



Provident Financial plc  
Corporate Responsibility  
Report 2021



*Helping our*  
**customers, colleagues  
and communities**



# In this year's report...

PFG is a leading specialist bank providing credit products which offer financial inclusion to the 14 million people in the UK who are not well served by mainstream banks or building societies. The Group currently serves 1.6 million customers by offering credit cards as Vanquis, vehicle finance as Moneybarn and personal loans with our Vanquis and Sunflower Loans products.

This Corporate Responsibility (CR) Report is designed to provide the reader with a balanced account of how PFG's Purpose and strategic drivers are aligned to the Group's responsible business strategy, as well as further details of the progress that has been made during 2021 in delivering against this strategy.

The report relates to the non-financial aspects of Provident Financial plc and its key stakeholders: customers, colleagues, shareholders and debt investors, regulators, communities, suppliers and the environment. It provides information and updates on our CR activities, performance and achievements from 1 January to 31 December 2021 unless otherwise stated.

Further information on PFG can be found in its Annual Report and Financial Statements 2021.

As in previous years, this report has been independently assured by Corporate Citizenship in accordance with the ISAE 3000 Assurance Standard. Corporate Citizenship's assurance statement can be found at: <https://www.providentfinancial.com/sustainability/>.

“

I mainly spend on my card because it is just so convenient. I've got peace of mind and security on my purchases and it's so easy to use.

**Eric**  
Resettlement Case Worker

Read Eric's story in our Annual Report and Financial Statements 2021



To view PFG's past CR Reports and the Annual Report and Financial Statements 2021, go to [www.providentfinancial.com](http://www.providentfinancial.com)



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## Governance

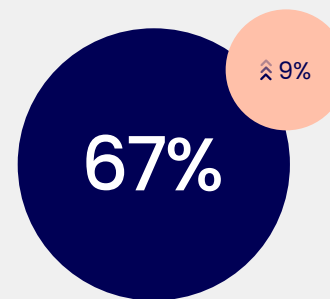
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# Our highlights *for 2021*

Here are some key highlights from the Group for 2021. You will find more highlights like these throughout the report, and specifically at the beginning of each chapter.

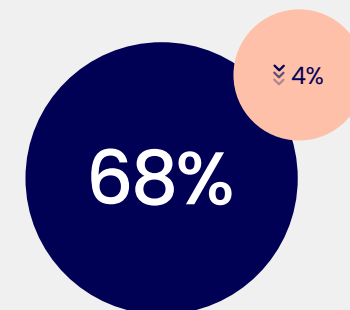
During 2021, as we took a number of important decisions regarding PFG's future strategy, we continued to ensure our Purpose is strategically aligned with the approaches we take to operating our business of lending to our customers in a responsible manner, and acting responsibly and sustainably in all our stakeholder relationships by focusing on creating a fair, inclusive and diverse working environment for colleagues, investing in the communities that we serve, taking positive action on climate change, and engaging with our stakeholders on the environmental, social and governance (ESG) agenda.

This ensures that we demonstrably deliver on our Purpose and continue to provide our customers with the responsible credit products and services that meet their particular needs, as well as play our role in addressing some of the key social, environmental and ethical challenges of our time.



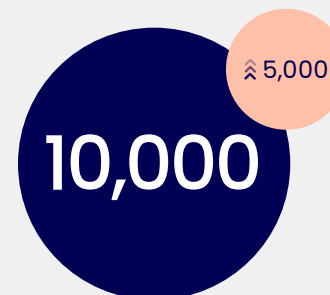
of colleagues feel PFG does enough to support their health and wellbeing at work

+ Read more on [pages 44 and 45](#)



2021 colleague engagement score

+ Read more on [page 36](#)



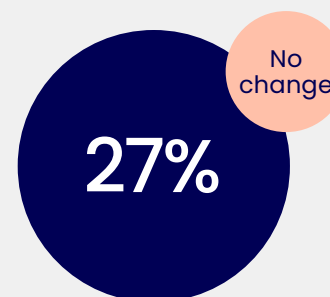
tonnes of CO<sub>2</sub>e offset

+ Read more on [page 24](#)



invested in the community

+ Read more on [page 53](#)



of senior management representation are female

+ Read more on [page 41](#)



donated to colleague fundraising efforts

+ Read more on [page 53](#)

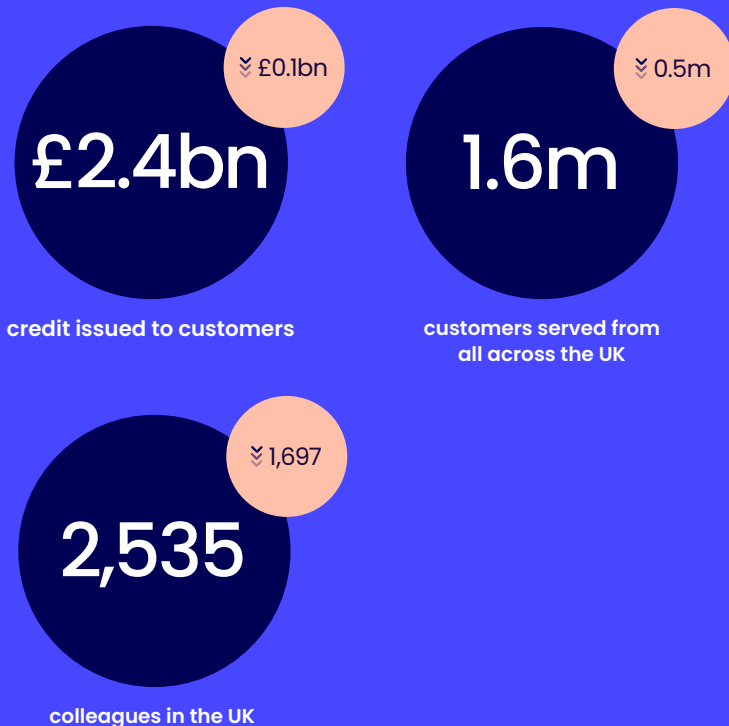
# Group snapshot

PFG's Purpose is to help put people on a path to a better everyday life. We do this by providing customers with opportunities to borrow in a transparent, responsible and sustainable way, so they can live their lives with access to finance.

On this page you will find some key information about PFG and how we meet the needs of our customers by offering credit cards as Vanquis, vehicle finance as Moneybarn, and through our growing personal loans business with both our Vanquis and Sunflower Loans products.



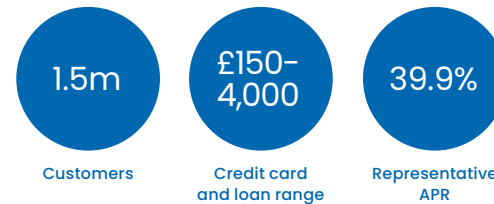
To read more about the Group's businesses, see our [Annual Report and Financial Statements 2021](#)



## Our three products

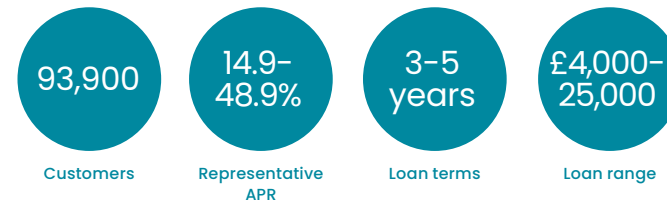
### Credit cards

Vanquis offers a range of credit cards, unsecured loans and retail deposits.



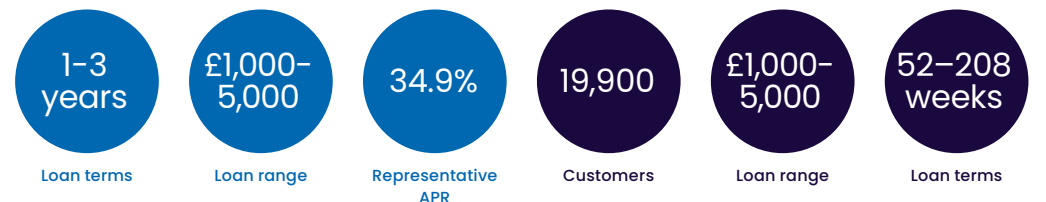
### Vehicle finance

Moneybarn offers secured motor finance on a range of asset classes, including cars, motorbikes and light commercial vehicles.



### Personal loans

We offer personal loan products through our Vanquis and Sunflower Loans brands.



## Introduction from our CEO

# Welcome to our 2021 *Sustainability Report*

I am delighted to introduce our 2021 Corporate Responsibility (CR) Report. When we publish our CR Reports, our aim is to provide our stakeholders with a comprehensive update on the key actions we have taken and progress we have made during the year in delivering on our Purpose of **helping to put people on a path to a better everyday life**.

All the work we have undertaken, and the achievements we have realised, during 2021 have been delivered against a backdrop which has seen our customers, colleagues and communities have to continue to deal with the challenges and disruption of Covid-19. I would therefore like to express my heartfelt thanks to all my PFG colleagues for their dedication, commitment and tenacity in looking after our customers and each other, keeping our business running effectively and efficiently, and ensuring that we continue to take positive action in addressing the ESG issues that matter to our business and stakeholders.

As I mentioned in my introduction to our 2020 CR Report, 2021 was the year when we took the difficult decision to close our Consumer Credit Division (CCD) to support a change in our strategy from serving high-cost credit customers to focusing on the mid-cost segment of the credit market and working towards being the leading bank for financially underserved customers. The closure of CCD was done, in accordance with our plans, at the end of December 2021.

Our Provident home credit business, which was part of CCD and has operated in one form or another since 1880, is an important part of PFG's long history, with the loans we offered playing a key role in the everyday lives of so many customers. So, the decision to close the business was one that was not taken lightly because of the impacts it has on the many customers we have been proud to serve, leaving them with limited options in terms of being able to access affordable and responsible forms of credit. It also impacted the 2,100 colleagues who worked in the division's nationwide network of branch offices, as well as at our Bradford head office. I would like to acknowledge the professionalism and integrity shown by CCD colleagues during this difficult period and thank them for their dedication and commitment in supporting our customers as we closed this part of our business. I wish all the colleagues that left PFG during 2021 all the very best for the future.

Having had to take difficult, but strategically important decisions regarding the future vision and plans for PFG during 2021, as well as continue to operate our business for a second year at various times in accordance with pandemic-related restrictions, I have been able to reflect on the importance of our Purpose and how it supports our business to address many of the challenges that confront society today, including those issues that Covid-19 has shone a spotlight on.

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Being a Purpose-led business means that we are well placed to manage the ESG issues that matter to our business and stakeholders, but also that we must play our part in proactively seeking to address issues such as inequality and disadvantage.

**Malcolm Le May**  
Chief Executive Officer

Being a Purpose-led business means that we are well placed to manage the ESG issues that matter to our business and stakeholders, but also that we must play our part in proactively seeking to address issues such as inequality and disadvantage.

Through the work that we deliver in the communities we serve, we know that the last two years have had a detrimental impact on children's education through lost learning, with the poorest and more marginalised children being impacted the most. This is why we remain steadfastly committed to supporting organisations like National Numeracy, the National Literacy Trust and School-Home Support, among others, to promote lifelong learning opportunities that support children and young people to boost their education, skills and aspirations.





## Introduction from our CEO continued

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As we move forward with our strategy, we will ensure that our Purpose continues to provide the bedrock for our sustainability programme and managing key ESG-related matters. This will enable us to meet the needs of our customers, deliver sustainable returns for our shareholders, and take action to address some of the key challenges of our time such as climate change, inequality and poverty.

**Malcolm Le May**  
 Chief Executive Officer

To further underline our commitment to playing a role in improving skills such as numeracy and literacy, I joined the National Numeracy Leadership Council in September 2021. The Council, which includes representatives from Amazon, Bloomberg and Experian, will grow the network of organisations and individuals actively addressing the issue of poor numeracy in the UK. It will also support people to improve and use their numeracy by creating positive attitudes to numbers and maths, supporting financial wellbeing, increasing access to sustainable careers and, ultimately, stimulating productivity across the entire economy. As CEO of a financial services company, I know how important a role that good numeracy skills play in supporting the financial wellbeing of our customers, colleagues and other partners, so I look forward to working in partnership with the Council's other members to improve levels of numeracy in the UK.

The need to take action to combat climate change continued to be an urgent priority in 2021, culminating in the UK's hosting of COP26. During the year, we continued to implement measures aimed at reducing the impact that PFG's operations have on the environment, particularly in relation to climate change. We also know that there is more we can do and that it will be our children, and our children's children, that will be disproportionately impacted by climate change if we do nothing. This is why we were proud to support the Grange Festival, in collaboration with WWF, as part of the education workstream of our Social Impact Programme, to engage with 250 children and young people in Hampshire and one of our partner schools in Kent to produce a series of short films which focused on climate change and the steps countries and individuals need to take to drive sustainable change. I was delighted to hear that these films, which engaged with the children and young people on a range of climate change topics and encouraged them to think creatively and innovatively about how we can all work towards creating a more sustainable vision for the future, were shown by WWF at COP26. Over the next 12 months, we will continue to develop our understanding of our exposure to risks and opportunities associated with climate change and engage with colleagues and customers so that they can join us on our pathway to net zero. And following on from becoming a signatory to the UN Global Compact's Business Ambition for 1.5°C pledge in 2021, we will progress our work to set PFG carbon targets which align with current climate science and are approved by the Science Based Targets initiative.

2021 will go on record as being a strategically important year for PFG as we reinforced our position on becoming the leading bank whose focus is on serving the financially underserved. As we move forward with our strategy, we will ensure that our Purpose continues to provide the bedrock for our sustainability programme and managing key ESG-related matters. This will enable us to develop and offer products and services that meet the needs of our customers in the mid-cost

segment of the market, deliver sustainable returns for our shareholders, and play a key role in taking action to address some of the key challenges of our time such as climate change, inequality and poverty.

I will continue to provide you with regular updates on our progress throughout the year and in next year's report.

I hope that you find this report of use and welcome any feedback you may have; please contact us on [corporateresponsibility@providentfinancial.com](mailto:corporateresponsibility@providentfinancial.com).

**Malcolm Le May**  
 Chief Executive Officer



# Introduction from our

## Head of Sustainability



“

I recognise that PFG has a key role to play in working collaboratively with other businesses, government, investors and other stakeholders to take positive action on climate change. This is why we set our target to achieve net-zero greenhouse gas emissions by 2040.

**Rob Lawson**  
 Head of Sustainability

### Harnessing our Purpose to positively impact people and the planet

Taking action to address the key challenges facing society today has always been core to PFG's Purpose of helping to put people on a path to a better everyday life. The products and services that PFG offers help to facilitate financial inclusion for customers by enabling them to have access to forms of credit and technology that are appropriate to their needs, and supporting them through financial difficulty. Our unique culture and position within the mid-cost segment of the financial services market also mean that PFG is well placed to address many of these key challenges, be that improving social mobility, reducing greenhouse gas emissions or supporting inclusion and diversity. In this interview, PFG's Head of Sustainability, Rob Lawson, answers questions on the approach that PFG takes to delivering on its ESG commitments and ensuring that this delivers both business and social value for the Group and its key stakeholders.

#### Q. Climate change is a huge societal issue for us all. What is PFG's strategy in relation to the climate change agenda?

