Provident Financial Group, who must comply with this policy or maintain equivalent standards and safeguards to prevent bribery and corruption.

Under this policy, all employees, self-employed agents, contractors, directors, and relevant third parties of the Group and its Divisions must comply with the following minimum requirements:

- They must not directly or indirectly engage in bribery or corruption in any form.
- They also must not accept, solicit, agree to receive, promise, offer or give a bribe, facilitation payment, kickback or other improper payment.

If an employee, self-employed agent, contractor, director or a relevant third party of the Group or its Divisions becomes aware of a breach of the above minimum requirements they must immediately comply with applicable protocols and procedures to inform an appropriate person within Provident Financial Group who must as soon as is reasonably practicable report the incident to the Deputy Company Secretary.

It is also not acceptable to threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy or to otherwise engage in any other activity that might lead to a breach of this policy.

The Board of Provident Financial plc will annually review the anti-bribery and corruption policy.

# Inclusion and Diversity

## Introduction

We are committed to promoting inclusion and diversity through our aim to put people on a path to a better everyday life. Our ambition is to build and sustain an inclusive culture and diverse workforce which will help us to respond to our diverse customer base.

We know how important it is to feel included and valued at work. We want everyone to respect each other and for everyone to be themselves at work.

To achieve this, we recognise the importance of establishing a fair, inclusive work place where our colleagues are heard, respected and valued for who they are. We believe that in building diverse teams that leverage all of our best thinking and efforts will help us be more innovative, and will help us deliver better business outcomes by ensuring that everyone can feel valued for their contributions which not only benefits the individuals, but also PFG.

We want to create an environment free from discrimination which we recognise is a barrier to equality, diversity and Inclusion.

## Our Policy

We are an equal opportunity employer. We are committed to treating everyone with respect and dignity and we prohibit discrimination. We recruit, train, develop, promote and provide conditions of employment without regard to race, colour, creed, religion, national origin, gender, gender identity or expression, sexual orientation, marital status, age, disability, or any other characteristic.

This policy applies to all aspects of employment with us and sets out our approach to equal opportunities and preventing discrimination in the workplace; it covers equality and diversity in relation to the protected characteristics as described in the equality Act 2010.

## Our commitment

We will pro-actively encourage a culture that supports equality, inclusion and diversity by focusing on:

- Creating and promoting an inclusive and positive culture and working environment that is free from discrimination.
- Ensuring that all colleagues are treated with dignity and respect, regardless of any personal characteristics, and in accordance to the law.
- Creating a culture where all our colleagues feel able to speak up about any concerns.
- Addressing any instances of inappropriate or unacceptable behaviour such as harassment, bullying, discrimination and victimisation.
- Providing guidance, training and support to help our colleagues deliver our Inclusion and diversity commitments.
- Ensuring our managers lead by example and set appropriate standards.
- Enabling all colleagues to reach their full potential and contribute fully to the success of the business.
- Ensuring PFG's policies, procedures and practices comply with relevant legislation and are inclusive of all.
- Actively engaging in days and events which support equality, inclusion and diversity.
- Promoting our Inclusion Community and Affinity Groups to increase awareness of inclusion and diversity.

## Discrimination

We do not tolerate any form of discrimination, intimidation, victimisation, bullying or harassment, this includes:

- Direct discrimination - Where someone is treated less favourably because of a protected characteristic. For example, rejecting a job application because the individual is gay.
- Indirect Discrimination - Where there is a specific rule or practice which is more difficult for individuals with a particular protected characteristic to comply with. For example, requiring a job to be full time may adversely affect women because they are generally more likely to have childcare commitments. Please note there may be some instances where there is a

good reason for the rule or practice and so this may not amount to discrimination. The Company should carefully consider the reason for any rule or practice which might impact a particular protected characteristic.

- Victimisation - Where an individual is treated less favourably because they have previously complained of discrimination or harassment. For example, an individual is prevented from going on a training course because they have raised a grievance.
- Harassment - Refers to unwanted conduct related to a protected characteristic, which has the purpose or effect of violating someone's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for them. <sup>7</sup> For example, shouting or swearing at an individual about their religious beliefs.
- Discrimination by association - Refers to an example where you suffer discrimination because you are associated with someone who has a protected characteristic. For example, if you are discriminated against because your child is disabled.
- Discrimination by perception - Refers to an example where you are treated less favourable because people believe you have a protected characteristic. For example, you are not given a particular tasks because your manager believes you are autistic – this type of discrimination applies even if you are not autistic.

## Data protection

The main purpose of this policy is to set the overall principles for the business to follow in effectively managing its personal data. Provident Financial plc is committed to the compliance of the General Data Protection Regulation (GDPR) and the Data Protection Acts 2018 in the UK.