In order to take positive action on climate change, business, government, investors and other stakeholders will need to work collaboratively. However, I recognise that our business has a key role to play in addressing this challenge. This is why we set our target to achieve net-zero greenhouse gas emissions by 2040. The strategy we have adopted so that we can work hand in hand with government, business and other key stakeholders is to reduce the carbon intensity of our own operations by, for example, reducing the use of energy and other resources across our business, and to understand the potential for future climate change to impact PFG and our key stakeholders. In the case of the latter point, this has seen us

undertake our first scenario analysis and meet the recommendations of the TCFD. Building on this work will be a key focus for the Climate Risk Working Group we established in June 2021. This group will support our Climate Risk Committee to carry out further forward-looking projections so that we can continue to understand and quantify PFG's exposure to material climate-related risks and uncertainties, which will enable us to test, on a regular basis, our business model against the underlying impacts that a changing climate will result in.

#### Q. Companies are increasingly being asked by their stakeholders to contribute to the achievement of the UN Sustainable Development Goals (SDGs). What is PFG doing on this front?

The UN SDGs are an internationally agreed set of global high-level targets relating to international development to tackle poverty, inequality and environmental degradation. As is the case with climate change, the issues that are covered by the 17 SDGs can only be addressed when business, government and other stakeholders work together. At PFG, we're committed to creating a more sustainable and inclusive future which supports the SDGs – I believe that doing so supports our Purpose of helping to put people on a path to a better everyday life. This is why we have aligned our sustainability strategy to the SDGs and established long-term objectives which are aligned with the SDGs that relate to No Poverty, Quality Education, Gender Equality, Decent Work and Economic Growth, and Reduced Inequalities. It is also why, in 2021, we signed up to the UN Global Compact so that we could further connect what our business does, along with the wider role we play in society, with universal principles which commit PFG to operating in accordance with responsible and sustainable business practices. You can read more about how PFG actively contributes to the achievement of the SDGs on pages 12 and 13.

## Introduction from our Head of Sustainability continued

### Q. How has PFG supported the health and wellbeing of its colleagues and other key stakeholders over the past 12 months?

As we've responded to the disruption caused by Covid-19 over the past 12 months, PFG has continued to place the highest priority on the wellbeing of our colleagues and their families by adhering to government guidelines, supporting our colleagues to work remotely, ensuring that our workplaces are safe and hygienic for those that aren't able to work from home, and providing access to tools and resources which aim to support colleagues' mental health and wellbeing. In the context of our business, the pandemic has forced us to change the way we work. This is why we introduced a hybrid working model in 2021 which will enable colleagues, for whom such an approach is practical, to split their working week or month between the office and home. This delivers benefits, both for colleagues and the Group as a whole, for example, by reducing our carbon footprint due to fewer people commuting to and from the office and improving work-life balance. To support the process, we provided colleagues with guidance and advice to help them to understand PFG's approach to hybrid working, which included the Group's guiding principles for this new way of working, as well as some tips on working safely and effectively while working away from the office. We also continued to provide colleagues with health and wellbeing support, including access to webinars which focused on helping them to maintain positive mental wellbeing during what has been a challenging period for them at times. Finally, the approach we took in 2020 to working with our community partners continued into 2021. This saw us continue to work with them to derestrict our funding so that it could be repurposed for use in areas of immediate need and to adapt the way they deliver support so that it can be delivered online or remotely using technology. I am proud of the way that the partners we support have worked during these difficult times to ensure that disadvantaged children and young people, and their families, get the help they need.

### Q. How do you engage with the Board on the ESG issues that are material to PFG and its key stakeholders?

It is vitally important that the Board is able to stay up to date on all material ESG-related developments. This is why the Board's Customer, Culture and Ethics (CCE) Committee was established in 2019. This Committee is chaired by non-executive director Graham Lindsay and its membership and regular attendees of meetings comprise a mix of other Board non-executive directors and senior leaders from across the business. Having this Committee in place, ensures that PFG Board members are able to provide oversight of the Group's approach to managing and reporting on all material ESG-related developments. Throughout 2021, the CCE Committee has received updates on a range of ESG issues, including on our progress in meeting the TCFD recommendations, and the Group's Social Impact Programme and in relation to reviewing our Modern Slavery Statement. In addition to this, I have delivered ESG briefings to the PFG Executive Committee and the executive and non-executive directors that attended last year's Corporate Planning Conference.

### Q. What are PFG's ESG priorities for the next three years?

As we work towards our vision of becoming the leading bank whose focus is on addressing the needs of those that are not well served by mainstream lenders, we will ensure that our Purpose continues to play a key role in taking action to address some of the key challenges of our time such as climate change, inequality and poverty. We will continue to focus our attention on ensuring that PFG takes positive action on climate change, and we'll review our approach to community investment to ensure that the activities and initiatives we support continue to be fully aligned with our Purpose and strategy, and that they demonstrably contribute to the achievement of the SDGs.

**Rob Lawson**  
 Head of Sustainability

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We will continue to focus our attention on ensuring that PFG takes positive action on climate change, and we'll review our approach to community investment to ensure that the activities and initiatives we support are aligned with our Purpose and strategy, and that they demonstrably contribute to the achievement of the UN's SDGs.

**Rob Lawson**  
 Head of Sustainability



# Our strategic objectives

The Group's strategy provides the direction needed to ensure that we are able to put people on a path to a better everyday life.

This strategy has remained consistent over time but has, more recently, been supported by our Blueprint. This defines not only what we do, but how we do it. It ensures that our customers are at the heart of what we do, and that we support their financial inclusion by lending responsibly to them. The three pillars of our strategy are aligned with the Blueprint, which ensures that our key decisions align with the expectations of our stakeholders.

In doing this, we can build a PFG that is sustainable and which continues to provide for both our current and future customers.



To read more about the progress made by the Group against these wider strategic objectives, see our [Annual Report and Financial Statements 2021](#)

1

**Grow customer-centric businesses** which continue to diversify to meet customer expectations by delivering positive outcomes and provide positive returns for shareholders.

#### Objective

- Grow businesses to provide customers with products which put them on a path to a better everyday life.
- Tailor products to meet the needs of our customers.
- Ensure products are distributed and collected in a way which meets the expectations of our customers and regulators.
- Generate a sustainable return from each of our businesses which meets the Group's target returns.

2

**Act responsibly and with integrity** in all we do. Creating sustainable businesses which our stakeholders are proud to be a part of.

#### Objective

- Lend to our customers in a responsible and sustainable manner, putting their needs at the heart of everything we do.
- Develop a positive and proactive relationship with the regulator.
- Ensure colleagues are proud of what they do and understand how it will benefit our customers' lives.
- Generate sustainable profitability to provide a positive return to shareholders.
- Continue to support the communities where we lend.
- Treat our suppliers fairly.

3

**Maintain a secure funding and capital structure** to enable us to continue to provide for all of our stakeholders.

#### Objective

- Maintain a secure funding structure which meets contractual maturities, which apply to the repayments of the financial instruments that make up the current funding structure, and fund growth over the subsequent 12 months.
- Diversify the Group's funding sources (read more about our funding on page 30 of our 2021 Annual Report and Accounts).
- Maintain regulatory capital headroom in excess of 5% risk-weighted exposures (c.£100m), inclusive of all PRA and management buffers.
- Adopt a progressive dividend policy.



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In the three years I've had the card, my rating has improved massively; they've increased my credit limit as I've used it too.

**Graeme**  
Business Consultant



Read Graeme's story in our **Annual Report and Financial Statements 2021**

### Our commitment to delivering a sustainable future

The Purpose, strategic drivers and behaviours that make up our Blueprint are at the heart of PFG's approach to the sustainable growth of our business. This is not only about continuing to provide our customers with the responsible credit products and services that meet their particular needs, it is also about ensuring that we address the social, environmental and ethical challenges facing our business and society at large.

#### In this section

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- 12 2021 contributions to the Sustainable Development Goals

## Our sustainability *strategy*

At PFG, our Purpose of helping to put people on a path to a better everyday life fundamentally informs the decisions and choices that we make as a business. It ensures that we are focused on providing our hardworking customers, many of whom may not be well served by mainstream lenders, with access to credit products that are appropriate to their circumstances and deliver good outcomes. We do this through our three distinct products: credit cards, vehicle finance and unsecured personal loans.

Our Purpose also encompasses the wide-ranging role that PFG has in helping to address global challenges and benefiting wider society, which positively expresses how, at the core of our business, we seek to create value for all our stakeholders in a way that supports the environmental and social systems we rely upon, by contributing to a sustainable future.

Our **sustainability strategy** is aligned with this Purpose and centres on the following two areas:

- Operating our business of lending to our customers in a responsible manner – we provide our customers with credit products that meet their particular needs, deliver fair outcomes throughout their journeys with us, and put them on a path to a better everyday life.
- Acting responsibly and sustainably in all our stakeholder relationships – we respond to the needs of our stakeholders by creating a fair, inclusive and diverse workplace, supporting our local communities, taking action on climate change, treating suppliers fairly, and engaging with them on other ESG matters.

In working in accordance with our Purpose and delivering our sustainability strategy, we recognise the importance of ensuring that our approach and the ESG activities we deliver support, and align with, existing, globally accepted frameworks. To this end, we continue to ensure that the work we do is aligned to the United Nations SDGs and supports the Paris Agreement and the UK's transition to a net-zero economy, and take urgent action to tackle climate change and its impacts (see pages 12 and 13 for further information about our contribution to these goals during 2021).

By doing this, we are seeking to further demonstrate how our Purpose and business strategy actively contribute towards the achievement of these important and global objectives and move us on a more sustainable and inclusive path.



Read more online  
[www.providentfinancial.com](http://www.providentfinancial.com)

# Continuing to deliver our Blueprint

Our Purpose is to help put people on a path to a better everyday life. We use our Purpose to guide what we do and how we do it, and it defines why we exist. Inside PFG, it's underpinned by a set of drivers and behaviours, which we use consistently across the Group. They help us measure performance, make decisions and guide us to get the best possible outcomes for our customers. We call this our 'Blueprint'.

83%

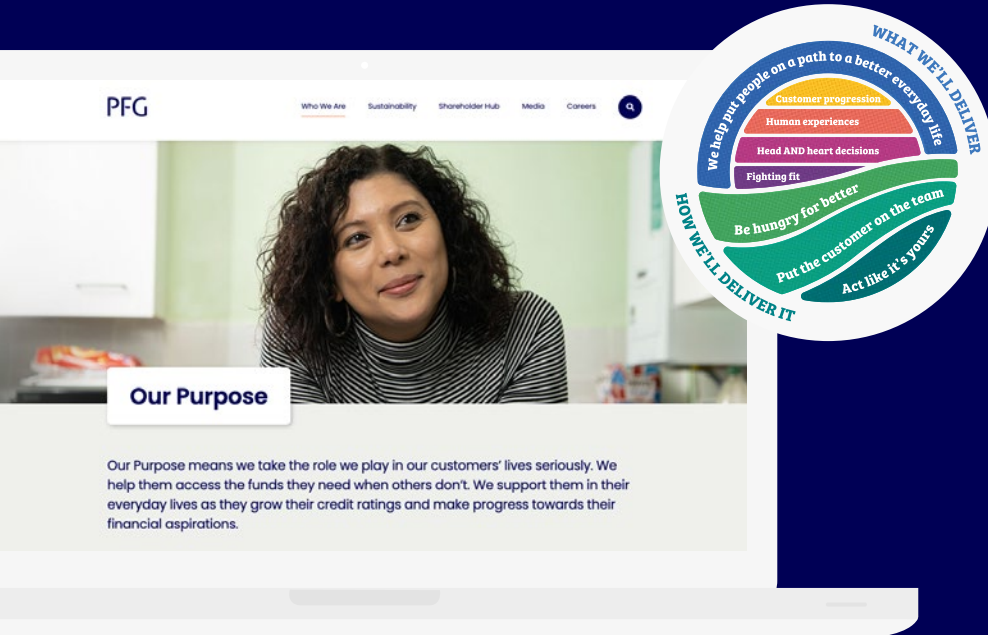
of colleagues either agree or strongly agree that they understand our Purpose and what it is trying to achieve

84%

of colleagues either agree or strongly agree that they feel people help and support each other at PFG

73%

of colleagues either agree or strongly agree that they know how the work they do helps PFG to achieve its vision



Our Blueprint helps us to:

- balance our customer products and services in terms of responsibility and sustainability;
- create a rewarding workplace for colleagues; and
- generate suitable and sustainable returns for shareholders who give us the investments we need to support our customers.

Throughout 2021, we continued to integrate our Blueprint into the fabric of the business. This saw us publish guides for colleagues and managers which embed our Blueprint Behaviours within our performance management frameworks. This means that we now have a consistent approach in place across PFG to monitor the embedding of our Purpose and the Blueprint Behaviours via all performance-related conversations.

We use a number of questions in our Annual Colleague Survey which enables us to track how our Blueprint Behaviours continue to embed with colleagues from across PFG. Our 2021 survey results are uniformly positive at the Group level with increases in sentiment across related questions, particularly in terms of the behaviour which relates to being 'hungry for better':

- 74% of colleagues feel comfortable speaking up challenging how things are done (2020: 65%); and
- 74% of colleagues agree managers delegate work that challenges them to be better (2020: 66%).

## Reviewing and refreshing our Blueprint

We know that, since we first launched our Blueprint in 2018, PFG has delivered a number of key strategic initiatives as we have responded to changing industry dynamics as well as the impacts of Covid-19. This has led us to successfully focus the Group on becoming a leading bank which specialises in serving the needs of those customers who are not well served by mainstream lenders. To ensure that our Blueprint is still fit for purpose, we will, in 2022:

- revisit and, where appropriate, refresh our Blueprint to ensure that it is aligned with where the Group is now and where we are heading;
- develop a clear strategic narrative that focuses on our Purpose and builds excitement amongst our colleagues about PFG's future direction; and
- continue to invest in our colleagues' development and future by ensuring that our leadership programmes reflect our Purpose and Blueprint Behaviours.



To find out more on our Blueprint visit  
[www.providentfinancial.com](http://www.providentfinancial.com)

# Our commitment to the

# UN Sustainable Development Goals

The commitment we have made to growing our business in a truly responsible way is longstanding. This is not only about continuing to provide our customers with the responsible credit products and services that meet their particular needs, it is also about ensuring that we address the social, environmental and ethical challenges facing our business and society at large.

In working towards achieving this, we recognise the importance of ensuring that our sustainability strategy and the ESG activities we deliver meet existing, globally accepted frameworks. To this end, we have ensured that the work we do is aligned with the United Nations SDGs and supports the Paris

Agreement and the UK's transition to a net-zero economy, and take urgent action to tackle climate change and its impacts. We continue to focus our efforts on the SDGs where our contribution can have the most impact. These are: Goal 1 – No Poverty, Goal 4 – Quality Education, Goal 5 – Gender Equality, Goal 8 – Decent Work and Economic Growth and Goal 10 – Reduced Inequalities. We also continue to contribute to support other important SDGs such as those that relate to the environment, including Goal 12 – Responsible Consumption and Production and Goal 13 – Climate Action.

## Our Purpose

Helping to put people on a path to a better everyday life

## Our sustainability strategy

### Lending responsibly



- Provide our customers with the credit products that meet their particular needs
- Deliver fair customer outcomes throughout their journey with us

### Acting sustainably



- Create an inclusive and engaging workplace
- Support our Purpose through our Social Impact Programme
- Take action on climate change
- Ensure that we treat our suppliers fairly
- Engage with the investment community on sustainability matters
- Remain a responsible taxpayer



# 2021 contributions to the Sustainable Development Goals

PFG's commitment to growing our business in a truly responsible way is not only about continuing to provide our customers with the responsible credit products and services that meet their particular needs, it is also about ensuring that we address the social, environmental and ethical challenges facing our business and society at large.



## No Poverty

### Aim

To end poverty in all its forms everywhere.

### PFG objective

By 2030, we will contribute to ending poverty in all its forms everywhere, by ensuring our customers have access to cost-effective and appropriate products for their needs and supporting them through financial difficulty.

### FY 2021 highlights and achievements

Our Purpose to help put people on a path to a better everyday life is about lending responsibly and aiding financial inclusion by supporting the one in five people in the UK who cannot get access to credit products through mainstream banks and building societies. We currently do this by providing our 1.6 million customers in the UK with credit cards and loans through our Vanquis business and vehicle finance through Moneybarn. Through our Social Impact Programme, we also provide grants to charities and specialist partners to address issues like customer vulnerability, product accessibility and financial difficulties. To contribute to this SDG in 2021 the funding we provided to The Money Charity enabled it to deliver information, advice and guidance to people of all ages, so that they can manage their money well and increase their financial wellbeing by delivering: 332 hours' worth of financial education workshops to 7,640 young people; 79 hours' worth of financial wellbeing, Covid-19 response and bespoke workshops to 675 adults; and 10 hours' worth of workshops to 67 young people impacted by the criminal justice system.



## Quality Education

### Aim

To ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

### PFG objective

By 2030, we will contribute to ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all by partnering with organisations that will help to equip children and adults with essential skills and knowledge that will allow them to excel in many different directions.

### FY 2021 highlights and achievements

We contribute to this SDG through the education pillar of the PFG Social Impact Programme which supports children, young people and adults to boost their education, skills and aspirations, in order to participate in society and secure a brighter financial future. Through our longstanding partnerships with National Numeracy, the National Literacy Trust and Leading Children we have supported a number of programmes which aim to boost the literacy and numeracy skills of children, young people and adults. For example, our funding in 2021 enabled National Numeracy to deliver its 'Becoming a Numeracy Champion' programme which supported approximately 11,000 children, parents and teachers from 19 schools in areas of need across England to develop the numeracy skills they will need, both at schools and throughout their lives. We have also continued to provide funding for School-Home Support Practitioners in four schools across Bradford and Medway who work with families. During the year, these practitioners supported 284 individuals which contributed to achieving an average school attendance increase of 10.9%.



## Gender Equality

### Aim

To achieve gender equality and empower all women and girls.

### PFG objective

By 2024, we will have 40% female representation in the Group's senior management population.

### FY 2021 highlights and achievements

PFG's senior management population currently has 27% female representation. The key actions we undertook throughout 2020 to support this SDG include: ensuring that there is a 50/50 gender balance short-list when we recruit for senior leadership roles across PFG; continuing to deliver leadership development programmes to high-potential women from across PFG to help strengthen the female talent pipeline at the senior/middle management level; and running colleague-led Peer Circles to encourage peer support for women in relation to a range of issues, including on interview techniques, performance reviews and menopause support. Through our Social Impact Programme, we also support projects which aim to empower women and girls. For example, this included providing a grant to the Kurdish and Middle Eastern Women's Organisation in North London to deliver its 'Breaking Digital and Personal Barriers to Employment' project, which works with women to break down the barriers they face in achieving their personal goals including low digital skills, childcare, caring responsibilities, language, self-esteem, self-worth, low confidence and lack of support.



## 2021 contributions to the Sustainable Development Goals continued



### Decent Work and Economic Growth

#### Aim

To promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

#### PFG objective

By 2030, we will contribute to promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all by creating opportunities for all generations and protecting and promoting labour rights in both our business and supply chains.

#### FY 2021 highlights and achievements

Many of the activities and initiatives we support through the PFG Social Impact Programme continue to contribute to supporting this SDG and creating opportunities for inclusive and sustainable economic growth, full and productive employment and decent work for the communities we serve. In 2021, this has involved supporting Ripe Enterprises to deliver weekly one-to-one and group digital skills training with employability support to people experiencing disadvantage in Southwark and Lambeth, and Autus to deliver twice weekly online workshops delivering digital skills training and employability support to young autistic people. We also continue to support and participate in the Social Mobility Business Partnership which brings together large corporate organisations and professional sports clubs to remove barriers, develop skills and provide experiences to sixth form and college students from disadvantaged backgrounds. The programme helps build aspirations and inspire the students to pursue a career in a profession that they may not have previously considered. During 2021, PFG colleagues played virtual hosts to 33 Year 11 students and delivered presentations and workshops on a range of legal and professional topics to inspire the young people who attended.



### Reduced Inequalities

#### Aim

To reduce inequality within and among countries.

#### PFG objective

By 2030, we will contribute to reducing inequality by building our capabilities to better identify, support and empower our stakeholders who may face inequality and exclusion whether it is because of their age/sex/gender identity/race/ethnicity/origin/disability/ability/where they live/what their economic status is.

#### FY 2021 highlights and achievements

To support this SDG and contribute to reducing inequality, we have provided funding to a range of projects through our PFG Social Impact Programme in 2021. For example, we provided core costs to Leeds GATE – a Gypsy and Traveller-led Bradford youth project – that builds the skills and confidence of this marginalised community of young people through a programme of activities and one-to-one work and by connecting them to opportunities. We also supported the Dadihiye Somali Development Organisation to deliver one day per week of linguistic and culturally appropriate debt advice service supporting ethnic minority people (predominantly Somali women) over a year in Kensington and Chelsea. In terms of maintaining an inclusive and secure workplace at PFG, we have our well-established Group-wide Inclusion Community, which comprises five aligned Affinity Groups focused on Disability, LGBTQ+, Gender Balance, Ethnicity and Social Mobility. These groups currently have 125 active and representative members, as well as an extensive network of Affinity Group allies, and help to coordinate work across the Group to celebrate, learn and increase awareness around an extensive range of inclusive and diversity-related events, including Pride, Inclusion Week, Living with Autism and Black History Month.



#### Aim of the TCFD recommendations

To support the UK's transition to a net-zero economy and take urgent action to tackle climate change and its impacts.

#### PFG target

To achieve net-zero carbon dioxide emissions by 2040.

#### FY 2021 highlights and achievements

The TCFD is built around four overarching pillars: governance, risk management, strategy, and metrics and targets, which in turn include 11 recommendations to support the development of meaningful climate-related financial disclosures. Taken together, these provide a consistent framework for companies to report on their exposure to material climate-related risks and opportunities, and a means to communicate decision-useful information to investors, regulators and other stakeholders. Set out on pages 16 and 17 is an update on the work delivered by PFG during 2021 in meeting the recommendations of the TCFD.

# CCD

## *closure*

**When we published our full year results last year, we reported that we were pursuing a Scheme of Arrangement to address the liability of ongoing customer complaints based on historical lending within the Group's Consumer Credit Division (CCD), as a result of heightened claims management company (CMC) activity across our sector.**

It was also announced that CCD would cease lending to new and existing Provident home credit and Satsuma customers, and that the division would be closed by the end of 2021. This difficult decision was taken as a result of the rise in the complaints being made by CMCs, along with the financial impact of Covid-19, the evolving regulatory environment and changes in consumer preferences. This led us to conclude that the division was no longer commercially viable, especially since it had been loss making since 2017.

The decision to close CCD was a significant one for the business to take and was not taken lightly. The Provident home credit business is an important part of PFG's long history, and home credit has played a role in the everyday lives of our customers for many years.

To support customers during this period, the division updated its customer-facing websites with further information regarding the change that was announced, and they were provided with ongoing collections support through our teams in the UK and Republic of Ireland, plus contact centre and remote payment options until the formal closure of our businesses at the end of 2021.

The closure of CCD also meant that the Group was required to make redundancies across the division. We therefore entered into a formal collective consultation process with the 1,400 colleagues who worked nationwide in CCD's network of branch offices, and 700 colleagues who were based in the division's Bradford head office in May 2021. Throughout this process, PFG supported all impacted colleagues through the redundancy process by ensuring that their wellbeing was looked after and giving them the tools they needed to find new opportunities. This included ensuring that they accessed advice and support on CV writing and job searching, providing relevant information about employment benefits, highlighting opportunities for training and/or upskilling, and connecting colleagues with relevant networks. The final phase of the closure of CCD was concluded on 31 December 2021.

Despite PFG's operational footprint in Bradford being impacted by the decision to close CCD, the Group remains committed to the city and wider district. PFG will therefore continue to work with and support its many community/charitable partners and other key stakeholders to both help develop the city's economy and tackle the social exclusion issues that disproportionately impact some of its residents.

The Scheme of Arrangement that was being pursued was sanctioned by the High Court in August 2021 and is on track to be completed in 2022. As the CCD business was wound down throughout 2021, customer collection rates on remaining Provident home credit and Satsuma loans exceeded expectations. Consequently, the decision was taken in December 2021 to settle all outstanding loans with the result that all remaining home credit and Satsuma customers were contacted and informed that they had nothing more to pay after 15 December 2021.



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The decision to close CCD was a significant one for the business to take and was not taken lightly. The Provident home credit business is an important part of PFG's long history, and home collected credit has played a role in the everyday lives of our customers for many years.

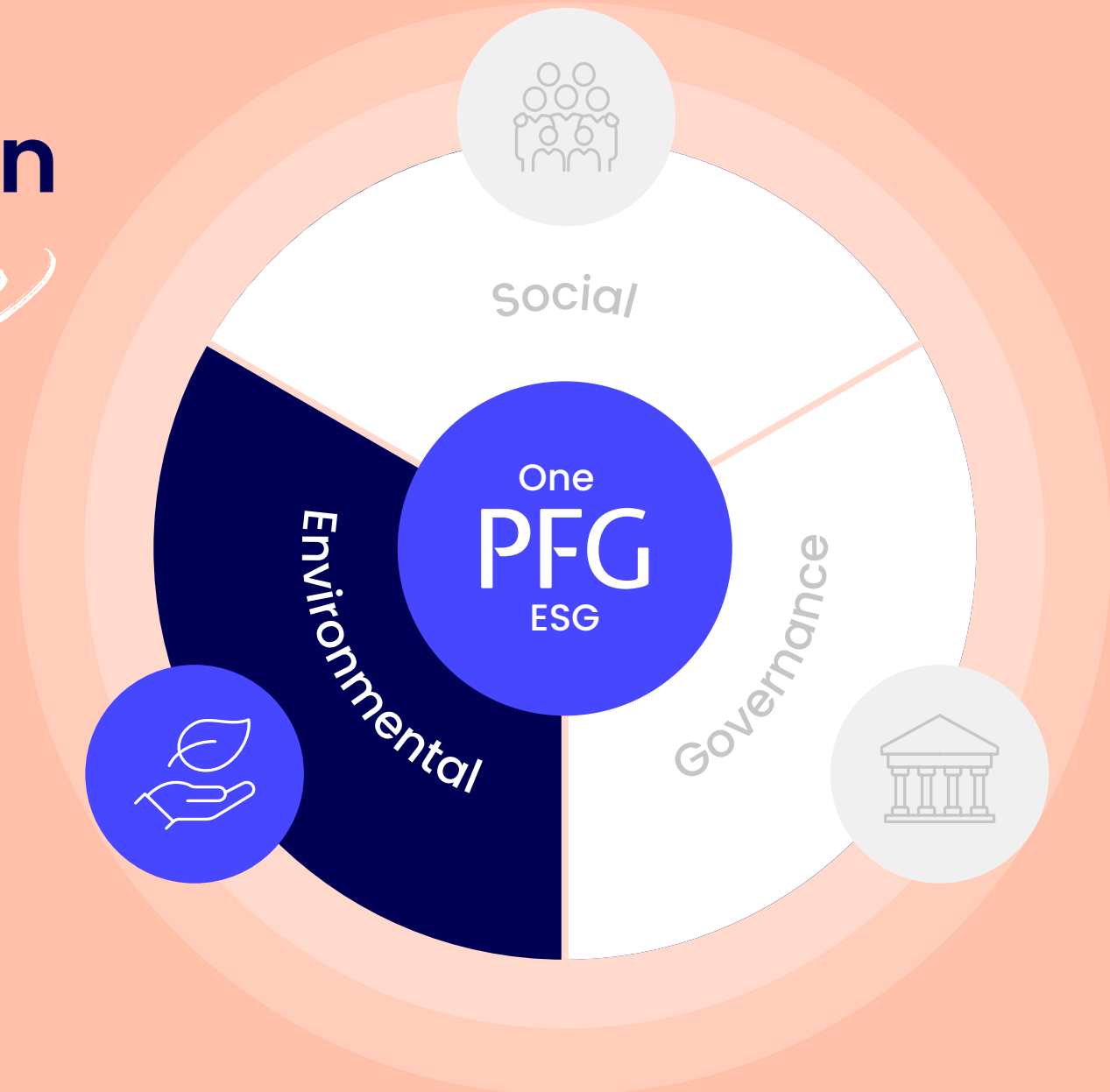
**Rob Lawson**  
 Head of Sustainability

# Taking action on *climate change*

We recognise that reducing greenhouse gas emissions is for the whole of society and we are committed to minimising our environmental impacts as well as determining the risks climate change presents to our business and stakeholders.

## In this section

- 16 Understanding and disclosing how climate change may impact our business
- 18 Our approach to environmental management and climate risk
- 20 Reducing our carbon footprint
- 21 Our carbon footprint (tonnes CO<sub>2</sub>e)
- 22 A closer look at scope emissions
- 24 Carbon offsetting





# Understanding and disclosing how *climate change may impact our business*

In 2021, in support of the UK Green Finance Strategy, we set out our ambition to achieve net-zero greenhouse gas emissions by 2040. We also conducted a review to identify how the Group can work towards meeting the recommendations of the TCFD, which took into account our environmental targets. In terms of the review of our environmental targets, we determined that we will need to achieve deeper emissions reductions that align with climate science and the rules governing the setting of science-based targets, while enabling us to deliver our commercial objectives. We will therefore develop and publish a science-based reduction target and other related targets that will enable us to realise our 2040 net-zero ambition by 2023.

In terms of the TCFD, we fully support the aim of this framework, and have published a disclosure in line with its recommendations in our **2021 Annual Report and Financial Statements**. The work that has been undertaken to enable us to do this has been overseen by the Climate Risk Committee and Climate Risk Working Group that were established in 2021.