Processing personal data relates to obtaining, disclosing, recording, holding, using, erasing or destroying all types of personal data. Provident Financial plc will adhere to the principles relating to the processing of personal data set out in the GDPR and will be accountable for ensuring they can demonstrate compliance with these principles.

Personal data must be:

- a) Processed lawfully, fairly and in a transparent manner;
- b) Collected only for specified, explicit and legitimate purposes;
- c) Adequate, relevant and limited to what is necessary in relation to the purposes for which it is processed;
- d) Accurate and where necessary kept up to date;
- e) Not kept in a form which permits identification of Data Subjects for longer than is necessary for the purposes for which the data is processed;
- f) Processed in a manner that ensures its security using appropriate technical and organisational measures to protect against unauthorised or unlawful processing and against accidental loss, destruction or damage;
- g) Not transferred to another country without appropriate safeguards being in place; and
- h) Made available to Data Subjects and Data Subjects allowed to exercise certain rights in relation to their Personal Data.

Provident Financial plc must ensure they report significant data protection risks or exposures in line with the required management information as agreed by the Group Data Protection Officer and in the timescale agreed.

## **Conflicts of interest**

The Board of Provident Financial plc has put procedures in place to deal with situations where a director has an actual or potential conflict of interest. Section 175(1) of the Companies Act 2006 states that a director of a Company must avoid a situation in which he/she has, or can have, or a connected person has or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of a Group Company.

Any actual or potential conflict situations must be authorised in advance to avoid a director being in breach of their statutory duties. Non-disclosure of a conflict is a breach of fiduciary duty and could result in criminal action and personal liability for the director concerned as well as being removed as a director.

Employees must avoid any contacts that might lead to, or suggest, personal or professional conflicts of interest. In the event of any doubt, the Company Secretary and General Counsel should be contacted 23 without delay and any conflicts declared.



## **Anti-Money Laundering and Counter Terrorist Financing**

Divisional boards must take into account all relevant information and risk factors, including factors relating to customers, the geographic area or country from which divisional business activities are carried out, products, services, transactions and delivery channels in the evaluation of Anti-Money Laundering (AML) risks and Counter Terrorist Financing (CTF) risks associated with divisional business activities. Divisional boards must also take into account the size and nature of their business activity to determine what steps are appropriate and to create policies and procedures commensurate with the risks.

Divisional boards must appoint a responsible person as the Money Laundering Reporting Officer (MLRO) who will create, update and ensure compliance with policies and procedures. The MLRO will also ensure there are adequate controls in place to mitigate and manage effectively any AML and CTF risks.

All relevant employees must be trained in respect of AML and CTF with refresher training carried out and documented annually. Divisional managers must ensure their employees understand their AML and CTF obligations. Divisional MLROs must agree a risk based approach to dealing with money laundering and terrorist financing risks which is consistent across the Divisions.

Divisional boards must request a report from their MLRO annually which sets out the policies and procedures in place and reports on compliance with these procedures and the adequacy of its controls, highlighting any areas of concern.

## **Share dealing**

The Company Secretary and General Counsel is responsible for implementing policies and procedures in relation to employee share dealing and establishing appropriate insider dealing lists.

All Divisions must have in place appropriate policies which comply with market abuse regulations as notified by the Deputy Company Secretary from time to time.

The Deputy Company Secretary shall maintain a permanent restricted person's list of employees who are deemed to be in receipt of confidential information on a permanent basis.

The Deputy Company Secretary shall maintain such records as are required by applicable market abuse legislation. The Divisions are responsible for informing the Deputy Company Secretary of any changes to any project lists (confidential or insider) in light of changes in roles and responsibilities and employees involved in project work.

All announcements to a Regulatory Information Service must be made or authorised by the Company Secretary and General Counsel or the Deputy Company Secretary.

All employees on an insider dealing list, the permanent restricted persons list or any project list must receive permission to deal in shares and report any dealings in line with the share dealing policies and procedures established by the Company Secretary and General Counsel.

## **No political donations**

Provident Financial Group will not make direct or indirect financial contributions to government officials, representatives, politicians or political parties.

Each Division must design and implement a policy to ensure it does not, and the Group must not, make any political donations or incur political expenditure including offering or accepting a gift to or from government officials, representatives, politicians or political parties.

Divisional Managing Directors are responsible for ensuring the Divisions do not make any political donations or incur any political expenditure.

Each divisional policy must provide for the Group Director of Corporate Affairs to approve in advance in any case where it is unclear whether a payment could consist of a political donation or political expenditure and for recipients of funds in the UK, wherever practicable, to be asked to confirm that payment to them would not constitute a political donation under the provisions of the below Act.