11%

reduction in our carbon  
footprint (scope 1 and 2 and  
associated scope 3 emissions)

2023

the deadline by which we will  
set a science-based target







## Understanding and disclosing how climate change may impact our business continued

### Meeting the recommendations of the TCFD

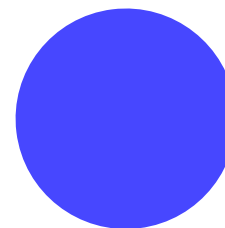
The objective of the TCFD framework is to help companies disclose climate-related financial risks to investors, regulators and other stakeholders. Unlike other reporting frameworks, TCFD is not just about PFG's impact on the climate, it is about the ability of a changing climate to impact on our financial stability. The TCFD framework identifies eleven disclosure themes that are organised under four broad categories – governance, strategy, risk management and metrics and targets. Set out below is a summary of the disclosure we have published in 2021 in terms of reporting in line with the recommendations of the TCFD.

### Our TCFD update: PFG's climate-related risk disclosure

To deliver on our stated net-zero carbon emissions ambition by 2040 (which relates to the scope 1, 2 and 3 emissions that arise from PFG's operations) and achieve the goal of the 2015 Paris Agreement to hold the increase in the global average temperature to well below 2°C above pre-industrial levels, and ideally, to 1.5°C, we recognise the importance of understanding and reporting the actual and potential impacts of climate change-related risks and opportunities on PFG. This requires PFG to report in line with the recommendations of the TCFD. PFG has built on the climate-related financial disclosure that was included in our 2020 Annual Report and Financial Statements, and reported in line with the TCFD recommendations.

PFG complies with the FCA's Listing Rule 9.8.6R(8) and published a disclosure that is consistent with the 2017 TCFD recommendations and recommended disclosures across the four pillars of governance, risk management, strategy, and metrics and targets. We will ensure that the disclosures we publish in line with the TCFD recommendations annually consider relevant TCFD guidance and materials and evolving best practice.

PFG's 2021 TCFD report is set out on pages 68 to 72 of our 2021 Annual Report and Financial Statements.







# Our approach to *environmental management and climate risk*

The Group has set a new target to achieve net-zero carbon emissions by 2040, as well as meeting climate risk objectives. Set out below are further details of the commitments we have made and the measures we have put in place to support us to deliver these objectives.



## CDP

We made our annual submission of climate change data to CDP in July 2021. CDP requests information on the risks and opportunities of climate change from the world's largest companies, on behalf of over 680 institutional investor signatories with a combined US\$130tn of assets under management and 200 plus major purchasers with over US\$5.5tn in procurement spend. Through our CDP submissions, we inform investors and other interested parties of any material climate change-related risks and opportunities, and how we manage them. Our 2021 CDP submission was rated 'B-' which represents a step up from our previous D rating, and demonstrates the Group's commitment to sustainability and environmental issues. Our most recent and previous CDP submissions are published at [www.cdp.net](http://www.cdp.net).



Read more:  
<https://www.providentfinancial.com/media/pfg-blog/pfg-achieves-b-carbon-disclosure-project/>



## Business Ambition for 1.5°C

As a Group, we have signed up to the Business Ambition for 1.5°C pledge as part of a campaign organised by the UN Global Compact and committed to setting science-based targets aligned with limiting the global temperature rise to 1.5°C above pre-industrial levels. Joining the campaign means the Group has agreed to emissions reduction goals and pledged to take action, setting an overall target to achieve net-zero emissions by 2040 and putting processes in place to help us do this.

By committing to this pledge, we will, by 2023: develop a greenhouse gas emissions reduction target that aligns with climate science; submit this target to the Science Based Targets initiative (SBTi) for validation; and publish this target on the SBTi website and in our own corporate disclosures, providing regular progress updates.



## UN Global Compact

We have become a signatory of the UN Global Compact Network UK, which supports members to turn global momentum on sustainability into practical local action. Being a signatory of this network will help us advance our five long-term UN Sustainable Development Goal commitments which we prioritised in 2020, as well as support the work we will deliver to reach net zero.



Read more:  
<https://www.providentfinancial.com/media/pfg-blog/cop26-joining-climate-change-fight-onestepgreener/>

“

We're proud that PFG was awarded a B- for its 2021 CDP submission. It reflects the work we've delivered over the past 18 months that has enabled us to meet the recommendations of the TCFD, which, in turn, underlines our commitment to being transparent in our approach to managing climate-related risks and opportunities across our business.

**Muhrah Al Sultan**

Corporate Responsibility Manager





## Our approach to environmental management and climate risk continued

### One Step Greener

We introduced our #OneStepGreener campaign in 2021 in support of COP26, which was held in Glasgow in November. The campaign encourages colleagues to share the small actions they currently take in their everyday lives to be more sustainable which, when added together, can have a big impact in terms of protecting the environment. When the campaign was launched on our intranet, we asked colleagues to tell us what simple actions they already take, or would pledge to take, to be #OneStepGreener. All these actions and pledges are contained within the GreenPrint page of our intranet site for colleagues from across PFG to access and put into practice.



Read more:  
<https://together-for-our-planet.ukcop26.org/onestepgreener/>



Read more:  
<https://www.providentfinancial.com/sustainability/responding-climate-change/colleagues-climate-change/>

### Greening our business

Through our PFG-wide Environmental Working Group, which is made up of colleagues from across our business, we have in place a forum that not only enables oversight to be provided to the way we systematically seek to minimise our impact on the environment, but also to identify the areas where there is scope for us to be more sustainable. Through this group in 2021, we have been able to identify measures to improve energy efficiency through the installation of new LED lighting at our Bradford head office, and support colleagues to reduce paper usage while working at home or in the office.



### ISO 14001:2015

A key tool that helps us to manage and reduce our impact on the environment is our environmental management system (EMS), which we have had in place for almost 20 years. Our EMS helps us to identify, assess and reduce key environmental risks and impacts; set and deliver against environmental targets; and ensure our legal compliance. This EMS is independently audited each year against the requirements of the international management standard ISO 14001:2015. Following the third-party audits carried out in 2021, all our main premises in Bradford, London, Chatham in Kent and Petersfield in Hampshire continued to be certified to ISO 14001:2015. The ongoing functioning of this EMS is overseen by the Environmental Working Group which is in place across PFG.

“

It's important that we continue to keep the impacts that our operations have on the environment to an absolute minimum, alongside responding to the biggest environmental challenges of our time, such as climate change. Having an EMS in place across PFG, as well as delivering regular colleague-focused campaigns, helps us to do both.

**Rob Lawson**  
Head of Sustainability

“

Through the #OneStepGreener campaign, we showed our colleagues that by making small changes to their lifestyles or daily routines we can collectively do our bit to address issues such as climate change and inspire others to lead more sustainable lives.

**Muhrah Al Sultan**  
Corporate Responsibility Manager





# Reducing our *carbon footprint*

Set out below are key reductions in our carbon footprint which occurred throughout 2021, when compared to the same period in 2020. The Covid-19 pandemic and the closure of CCD have had a significant impact on our carbon footprint and are key contributors to these reductions. We will continue to monitor our carbon footprint this year and continue to identify areas where it can be reduced further.

## 91%

of waste was recycled or sent for energy recovery

## 86%

reduction in the number of miles colleagues drive their own cars on business

## 91%

reduction in our air travel mileage

## 13%

reduction in our total gas usage

## 84%

reduction in our total reported water emissions

## 62%

reduction in our paper usage

[Read more](#)

- 17 Meeting the recommendations of the TCFD
- 21 Our carbon footprint
- 21 Details of our scope 1, 2 and 3 emissions

# 11%

reduction in our total scope 1 and 2 (and associated scope 3) emissions



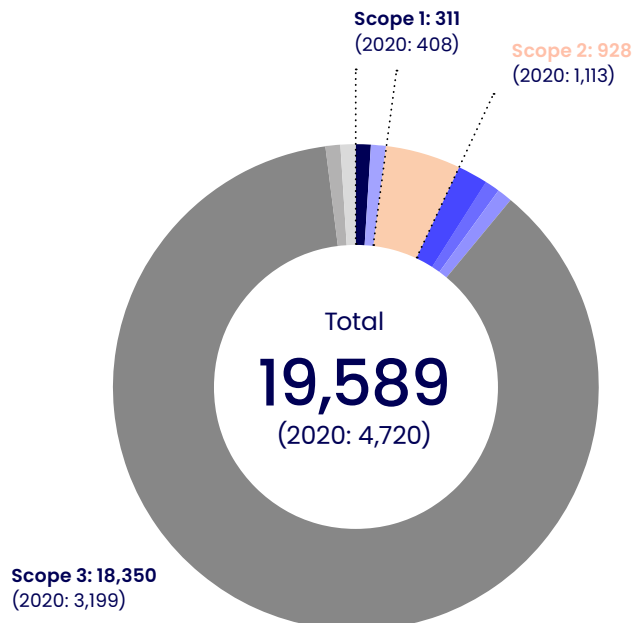


# Our carbon footprint

(tonnes CO<sub>2</sub>e)

Like any other company, PFG's business activities impact the environment, whether this occurs directly as a result of the energy that is used by our offices and by our people when they travel, or indirectly through the activities in our supply chains. We are committed to minimising our environmental impacts, in particular to reducing the greenhouse gas emissions associated with our business activities, thereby lessening our contribution to climate change.

The size of our carbon footprint we are reporting for 2021 looks different from the one we reported last year. This is because we have increased the breadth of the scope 3 emissions we are reporting for 2021. We have done this to both support our 2040 net zero ambition and the work we are undertaking to set our science-based target by 2023. By doing this, we will not only ensure that we follow the guidance of the Science Based Targets initiative, but also that we set a 2022 baseline, against which our carbon reduction activities will be measured, that takes account of the closure of CCD (read more about the CCD closure on page 14).



	2021	2020
<b>Scope 1 (tonnes CO<sub>2</sub>e)</b>		
● Gas use†	200	230
● Diesel and petrol†	111	178
<b>Scope 2 (tonnes CO<sub>2</sub>e)*</b>		
● Electricity use (market-based emissions)	125	Not measured
● Electricity use (location-based emissions)	928	1,113
<b>Scope 3 (tonnes CO<sub>2</sub>e)</b>		
● Scope 1 and 2 associated 'well-to-tank' emissions††	409	327
● Scope 3 associated 'well-to-tank' emissions†	74	475
● Business travel	269	2,271
● Purchased goods and services**	17,579	—
● Waste collection and management	15	102
● Water	4	24
● Downstream leased assets***	0	Not measured

† Mandatorily reported emissions to meet the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

\* Our emissions are reported in accordance with WRI/WBCSD Greenhouse Gas (GHG) Protocol. We use a financial control approach to account for our GHG emissions and use emission conversion factors from Defra/DECC's GHG Conversion Factors for Company Reporting 2021. Our GHG emissions are calculated using energy use data accessed via meters and energy suppliers, and from records of fuel use, business travel bookings and waste management data. Where challenges have occurred in obtaining data, estimates have been used and assured by our assurance provider.

†† GHG emissions associated with the production, transportation and distribution of fuels used by transport and utilities providers.

\* When calculating electricity emissions, we have applied both market and location-based methods. Where electricity suppliers can provide us with the relevant conversion factor, we implemented the market-based method; otherwise, we used the location-based method. We also calculated the average electricity and gas consumption in December 2021 for one of the Vanquis Bank offices as the invoices for that period are still outstanding at the time of reporting.

\*\* When calculating the suppliers' carbon emissions using the spend-based method, we used the US EIO factors. Although these factors are calculated based on the US economy, they are more recent (from 2018) and detailed than the UK ones which we find more accurate and transparent to our reporting.

The exchange rate at the time of calculation is £1 = \$1.36 (18 January 2022); these calculations are conducted based on the assumption that suppliers have no climate-related strategy. In 2022, we aim to improve our methodology and plan to communicate directly with suppliers to implement the suppliers-specific method.

\*\*\* We used the market-based method to calculate the electricity emissions related to an operating lease that PFG runs.





# A closer look at *scope emissions*

1

## Scope 1



Direct emissions from sources owned or controlled by us, e.g. gas used in our boilers or fuel in Company-owned cars.

2

## Scope 2



Indirect emissions from the generation of purchased energy in our business, specifically from electricity.

3

## Scope 3



All other indirect emissions, or emissions created on our behalf. The scope 3 emissions we calculate cover our purchased goods and services and business travel by train, plane and employees' own vehicles including hotel stays, employee commuting, water, waste management and 'well-to-tank' emissions associated with the production of fuel and business travel.

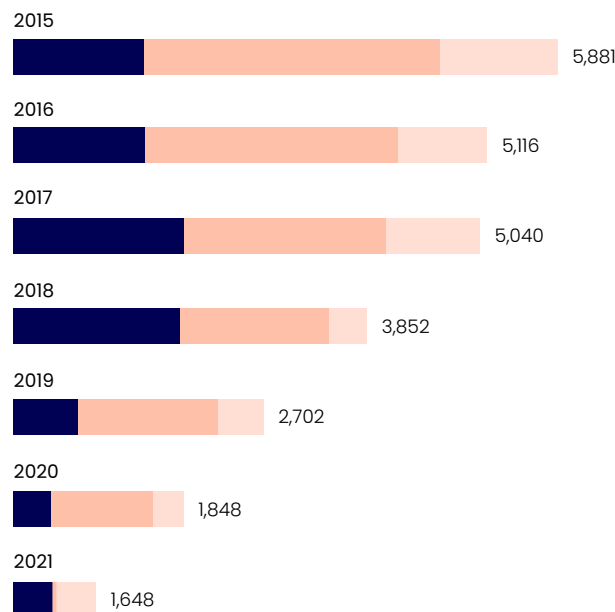
1

2

### Scope 1 and 2 emissions – gas, Company vehicles and electricity

During 2021, our scope 1 and 2 (and associated scope 3) emissions accounted for 1,648 tonnes of CO<sub>2</sub>e.

### Scope 1 and 2 (and associated scope 3) (tonnes CO<sub>2</sub>e)



● Scope 1 emissions

● Scope 2 emissions

● Scope 1 and 2 associated 'well-to-tank' emissions

Intensity ratio

1.02

(2020: 0.88)

scope 1 and 2  
(and associated scope 3)  
kg of CO<sub>2</sub>e/per customer

17%

reduction in electricity emissions

90%

reduction in business  
travel emissions

92%

of waste was recycled  
or sent for energy recovery  
(2020: 44%)





## A closer look at scope emissions continued

3

### Scope 3 emissions and business travel

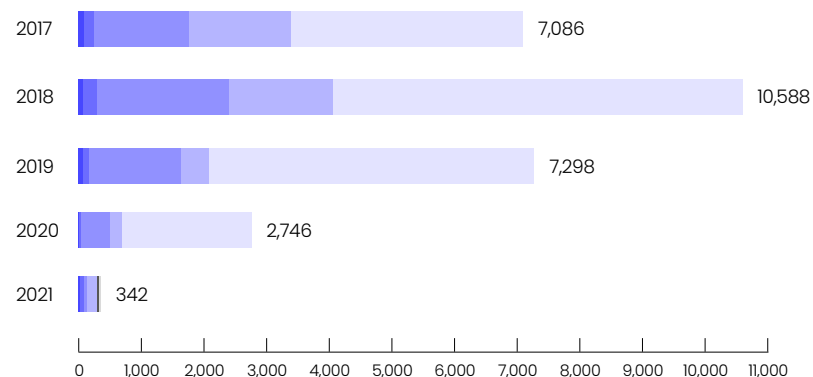
With regard to scope 3 emissions, we included the emissions without margins from Category 1 'Purchased Goods and Services' which already covers the emissions from Category 2 'Capital Goods' and Category 4 'Upstream Transportation and Distribution'. We also added emissions from hotel stays and paper usage under the emissions resulting from Category 6 'Business Travel' and Category 1 'Purchased Goods and Services', respectively. In addition, we included mileage emissions from business travel purchased by the Company credit card.\*

\* We calculated the emissions using the average price per mile from public sources.

83%

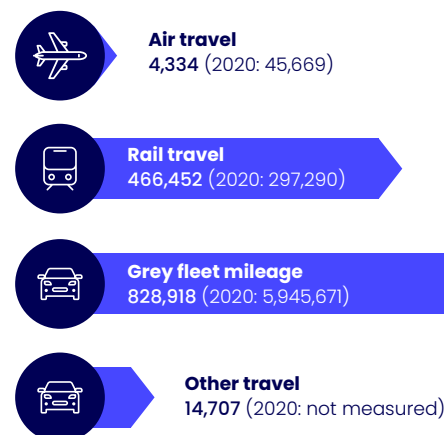
reduction in  
water emissions

### Business travel GHG emissions (tonnes CO<sub>2</sub>e)

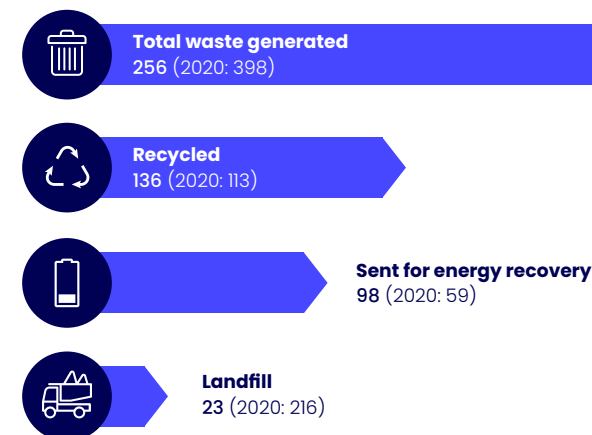


- Rail travel: 26 (2020: 4)
- Air travel: 2 (2020: 16)
- Travel-associated 'well-to-tank' emissions: 74 (2020: 475)
- Grey fleet (employee own vehicle travel): 228 (2020: 2,073)
- Other travel (taxi, chauffeur, etc.): 4 (2020: not measured)
- Hotel stays: 8 (2020: not measured)

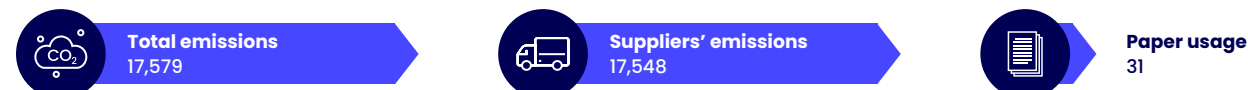
### Business travel distance (miles)



### Waste (tonnes)



### Purchased goods and service (tonnes CO<sub>2</sub>e)





# Carbon *offsetting*

## 10,000

tonnes of CO<sub>2</sub>e offset

**We continue to offset our direct operational carbon footprint. We do this by financing sustainable development projects around the world which help to mitigate the effects our operations have on the climate.**

This year, we offset 10,000 tonnes of CO<sub>2</sub>e, which accounted for most of the Group's 2021 operational footprint. These emissions were offset through the purchase of carbon offset certificates in two projects. We reduced 9,800 tonnes of CO<sub>2</sub>e through producing electricity from wind power in Northeast Thailand, and 200 tonnes of CO<sub>2</sub>e in a wind power generation project in Bac Lieu Province, Vietnam.

Thailand and Vietnam's energy, like in most countries, has historically been produced by burning fossil fuels. However, as new regulations are introduced to reduce greenhouse gas emissions, Thailand is producing more energy from renewable sources, including wind power. The demand for energy in Thailand is also expected to increase by 78% by 2036, so there is an urgent need to increase the amount of energy Thailand can produce, with a growing proportion of this energy coming from renewable sources.

These two projects also deliver a range of positive environmental and social impacts, including:

- between them generating 820,000 MWh of renewable electricity every year which is fed into Thailand and Vietnam's national grids, helping to bridge the gap between supply and demand that currently exists;
- by replacing electricity generated from fossil fuel fired power plants with renewable electricity generated using wind power, these wind farms will prevent around 250,000 tonnes of CO<sub>2</sub> and 143,000 tonnes of CO<sub>2</sub> from being emitted into the atmosphere every year in Thailand and Vietnam, respectively; and
- providing around 180 jobs to local people who operate the wind power plants, as well as providing local support, development and activities annually, including community festivals, educational projects and sports days.



Read more:  
<https://ecologi.com/projects/wind-power-northeast-thailand>



Read more:  
<https://ecologi.com/projects/wind-power-bac-lieu-vietnam>

# Supporting *our society*

Our Purpose of helping to put people on a path to a better everyday life goes beyond the traditional concept of mission, vision and values; it articulates our reason for being and responsibility towards our stakeholders including our customers, colleagues, suppliers and communities.

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- 30 Handling our customer complaints responsibly
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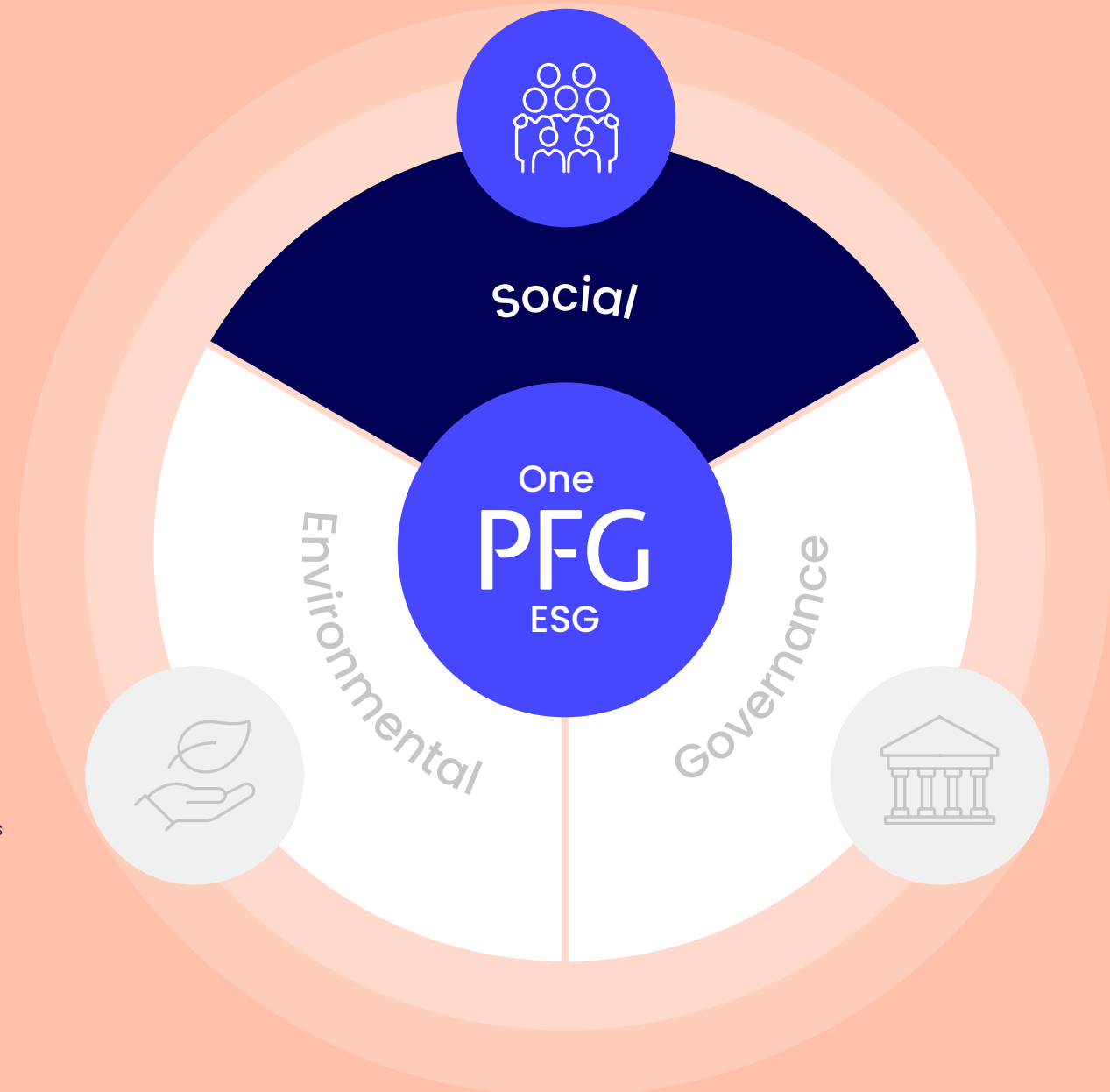
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# Customers

Our Purpose is to help put people on a path to a better everyday life. To do this, we provide customers with opportunities to borrow a sensible amount in a transparent, responsible and sustainable way.

## In this section

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# The customers

*we serve*

PFG has been providing financial inclusion for consumers whose needs are not well met by mainstream lenders for nearly 140 years. We are a responsible lender providing tailored products and service propositions to 1.6 million customers throughout the UK. This enables our customers to borrow in a transparent, responsible and sustainable way, so that they can live their lives with access to finance.

As a specialist lender, we meet the needs of our customers through three distinct products: credit cards, vehicle finance and unsecured personal loans. Each of our product divisions operates with the aim of supporting the financial inclusion of customers by lending responsibly and sustainably. We achieve this by providing our customers with appropriate and affordable amounts of credit, maintaining close contact with them throughout the term of their loan, and working with them sympathetically if they experience difficulties.

## Our customers

The market in which we operate is large; there are around one in five UK adults, or 10–12 million people, looking to access credit who are unable to secure credit through the mainstream lenders. The consumers in this market may not be well served by mainstream providers for a number of reasons, including:



Experienced a significant life event (e.g. job loss, ill health, divorce).



Managing on below-average incomes with limited savings, meaning unforeseen expenses can be challenging.



New to credit or new to the UK and therefore have little or no credit history.



Have variable incomes (e.g. self-employed, on a zero-hours contract, have multiple part-time jobs).



Looking to build or rebuild their credit rating.



Value a more tailored product and service.

## Our customers' typical characteristics

	Vehicle finance	Credit cards	Personal loans
Income source	Full-time salaried (77%) or self-employed (15%)	Full or part-time salaried (66%) or self-employed (16%)	Full or part-time salaried (77%) or self-employed (6%)
Income levels	Earning around the national average (£30k) with core spread between £20k and £50k		
Housing	10% hold a mortgage*	20% hold a mortgage*	16% hold a mortgage*
Typical age	36–55 years old	46–65 years old	26–45 years old
Credit score	Mid-cost/near prime	Near prime/mid-cost	Mid-cost/near prime
Typical customer credit scores sit between 500 and 600			
Savings	Limited savings	Circa half have material savings (enough to cover emergencies or anything unexpected)	

Source: BoxClever survey of 3,510 non-prime consumers and 2,929 PFG customers, December 2019.

\* The mortgage holders' data was sourced from internal customer data.





# Serving our customers in *a responsible manner*

The Group's core business is to provide tailored and responsible products and services that help put our customers on a path to a better everyday life. We do this by providing our 1.6 million customers in the UK with credit cards and loans through our Vanquis business and vehicle finance through Moneybarn. We also work collaboratively with partners to help more UK consumers to access affordable forms of credit and to improve the experience for our own customers.



## Case study

### Credit card division and LOQBOX

The credit card division continued its collaboration with LOQBOX during 2021, which aims to help UK consumers build their credit score, save money and make themselves eligible for credit. The division referred over 2,600 consumers that could not be immediately offered a credit card to LOQBOX. The LOQBOX tool allows consumers to decide the amount they can afford to save in a year (from £20 minimum monthly payments to £200 maximum) and a 0% loan is locked away for the same amount in the LOQBOX. The loan is repaid over 12 months, building a credit score for the consumer as they go with the credit reference agencies. Once the 12 months is up, the loan is released into a bank account.

#### Read more

- 30 Handling our customer complaints responsibly
- 32 Working with the money advice sector
- 33 How we manage arrears



## Case study

### Vehicle finance Customer Experience Week

As part of Customer Experience Week in October 2021, our vehicle finance division delivered a range of activities that were focused on engaging with colleagues with a view to enhance the division's customer-focused culture. Through the engagement over the course of the week, the division was able to lay the groundwork for all areas of the business to develop their Customer Charters which set out the standards that they would uphold whenever and wherever they dealt with customers. In addition, during the final webinar of the week, the division celebrated colleagues from its customer-facing teams who have been living the 'everyday' element of our Purpose during the last three months in 2021. The division reviewed customer feedback and chatted to colleagues about how their teammates deliver great service. This feedback was then shared across the division.

Furthermore, on 7 December 2021, the vehicle finance division launched an outbound 'Welcome Call' campaign. This campaign involved making outbound call attempts to new customers. Senior leaders and other individuals from across the division took part in the campaign, listening to a range of customer calls and taking feedback from customer service colleagues. The core purpose of the campaign was to reduce first missed payment rates, by engaging with customers who may have entered bank details incorrectly in the acquisition process. Additionally, the campaign discussed feedback from customers on the division's onboarding processes and welcome communications, and their awareness and use of its self-service phone system.



We received some great nominations from different departments across the business. All nominations demonstrated the hard work our colleagues do to ensure we provide the best experience for our customers, living up to all the elements of our Customer Mission Statement.

#### Helen Birch

Vehicle Finance Customer  
Insight Specialist



# Maintaining customer *satisfaction rates*

It is vital that we know that our customers are happy with the products and services we provide to them. This is why customer satisfaction is a key metric for PFG. Monitoring rates of customer satisfaction helps us to determine whether we are providing our customers with products, services and partnerships that meet their particular needs and help put them on a path to a better everyday life. Tracking customer satisfaction also gives us some insight into where we can make improvements to our offerings so that we can continually meet or surpass customers' expectations. Information on customer satisfaction is collected through a variety of methods such as online forums, and phone and face-to-face surveys, as well as focus groups.

We also engage with our existing customers and those in the open market so that they can help us to evolve our product offering, which will ultimately enable us to support more consumers on their credit journey. By doing this, we are able to get customer input into product proposition matters such as loan size and terms, and APRs. It also provides us with vital intelligence to help improve aspects of the customer journey (e.g. the onboarding process) as well as meet their digital expectations through the use of mobile banking applications and self-service capabilities.

“

Customer satisfaction is a key metric for PFG which is why we include these figures in the Blueprint Dashboard, which is shared with the Board's Customer, Culture and Ethics Committee at every meeting.