This policy applies to the making of any donations which may fall within the Political Parties, Elections and Referendums Act 2000.

## Whistleblowing

Provident Financial Group is committed to fostering a culture of openness, honesty and accountability and requires the highest possible standards of professional and ethical conduct of itself and from all employees, self-employed agents, contractors, and relevant third parties. It is also committed to ensuring that all employees, self-employed agents, contractors, and relevant third parties can raise any concerns they may have about illegal or improper behaviour without fear of victimisation, discrimination or disadvantage.

An external third party helpline facility has been established by Provident Financial plc for employees to raise anonymous concerns relating to the Provident Financial Group.

The Company Secretary and General Counsel shall have responsibility for the relationship between the external third party helpline facility and the Group. A Group Whistleblowing Forum has been established to ensure an appropriate level of oversight is in place in order that each business reports their data in a consistent manner. The forum will meet every 6 weeks.

The Board of Provident Financial plc shall have responsibility for reviewing the adequacy and security of the Group's arrangements for its employees and contractors to raise concerns about possible wrongdoing in financial reporting and/or other matters. The Audit Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action. The chair of the Audit Committee will be responsible for the oversight of this process.

Each Division shall adopt a formal whistleblowing policy, which incorporates the external third party helpline facility established by the Group. Each divisional board is responsible for its divisional whistleblowing policy provided it complies with the corporate policies. FCA details should also be made available.

The Company Secretary and General Counsel will report annually to the Board of Provident Financial plc on any concerns raised through the Group's whistleblowing framework.

## Health and Safety

The Board of Provident Financial plc shall have overall responsibility for Group health, safety and wellbeing. It shall ensure that health, safety and well-being are integral to the way in which its Divisions operate and shall also consult with health and safety professionals, where required, in order to achieve this. Provident Financial Group is committed to protecting the health, safety and well-being for its employees, self-employed agents, contractors, suppliers and customers.

This requires that:

- Each Division must develop and implement a health and safety policy and manual which complies with health and safety legislation.
- Each Division shall ensure that the health and safety policy and manual is reviewed annually and any changes approved by the divisional boards. The CCD policy will apply to the Corporate Office.
- Each Division must allocate and communicate clear duties and responsibilities for health, safety and well-being at board, senior management, line management and employee level to implement this Group policy and any other associated, operating business-specific policies which relate to the health and safety policy, including policies on flexible working, grievance and whistleblowing.
- Each Division shall produce a health and safety annual report for submission to the Board of Provident Financial plc in February of the following year.

## Environmental management

Provident Financial Group is committed to conducting its business in a manner that minimises its impact on the environment. We recognise the importance of acting on climate change, as it poses a significant risk to the global economy and to society in general. By managing our day-to-day business operations in an efficient and responsible manner, we can reduce both our direct and indirect impacts on the planet.

The Provident Financial Group Environmental Policy sets out the requirements to control and mitigate the environmental risk within the group's businesses. This includes risks that are associated with the direct impacts of energy and resource consumption, as well as the indirect impacts of our procurement processes and lending activities. This is good practice and is an important facet of being a responsible and sustainable financial services provider.

The scope of this policy applies to all Divisions.

At a minimum, this policy requires that the Provident Financial Group meet or exceeds the requirements of all relevant environmental legislation, regulations and/or approved codes of practice in each country in which they operate.

This policy also commits the Group and its Divisions to:

- Operate a continuous improvement programme which aims to reduce the Group's consumption of resources (e.g. energy, fuel, paper and water) and increase the efficiency of the use of these resources. This will include establishing objectives and targets to measure environmental performance and subsequently to evaluate, on at least a bi-annual basis, whether such objectives and targets have been met and how further improvements in environmental performance could be achieved.
- Where practicable, avoid or minimise the use of hazardous or toxic material or products, and preventing pollution from their operations and facilities.
- Integrate environmental considerations into procurement processes for goods and services and encourage our suppliers and business partners, to adopt good environmental practices and where appropriate, collaborate with them on solutions to mitigate our impacts on the environment.
- Reduce greenhouse gas emissions from our direct operations by investing in sustainable buildings and technology, implementing energy efficient technologies and managing our business travel activities.
- Raise colleague awareness of environmental issues and encourage them to adopt environmentally responsible behaviour to enable them to play a meaningful role in implementing this policy.
- Ensure that this policy is brought to the attention of all employees and to third parties who work for the Group, as appropriate. Report annually on their environmental performance to the Group Head of Sustainability and to their

divisional environmental working group. This information will be monitored and published externally in the Annual Report & Financial Statements and in the annual Corporate Responsibility Report and on the corporate website.