**Rob Lawson**  
Head of Sustainability

## Credit cards

Customer satisfaction  
rates for 2021

**4.7/5**  
(2020: 4.6/5)

Customer complaints  
received in 2021

**19,517**  
(2020: 17,177)

## Vehicle finance

Customer satisfaction  
rates for 2021

**4.4/5** Feefo rating  
(2020: 4.5/5)

Customer complaints  
received in 2021

**8,717**  
(2020: 6,393)

## Consumer Credit Division (closed)

Customer complaints  
received in 2021

**38,282**  
(2020: 66,694)



# Handling our customer *complaints responsibly*

Ensuring that we keep customer complaints to an absolute minimum is also a good indicator that we are treating our customers fairly and that our products, services and partnerships continue to meet their specific needs. Understanding the reasons behind complaints also helps us to improve the service we provide to customers. Across PFG, we have well-established complaint-handling processes, procedures and timescales to guide our customer service teams in resolving issues in a professional and timely way. Vital to resolving customer complaints satisfactorily is ensuring our colleagues are trained well enough to deliver excellent customer service whether face to face, on the telephone or via email. The total amount of hours colleagues spent on customer-focused training in 2021 was 39,509 (2020: 55,229).

Read Leah's story in our **Annual Report and Financial Statements 2021**

“

Being with Moneybarn has really helped me change my life. I'd recommend Moneybarn to everyone, and not just people with a poor credit history.

**Leah**  
UK Support Manager



During 2021, the total number of complaints referred to the FOS was

**13,313**

(2020: 13,736)

**8,581**

(2020: 8,933)

complaints were upheld in favour of the customer in 2021

## Complaints referred to the Financial Ombudsman Service

We provide the contact details of the Financial Ombudsman Service (FOS) to all our customers, so they have another option if they feel we have been unable to resolve their complaint to their satisfaction. The FOS is a free and independent service that helps to resolve complaints between consumers and financial services companies.

During 2021, the total number of PFG customer complaints referred to the FOS was 13,313 (2020: 13,736). During the year, 8,581 (2020: 8,933) complaints from PFG customers that were referred to the FOS were upheld in favour of the customer. Details relating to the percentage of complaints that are upheld in favour of the customer by individual business unit are made publicly available twice a year on the FOS website. The most recent figures for 2021 are as follows: credit card – 23% (2020: 59%) and vehicle finance – 26% (2020: 35%).

[Read more](#)

- 14 CCD closure
- 29 Maintaining customer satisfaction rates
- 31 Supporting customers in vulnerable situations



# Supporting customers *in vulnerable situations*

The Purpose of our business is to help put people on a path to a better everyday life, by responsibly providing credit to customers who need it, but who are not well served by mainstream lenders. We know, however, that with this Purpose comes great responsibility. This is why a key pillar of the PFG Social Impact Programme focuses on providing grants to charities and specialist partners to address issues such as customer vulnerability and financial difficulties. These organisations also guide and advise our colleagues to support our customers when addressing these kinds of issues.

We understand that our customers can find themselves, at times, in financially challenging situations due to unforeseen circumstances such as ill health, loss of income, family bereavement or other significant life events. Therefore, we ensure that our call centre colleagues are trained in recognising signs that might indicate a customer

could be classified as 'vulnerable', or may be facing financial difficulty, whether in the short or long term. In 2021, this involved continuing to implement a programme of work with the charity Surviving Economic Abuse to deliver training to frontline colleagues to build their capacity to recognise the signs of economic abuse.

We have maintained our relationships with organisations and charities such as IncomeMax and the Money Advice Trust, which provide training to our colleagues to enable them to communicate effectively with customers who are experiencing difficulties and to increase their understanding of the UK welfare system. The training and guidance our call centre colleagues receive are informed by the customer protocol TEXAS (Thank, Explain, explicit consent, Ask and Signpost), developed by the Money Advice Trust and Royal College of Psychiatrists, as well as guidance published by our regulators, the FCA and the PRA. In certain cases, our colleagues can offer customers forbearance options such as breathing space or an adjustment to their repayment plans so they can manage their finances better. In some cases, a decision may be taken to write the debt off completely.



## No Poverty

We will contribute to ending poverty in all its forms everywhere, by ensuring our customers have access to cost-effective and appropriate products for their needs and supporting them through financial difficulty.

“

We're proud to be working in partnership with Vanquis on initiatives which support vulnerability in the financial services industry. The credit card division has supported the development of our digital services. This type of support makes such a difference to social enterprises and charities like IncomeMax, because it means we can scale our digital services and help many more people now and into the future.

**Lee Healey**  
Founder  
IncomeMax

**In addition to ensuring that our customer-facing colleagues are equipped with the skills they need to support our customers throughout their journeys with us, we are able to draw on the relationships we have developed over the years with organisations in the money advice sector. By supporting these organisations, our customers can also access free, independent and personal financial advice and support if they are facing financial strain.**

## IncomeMax

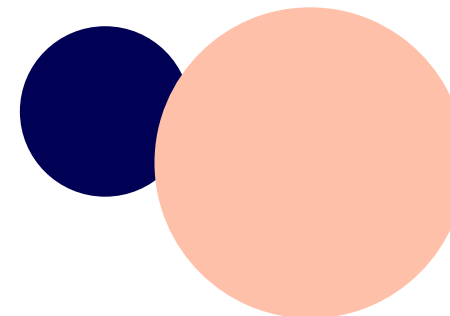
Our credit card division continues to work with IncomeMax, through an innovative partnership that began in 2015, to support customers who are experiencing financial difficulties.

IncomeMax is a community interest company that helps people to maximise their household income by providing them with independent advice and support to navigate the complex welfare system, allowing individuals to take control of their finances. The advice provided by IncomeMax helps individuals and households to increase their income, reduce household bills, apply for white goods, switch utility tariffs and access specialist support services such as debt advice should this be required. IncomeMax can find tens of thousands of pounds of back dated income that clients are entitled to and eligible for in some cases.

During 2021, the credit card division has invested further in IncomeMax, working closely with it to support its digital proposition development. Recognising that customers' digital capacity is evolving and that a growing number may now prefer to engage digitally, this will provide even better access to specialist advice.

By providing funding to cover core costs, the new platform will benefit Vanquis and non-Vanquis customers, improving access for a wider community of individuals who may be facing financial difficulties. The digital platform is planned for launch in 2022.

Currently we are also working on making additional resources available to customers through access to the IncomeMax telephone referral service as well as online tools which we will be launching in partnership in early 2022.







## Supporting customers in vulnerable situations continued



While our divisions are working to collect outstanding debt from customers, they sometimes enter debt agreement plans with leading debt charities such as StepChange (a similar arrangement is in place with Christians Against Poverty (CAP)). We continue to accept the offers of payment when customers have sought advice from these charities and a financial assessment has been made of their circumstances. Through the 'Fairshare' agreements we have with these charities, we contribute almost 12% of any payment we receive from a customer who has entered a debt agreement plan with the charities. The 'Fairshare' contributions mean our operating businesses pay for the debt advice received by the customer. They provide the charities with financial support so that they can continue to provide free, independent advice. During 2021, the Group's operating companies paid £477,251 (2020: £632,896) to StepChange and CAP in 'Fairshare' contributions.



National Debtline, a debt charity run by the Money Advice Trust, offers free and impartial debt advice by phone, webchat and online, and its specialist advisors help callers to understand their debt options and to confidently manage their money. In 2021, our funding helped support the equivalent of one specialist National Debtline advisor, who typically assists around 1,000 clients per year. Throughout the year, the Money Advice Trust continued to provide life-changing debt advice, helping to support people and small business owners as they emerged from the worst effects of the Covid-19 pandemic. Beyond the Money Advice Trust's telephone-based specialist debt advice services, National Debtline's website provides consumers with access to a wealth of free online support materials – this website received 1.3 million visits in 2021.



Advice UK is a registered charity which supports a membership comprising the UK's largest network of independent advice service providers. The funding we provided to Advice UK in 2021 was used to support the work of its Policy and Campaigns Coordinator.

The Policy and Campaigns Coordinator is responsible for a range of key functions within Advice UK. These range from supporting members of Advice UK to provide professional and authorised assistance to their clients to representing the interests of members and clients in policy development and regulatory processes, particularly those relating to the provision of advice and the overall support framework for vulnerable customers.



Money Advice Scotland (MAS) is a membership organisation providing support to people in debt who are based in Scotland. It also provides information resources and guidance to consumers seeking free, regulated debt advice and works to enhance financial wellbeing. The funding we provided to MAS in 2021 was used to support the work of its Communications Officer.

The core responsibility of the Communications Officer is to develop and deploy an effective communications strategy, which ensures that all of MAS's clients, including those who are in debt, are made aware of the support that MAS and its network of money advisors can provide. The Communications Officer has also been key to MAS's deployment of a training, support and wellbeing package to its membership of regulated money advisors. Such a focus on communication is essential at a time when both money advisors and their clients face new challenges from developments such as remote working and the short and long-term economic and social impacts of the Covid-19 pandemic.



The Money Charity (TMC) specialises in improving financial capability. It does this by providing information, advice and guidance to people of all ages, so that they can manage their money well and increase their financial wellbeing.

In 2021, the support we provided to TMC assisted it to deliver:

- 332 hours' worth of financial education workshops to 7,640 young people;

- 79 hours' worth of financial wellbeing, Covid-19 response and bespoke workshops to 675 adults; and
- 10 hours' worth of workshops to 67 young people impacted by the criminal justice system.

At our request TMC prioritises supporting the most disadvantaged students and hard to reach groups. In 2021, 69% of those in the young people workshops came from disadvantaged groups. Likewise, the adult workshops supported service users, staff and volunteers in charities assisting carers, the homeless, those with disabilities and those with mental health issues.

In 2021, we supported TMC to convert, and, where necessary, refresh, its face-to-face learning resources to be delivered online, so that schools and adult groups impacted by the Covid-19 restrictions could continue to access this support. As social distancing restrictions remained in place during the year, we agreed to support the production of four promotional videos, to ensure those who could benefit were made aware of TMC's online workshops, their content and how to access them. We are pleased that this new promotional tool boosted the profile of TMC's workshops and ensured healthy levels of workshop participation from individuals and organisations right across the UK.



## Supporting customers in vulnerable situations continued

# How we *manage arrears*

An important aspect of supporting the financial inclusion of our customers is about responsibly managing arrears and dealing with customers when they experience financial difficulties. We do this by establishing early contact and ensuring an ongoing dialogue with customers, and adopting a sympathetic approach to understand their circumstances, offering forbearance where we can.



In unfortunate scenarios, some of our customers will fall behind on their repayments, meaning we have to make contact with them and rearrange their repayment schedule. It is of utmost importance to us that we are empathetic and understanding in these circumstances, and offer forbearance measures where possible, so we can protect their credit score. However, there are cases where customers, in spite of all efforts to assist them, either cannot or will not cooperate with our efforts to rearrange their repayment schedule. Our divisions therefore have systems and processes in place to deal with these situations; however, these processes differ slightly, due to regulatory requirements and the products we have on offer.

Our credit card business has internal recovery procedures in place which are aimed at reconnecting with customers via letter, telephone or SMS text message. These procedures enable us to determine whether customers are experiencing any personal difficulties which are preventing them from making repayments. If they are experiencing difficulties, we can agree with them for any appropriate forbearance options (e.g. a reduced payment arrangement). If, having used these internal processes to reconnect with a customer, who we believe has the capacity to repay, it is still not possible to secure payments from them, we may appoint a debt collection agency (DCA) to pursue the debt. When this occurs, we retain the title and responsibility for the actions of the DCA and they will only receive commission on the payments they collect. We only use DCAs whose track record is known to us and who are members of the DCA trade body, the Credit Services Association. The activities that DCAs undertake on our behalf is contractually based and we formally audit their

activity and performance every 12 months. These audits focus on all aspects of work that the DCAs undertake on our behalf, including ensuring that their activities are responsible and comply with our processes and procedures.

The management of customer accounts in arrears in our vehicle finance business is different due to the nature of the product. Moneybarn's policy is to try to keep as many customers as possible in 'live' agreements where they still have use of the vehicle. They do this through a series of forbearance strategies, including payment plans based on detailed income and expenditure assessments, providing breathing space and debt management agency referrals, as well as, in some circumstances, debt reduction or write-off. Particular emphasis is placed on higher-risk, vulnerable customers, again, applying a case-by-case approach. Despite having these forbearance strategies available, some customer agreements will prove to be unsustainable, or the customer will not engage with attempts to find a solution to deal with their arrears. In these situations, the agreement will be ended and the vehicle recovered and sold. The sale value of the vehicle is offset against any shortfall debt the customer might have on their agreement. Prior to termination of the agreement, affected customers receive written confirmation of their termination rights and the likely financial implications of the options available to them. Any remaining shortfall debt is then recovered through payment arrangements with the customer. These payment arrangements are only entered into once a full income and expenditure assessment has been carried out to determine whether they are affordable for the customer.



# Providing money advice support *in local communities*

Through our Social Impact Funds, which are managed on our behalf by our community foundation partners (see pages 60 to 68), we provide support to small voluntary organisations which are working directly in their communities to help tackle the barriers which prevent social and financial inclusion.

The Funds have enabled us to award grants to a number of voluntary money advice organisations and projects. These organisations are firmly rooted in their communities, and are therefore able to provide specialist, culturally appropriate support at a local level.



## Case study



### Bethel Trust Port Talbot

Bethel Trust Port Talbot is a charity based in Aberavon, Port Talbot, which is an area of Wales that has one of the highest levels of deprivation. Most of its clients are long-term unemployed and struggle with food poverty, financial difficulties, addiction and mental health issues. The charity seeks to serve its local community in real and practical ways, enabling people to make positive choices for themselves, and enhance the quality of their lives.

The Bethel Trust supports its local community through various projects including a scheme that distributes free surplus supermarket food, a FareShare discount food shop, a free clothing service (for homeless clients and domestic abuse victims), internet access and IT support, benefits advice, and a weekly addiction recovery support group. Clients can also access volunteer and leadership training and opportunities.

The grant we provided to the Trust in 2021 is contributing to the core costs of establishing a money advice service. Through conversations that the Bethel Trust has had with its clients, it has identified a current pressing need for money management support and also helps to address financial difficulties. Although there is some local money advice provision in the local area, this is significantly over-subscribed, especially due to the ongoing impacts of Covid-19. Bethel Trust's service will be run in partnership with Community Money Advice (CMA), a well-established national charity committed to supporting community groups which have a passion to help people overcome their money problems. CMA provides all the resources, training and support needed by the Trust to establish and maintain local, free, face-to-face money advice services.





# Colleagues

Providing an encouraging, supportive and inclusive workplace culture is vital to the happiness of our colleagues and the sustainability of our business.

## In this section

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- 37 Spotlight on inclusion and diversity
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- 45 Supporting colleague mental health and wellbeing
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- 48 Encouraging colleagues to save for their future







## Listening to our

*colleagues' thoughts and opinions*

Our colleagues are key to our long-term success, and their continued dedication and hard work are what gives PFG its unique character and culture, which enables us to deliver the best service to our customers.

2021 continued to be challenging for many of our colleagues, so it was vital we continued to engage and support them in whatever way we could, including creating opportunities for them to have their say about working life at PFG.

In November 2021, we carried out our third annual Group-wide colleague engagement survey. 71% of colleagues (1,654 of the 2,327 invited to take part) from across the Group took the time to respond to the survey, a decrease of 3% on the previous year.

Division (Nov 2021)	No of colleagues	Total responses	Response %	Nov 2020 %
Credit cards	1,300	994	76%	76%
Vehicle finance	439	314	72%	74%
Corporate office	177	139	79%	89%
CCD*	411	197	50%	72%
<b>Total</b>	<b>2,327</b>	<b>1,654</b>	<b>71%</b>	<b>74%</b>

\* A smaller number of CCD colleagues took part in the 2021 colleague engagement survey due to the ongoing closure of this division.

### Colleague engagement levels

Engagement refers to the personal commitment of colleagues across PFG to our shared goals, Purpose and culture, which can lead to increased levels of discretionary effort – going above and beyond for the business and our customers.

Overall, we saw an overall engagement-theme score of 68% for PFG, a fall of 4% compared to last year.

- Vehicle finance **83%** (2020: 81%)
- Corporate office **74%** (2020: 82%)
- Credit cards **64%** (2020: 65%)
- CCD **61%** (2020: 74%)

**89%**

of colleagues feel their manager treats them fairly and with respect (2020: 85%)

**85%**

of colleagues care about the future of PFG (2020: 88%)

**83%**

of colleagues understand PFG's Purpose and what we are trying to achieve (2020: 88%)

**82%**

of colleagues feel they can be themselves at work (2020: 76%)

**84%**

of colleagues feel people help and support each other at PFG (2020: 82%)

**80%**

of colleagues feel they have the freedom they need to get on with their job (2020: 72%)

**73%**

of colleagues feel working at PFG makes them want to do the best work they can (2020: 76%)

**60%**

of colleagues feel valued and recognised for the work they do (2020: 53%)

**69%**

of colleagues feel if they raised a concern about how something is being done it would be taken seriously and appropriate action taken (2020: 60%)

**68%**

of colleagues say that PFG's Purpose makes them feel good about their work (2020: 69%)

**66%**

of colleagues would still like to be working for the Group in two years' time (2020: 74%)

**56%**

of colleagues believe the Group is a socially and environmentally responsible organisation (2020: 63%)

### Supporting colleagues – Future of Work

Overall, colleagues have been positive about our approach and ongoing response to the Covid-19 pandemic, which included our 'home/office hybrid working' programme which started in October 2021.

**88%**

of colleagues feel well equipped to work regardless of whether they are in the office or at home in the future

**74%**

of colleagues have felt appropriately informed and up to date on the Company's 'Future of Work' plan

**72%**

of colleagues understand the steps taken to ensure their continued health and wellbeing around the office

### Summary

Above are some of the key findings from this year's survey, as well as the results from last year's survey so the changes can be compared.

We will continue to engage with our colleagues to understand how we can progress our ambition to build an inclusive and sustainable workplace culture.



# Spotlight on *inclusion and diversity*

## Be Yourself and Be Well – inclusion and wellbeing

PFG's ambition is to create a truly inclusive workplace. To achieve this, we need to build a diverse and balanced workforce that reflects the customers we serve. We believe an inclusive culture celebrates difference, allowing our colleagues to bring their true selves to work and always feel they belong. We also believe a culture of this nature to be intrinsically linked to our Group Purpose, informing what we do and how we do it, as we help put people on a path to a better everyday life.

We will have achieved this particular ambition when PFG's workforce accurately reflects the diversity of the UK's working age population. To make sure we get there, we will set goals around increasing the diversity of our teams, underpinned by an effective diversity and inclusion strategy. These goals will boost ethnic diversity and social mobility; ensure colleagues continue to feel comfortable disclosing disabilities and long-term health conditions; and allow us to maintain our current high levels of senior female and LGBTQ+ representation.

“

Throughout 2021, we've continued to progress towards being a more inclusive and diverse Group. As the Executive Sponsor of our inclusion and diversity (I&D) programme, I'm pleased to confirm that more and more colleagues have felt empowered to become actively involved in a wide range of I&D initiatives. The passion and desire I've seen from colleagues at all levels to make PFG a fully inclusive and diverse Group continues to grow and never fails to impress. We aim to make greater strides forward in 2022 by widening our influence, expanding our colleague advocate numbers, and making sure our I&D agenda can be seen and felt in every area of PFG.

### Gareth Cronin

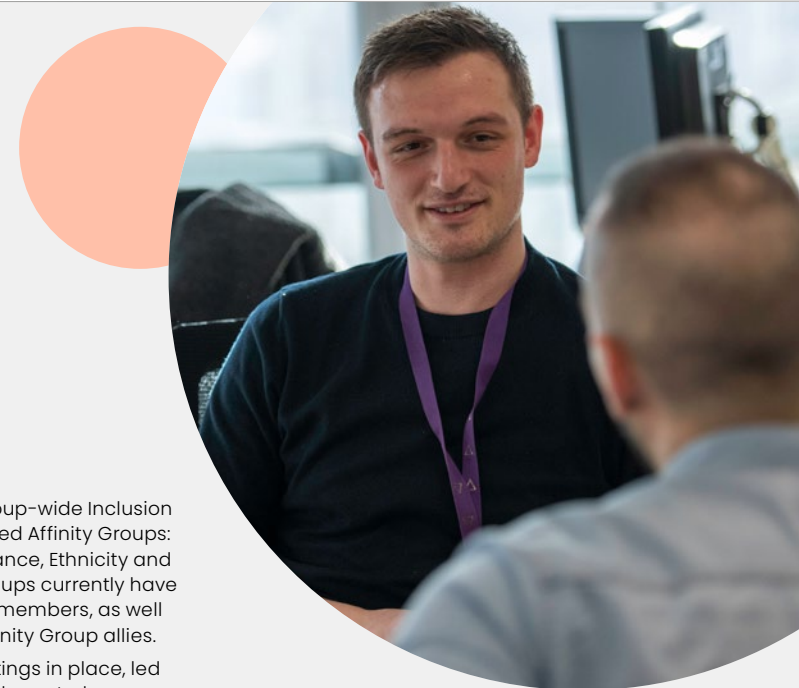
PFG Chief Risk Officer

Inclusion and Diversity Executive Sponsor



## What we have delivered

- Successfully launched our Group-wide Inclusion Community through five aligned Affinity Groups: Disability, LGBTQ+, Gender Balance, Ethnicity and Social Mobility. Our Affinity Groups currently have 125 active and representative members, as well as an extensive network of Affinity Group allies.
- Put monthly I&D steering meetings in place, led by our I&D Chair, and delivered quarterly progress updates to the PFG ExCo.
- Agreed and incorporated a new 'Be Yourself' I&D index into our annual colleague engagement survey. This represents a new set of questions designed to support and measure the efficacy of our I&D programme. We are pleased to report a positive response from 71% of colleagues on questions relating to I&D (+3% on the overall engagement score).
- Implemented a self-disclosure process, where colleagues voluntarily share their diversity data with us via the local HR systems in our vehicle finance and credit card businesses; this will be expanded to include the wider Group in 2022.
- Delivered targeted training for our Inclusion Community members through Inclusive Employers. We also rolled out localised 'unconscious bias' training sessions to the Inclusion Community through our Learning and Development teams.
- Planned, built and launched our Be Yourself inclusion calendar and intranet homepage. These allow colleagues across the Group to celebrate, learn and increase their awareness around an extensive range of I&D-related events, including Pride, Inclusion Week, Living with Autism and Black History Month.
- Set up Peer Circles across the Group through our Affinity Groups, and developed a consistent I&D statement for use on recruitment advertising and offer letters. The Affinity Groups have also worked with our HR teams to draft the new PFG I&D policy, and disability, menopause and transgender guides, all of which we plan to launch in 2022.





## Spotlight on inclusion and diversity continued

### Our Inclusion Community

#### Disability

19.6%

of colleagues told us they have a disability or long-term health condition, up from 5% in 2020\*

Our Disability Affinity Group focuses on creating an inclusive and accessible workplace for all colleagues. Discussions regularly cover actions and initiatives designed to make sure everyone is supported and can effectively self-manage any ongoing disability and mental health-related wellbeing issues.

The Disability Affinity Group has worked with the Business Disability Forum to complete the Disability Smart Audit. This has allowed it to identify areas for prioritisation and focus with a view to improving disability inclusion across the Group.

“

I chose to lead the Disability Affinity Group because I am passionate about ensuring the workplace provides an equal and safe space for disabled people. As a disabled person myself, I have encountered challenges in many workplaces, and the Disability Affinity Group is an amazing community which helps to tackle important issues. Not only do I get to advocate for people who have the same disability as me, but I have learned so much about the diverse range of disabilities other people live with and can help to advocate for them too. I am proud to be a part of a group that helps PFG be inclusive across the board.

**Lara Hoban**

Disability Affinity Group Co-Lead

#### Ethnicity

19.2%

of colleagues told us they come from a Black, Asian, other White or Minority Ethnic background, up from 11% in 2020

The Ethnicity Affinity Group has been brought together to help create a workplace where ethnicity and difference are positive things. Primarily, the Group approaches this by encouraging colleagues to engage in open, honest and positive two-way conversations across a myriad of topical, historical and personal subjects.

“

I chose to lead the Ethnicity Affinity Group because I wanted to make a positive difference. This role gives me the opportunity to shape PFG's culture in a way that means our diverse workforce feels included at every level, while helping to create an environment our colleagues and customers can feel proud of.

Internally, one of our aims is to influence leaders and their teams towards recognising and overcoming unconscious bias. Diverse and inclusive thinking enables us to recruit from, and draw on, a much wider range of talent and ideas. Equally, it allows PFG to support colleagues and provide them with greater access to development opportunities and enhanced career mobility.

**Rita Patel**

Ethnicity Affinity Group Co-Lead



\* The increase from last year is due to the fact that the Disability Affinity Group worked to make the question in the colleague engagement survey easier to understand, to encourage more colleagues to share the details of their disability or long-term health condition.



## Spotlight on inclusion and diversity continued

### Our Inclusion Community continued Gender Balance

0.4%

of colleagues told us they identify as a gender other than male or female, up from 0.3% in 2020

Our Gender Balance Affinity Group works to make sure we have equity and parity in everything gender related that impacts our workforce. The Affinity Group's work lines up with PFG's overall vision for gender equality and plays a key role in making sure we all feel able to thrive at work, whatever our background, identity or circumstances.

“

I'm really proud to be a Gender Balance Affinity Group Co-Lead. I've worked full time in financial services for the last 35 years while raising two children and studying at night for my master's degree in Law. Through it all, I've experienced a lot of gender bias and I want to make sure others don't have to face the same struggles. By being actively involved in the Affinity Group, I can influence PFG's 'improvement movement' by driving internal change and raising awareness.

**Sue Taylor**  
Gender Balance Affinity Group Co-Lead

### PFG Peer Circles

Our PFG Peer Circles give colleagues the chance to come together and discuss topics, share knowledge and generate ideas. They are extensions of our Affinity Groups, only with more specific and focused goals. We currently have three Peer Circles centred around:

- new parents/new babies;
- men's mental health; and
- menopause.

“

I would like us to continue growing our range of Peer Circles to include more team and topic-based groups. Getting colleagues together plays a vital role in building an inclusive culture with safe spaces where people can have open discussions and learn from one another. For me, over the last year, I believe our Peer Circles have helped reduce social isolation when so many of us have been working from home. They've helped create a real sense of community, which I think can benefit many more colleagues in 2022.

**Sophie Selvadurai**  
Peer Circle Co-Lead

### LGBTQ+

6.5%

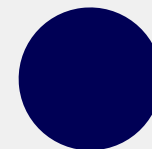
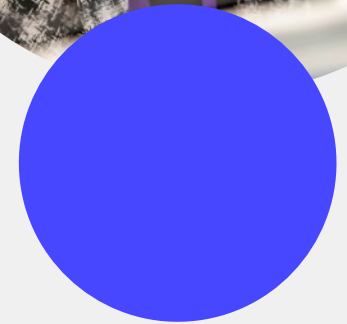
of colleagues told us they are part of the LGBTQ+ community, down from 7% in 2020

Our LGBTQ+ Affinity Group supports PFG's equal and inclusive workplace vision, which will allow all people to thrive at work, regardless of their background, sexual orientation, gender identity or circumstances.

“

I put myself forward to lead the LGBTQ+ Affinity Group because I believe that the lived experiences the members of the group share can really make a difference across the organisation for colleagues and customers alike. I wanted to be involved in something that went a way towards shaping the culture changes across the Group for the benefit of everyone.

**Scott Allchin-Smith**  
LGBTQ+ Affinity Group Co-Lead







## Spotlight on inclusion and diversity continued

### Our Inclusion Community continued Social Mobility

In 2021, PFG joined the Social Mobility Taskforce set up by HM Treasury and the Department for Business, Energy & Industrial Strategy (BEIS). The taskforce's goal is to improve socio-economic diversity at senior levels in UK financial and professional services. To help inform PFG's approach in this area, we asked three additional questions relating to social background in our most recent colleague survey. This data will be used to benchmark how our Group compares to other UK companies in terms of social mobility.

“

It's our aspiration for everyone, regardless of their background, to have the same access to opportunities and the same ability to fulfil their potential that would allow them to progress into a leadership role, if that was their career focus. When our workforce reflects the socio-economic diversity of the customers and communities we serve, it gives us a competitive advantage as teams with mixed backgrounds and experiences have shown to be more creative, adopt wider perspectives and develop better solutions for customers.

### Cathy Prior

PFG's Social Mobility Taskforce Representative

The latest results revealed the following:

**71.9%**

of colleagues attended state-run or state-funded schools

with

**17.2%**

receiving free school meals

**14.0%**

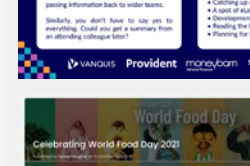
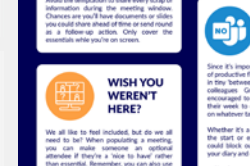
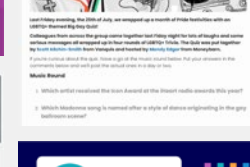
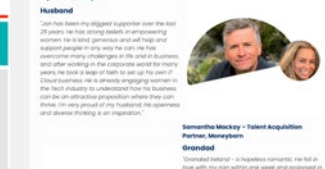
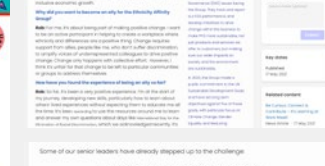
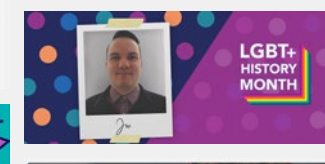
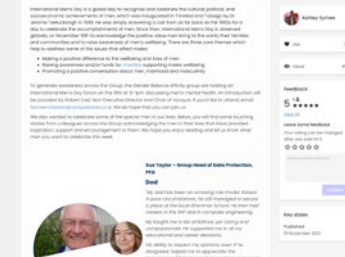
of colleagues come from an intermediate family background (clerical occupations and small business owners)

**32.1%**

of colleagues come from a professional family background (modern professional and traditional occupations; senior or junior managers or administrators)

**33.7%**

of colleagues come from a working-class background (technical and craft occupations; long-term unemployed; routine/semi-routine manual and service occupations)





## Focus on

# gender diversity

Throughout 2021, we continued to deliver the programme of work we initiated in 2019 which focused on improving gender diversity across PFG. Set out below are details of the progress we made as well as data which shows what the gender diversity levels look like across the Group, from the colleague level, right up to the director level.

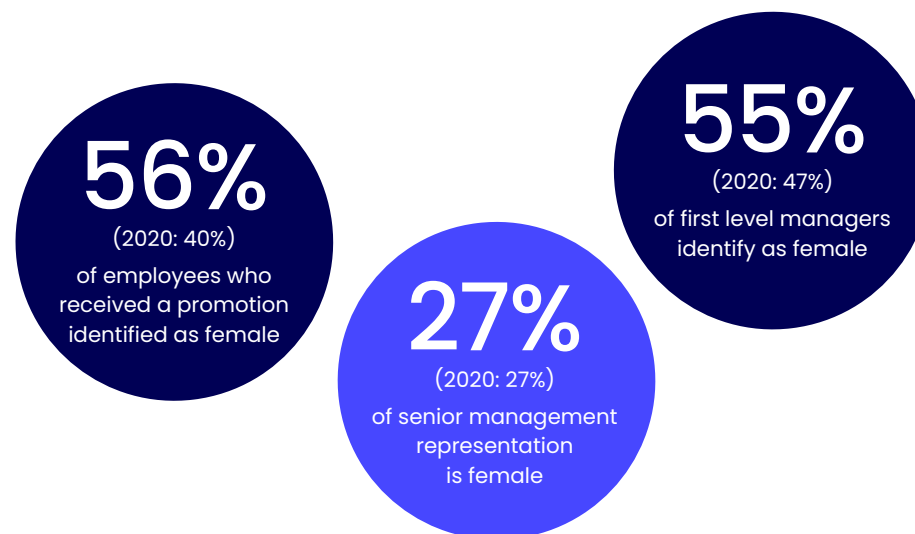
### Be Yourself – improving gender diversity at PFG

A key focus of the work we have delivered over the past 18 months to create and maintain a fair, diverse and inclusive culture for our colleagues and other stakeholders has been on achieving a better gender balance in our senior management population. This saw us, in 2019, become a signatory to the HM Treasury's Women in Finance Charter and set a target to have 40% female representation in the Group's senior management population by December 2024.

### Women in Finance Charter: 2021 update

As of 31 December 2021, we had 27% female representation in our senior management population. We believe we are on track to meet our overall target of having 40% female representation in this population by December 2024. Over the course of the past 12 months, we have continued to lay the foundations that will enable us to work towards meeting our targets. This has included:

- restructuring our Group Executive, which has enabled us to confirm the direct reports that are included in our defined senior management population, and creating a talent pipeline into this population;
- initiating work to review and update the HR policies and processes that will enable the Group's businesses to consistently support the work to improve our gender diversity performance;
- delivering the Next Generation Women's Leadership Programme to 21 high-potential women from across PFG (of these, 24% have gained promotion); and
- reviewing our external recruitment process to ensure a 50/50 gender balance in short-lists for all senior leadership vacancies.



### Gender diversity across colleague levels as at 31 December 2021

	Female		Male	
	Number	%	Number	%
Employee level				
Total staff*	1,362	54	1,173	46
Director**	7	21	27	79
Senior management	35	27	53	73
Middle management	142	41	207	59
First level management	121	55	100	45
Other colleagues	1,106	57	826	43

\* Total staff includes permanent and fixed-term employees.

\*\* Any colleague listed on an Executive Committee or as a director on Companies House.



We will promote more women into senior level positions, and reduce the gender pay gap to achieve gender equality.



## Focus on gender diversity continued

### Harnessing our Purpose to positively impact people and the planet

To support diversity and create an open and inclusive culture at PFG where everyone feels valued, we recognise that we have a key role to play in closing the gender pay gap across the financial services sector, given that it has traditionally been seen as an industry that has lacked diversity and inclusivity. Here, you will find the gender pay gap figures we are required by the Government to publish, which cover all colleagues employed across the Group. The Gender Pay Gap Reporting regulations require all companies that employ 250 or more colleagues to undertake a gender pay gap analysis and publish their findings. Set out below is the gender pay gap information for the PFG legal entities that employ more than 250 colleagues and are required to disclose (i.e. Provident Financial Management Services Limited (PFMSL), Provident Personal Credit (PPC), Vanquis Bank (VB) and Moneybarn (MB)) along with the information for those parts of the business that are not required to disclose (i.e. PFG corporate office (PFG) and Cheque Exchange Limited (CEL)).

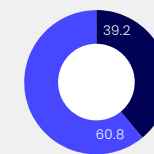
#### PFG pay and bonus gender gap as at 5 April 2021

	Hourly pay 2021 (2020)		Bonus pay 2021 (2020)	
	Mean	Median	Mean	Median
PFMSL	30.9% (29.0%)	28.0% (27.5%)	-1.2% (66.2%)	0.0% (22.5%)
PPC	10.1% (6.3%)	2.3% (0.2%)	-17.7% (45.1%)	-18.7% (0.1%)
VBL	31.4% (28.5%)	31.7% (27.5%)	-0.4% (45.1%)	0.0% (28.3%)
Moneybarn	20.7% (24.1%)	7.8% (19.9%)	-1.1% (58.6%)	0.0% (49.8%)
PFG	46.3% (53.9%)	25.6% (32.0%)	87.4% (66.2%)	0.0% (22.5%)
CEL	n/a (-1.9%)	n/a (17.7%)	n/a (-53.4%)	n/a (13.7%)

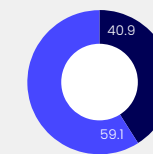
### Gender representation by pay quartiles (%)

#### PFMSL

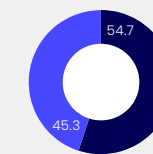
1st quartile



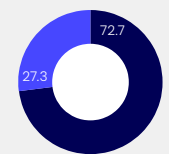
2nd quartile



3rd quartile

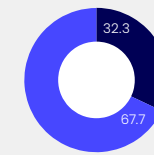


4th quartile

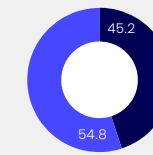


#### PFG

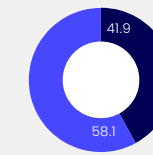
1st quartile



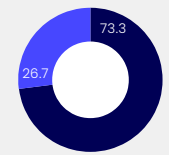
2nd quartile



3rd quartile

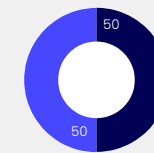


4th quartile

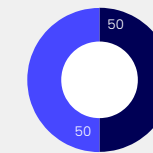


#### CEL

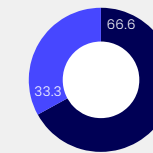
1st quartile



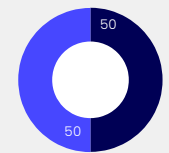
2nd quartile



3rd quartile



4th quartile



Male

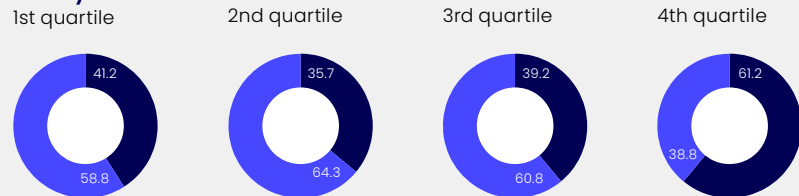
Female



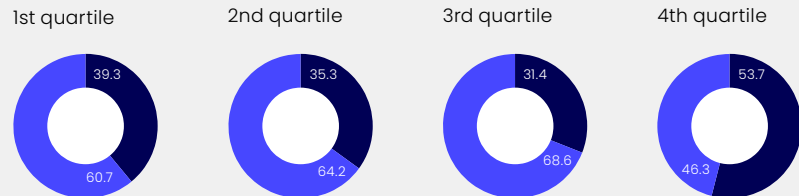
## Focus on gender diversity continued

### Gender representation by pay quartile (%) continued

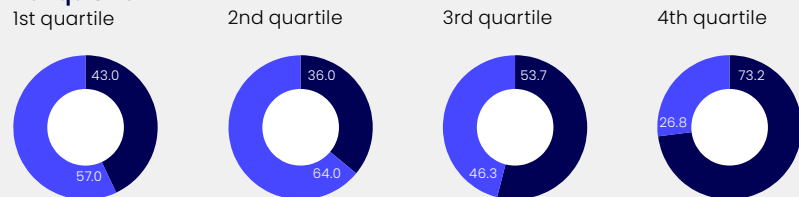
#### Moneybarn



#### PPC



#### Vanquis Bank



■ Male ■ Female

- **Provident Financial plc** – proportion of males and females receiving a bonus in 2021: male – 43.3%; female – 65.6%.
- **Moneybarn** – proportion of males and females receiving a bonus in 2021: male – 63.2%; female – 76.7%.
- **Cheque Exchange Limited** – proportion of males and females receiving a bonus in 2021: male – 100%; female – 100%.
- **Provident Financial Management Services Limited** – proportion of males and females receiving a bonus in 2021: male – 92.3%; female – 98.58%.
- **Vanquis Bank** – proportion of males and females receiving a bonus in 2021: male – 89.1%; female – 91.0%.
- **Provident Personal Credit** – proportion of males and females receiving a bonus in 2021: male – 100%; female – 99.9%.

The gender pay gaps that exist are a consequence of the structure of our workforce, where there is a much greater representation of men in senior roles, earning higher salaries, rather than being an equal pay issue. Our focus, therefore, is ensuring we move towards achieving a better gender balance in senior roles.

The PFG inclusion and diversity strategy that we have in place centres on creating and maintaining a fair, diverse and inclusive culture for our colleagues and other stakeholders. A key focus of this strategy is about achieving a better gender balance in our senior management population. Improving female representation at senior management and director level is extremely important for the long-term sustainability of PFG.

Set out below are some of the actions PFG has put in place over the past 12 months to support achieving a better gender balance in our senior management:

- **Commitment:** PFG signed up to the HM Treasury Women in Finance Charter, a government initiative to improve gender diversity in senior positions within the financial services sector, in March 2019.
- **Targets:** On becoming a Charter signatory, we set ourselves a target to have 33% or more female representation in the Group's senior management population by December 2020 and 40% female representation in the Group's senior management population by December 2024.
- **Raising awareness:** Through the 'Be Yourself' programme we have facilitated panel discussions, published regular vlogs and delivered events to profile events such as International Women's Day and National Inclusion Week.
- **Balanced short-lists:** Ensuring that there is a 50/50 gender balance short-list when we recruit for senior leadership roles across PFG. We work in partnership with the recruitment agencies we use to ensure they are clear on our expectations regarding our inclusion and diversity commitments.
- **Strengthening our talent pipeline:** Delivering our Next Generation Women's Leadership Programme to high-potential women from across PFG to help strengthen the female talent pipeline at the senior/middle management level. This supported the appointment of Jo Simms as CRO in our vehicle finance division. In 2022, we will build on this programme and start to deliver an inclusive leadership programme to PFG's wider management population to cement equality, diversity and inclusion as a central pillar of their professional lives and PFG's long-term success.
- **Peer Circles:** We introduced Peer Circles (run exclusively by colleagues) to encourage peer support for a range of issues. Some examples of the issues that have been covered in the sessions that have been delivered to date, which specifically support females, include: pregnancy, interview techniques, performance reviews and menopause support.





# Our commitment to colleague

*health, safety and wellbeing*

Looking after the health, safety and wellbeing of all our people, whether they are colleagues, contractors, suppliers or customers, is always a high priority for PFG, especially during a year when our colleagues have needed safe working conditions whether they have been at home or in an office.

Our commitment to do this is set out in our Group-wide Health and Safety Policy which enables us to comply with health and safety legislation. Our divisions also have additional policies on a range of health, safety and wellbeing issues which reflect the factors unique to their business settings. Throughout the year as we continued to respond to Covid-19 and adapted to new ways of working both in the office and from home, we have also provided our colleagues with regularly updated policies and guidance so that they can be safe and healthy. All policies are made available to colleagues via our intranet sites, colleague handbooks and induction programmes, as well as mandatory training that is in place to help colleagues work safely at all times.

## Empowering colleagues to raise concerns

We are committed to the highest standards of quality, transparency and accountability, so giving our colleagues channels to speak up about concerns is an important part of our culture. We have whistleblowing policies in place which outline how concerns can be raised. All colleagues receive anti-bribery and corruption, and whistleblowing training on an annual basis. They also have access to a confidential third-party helpline through which they can raise a genuine concern about dangerous, unlawful or illegal activity at work.

In 2021, this helpline received two calls, which were thoroughly investigated and dealt with in accordance with the appropriate internal procedures.

## Health and safety during Covid-19 in our offices

Ensuring the health, safety and wellbeing of all our colleagues throughout 2021 remained one of our highest priorities. During this time we have continued to run our offices in accordance with government guidance and have made sure that where colleagues cannot work remotely they can do so in a way that is safe and secure. We have also dedicated a lot of effort to support the positive mental wellbeing of our colleagues. This has involved hosting regular online check-ins and, as social distancing restrictions were lifted, running sessions for colleagues on returning to work and mental health (read more on page 45). We have also used our positive experiences of remote working over the past two years to develop plans to shift to our workplaces to flexible arrangements which will, where appropriate for the business and our colleagues, see remote working and virtual meetings continue, albeit less intensely than at the pandemic's peak.

2\*

reportable accidents  
(2020: 7)

80

non-reportable accidents  
(2020: 277)

78\*

reportable accidents  
when scaled up to 100,000  
employees  
(2020: 165)

3,155

non-reportable accidents  
when scaled up to 100,000  
employees  
(2020: 6,545)

\* The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) define a reportable accident as an injury that is not 'major' but results in the injured person being away from work or unable to do their full range of normal duties for more than three consecutive days.



## Supporting colleague

# mental health and wellbeing

At PFG, we recognise the importance of supporting colleague mental health and wellbeing, both in terms of individual welfare and the impact it can have on our business. Now, more than ever, mental wellbeing is a key contributor to our colleagues' health and safety, their social wellbeing and their ability to fulfil their potential at work.

By promoting the importance of and arranging targeted activities around maintaining good mental health, we are working to protect our colleagues while fostering an internal culture of resilience and openness. Many aspects of mental health and associated stress factors affect, and are affected by, a much broader range of health conditions and disabilities which we believe we have at least some ability to alleviate. It is our hope that the positive benefits of increased awareness and understanding will spread beyond the workplace, improving wellbeing within our families and communities.

In our latest Group-wide colleague engagement survey, 67% of colleagues said PFG does enough to support their health and wellbeing at work.

Throughout 2021, our network of Mental Health First Aiders ran mental wellbeing awareness campaigns that lined up with external activity, giving us an opportunity to highlight specific mental health issues and signpost the relevant support available to all colleagues. In partnership with the Bank Workers Charity, we delivered a series of webinars exploring key topics around improving and maintaining mental wellbeing. These live sessions are open to all colleagues and are also recorded for subsequent viewing. Topics included:

- Positive Mental Health in the Workplace;
- Building Resilience;
- Returning to the Workplace; and
- Loneliness and Isolation.

Following the sessions, we received the following feedback from colleagues:

“

Refreshing for you to speak so openly and normalise mental health conditions. More people should join and educate themselves!

“

Building resilience and having a positive outlook and taking 'me time' – I like this advice. I've been struggling with taking time and finding happiness.

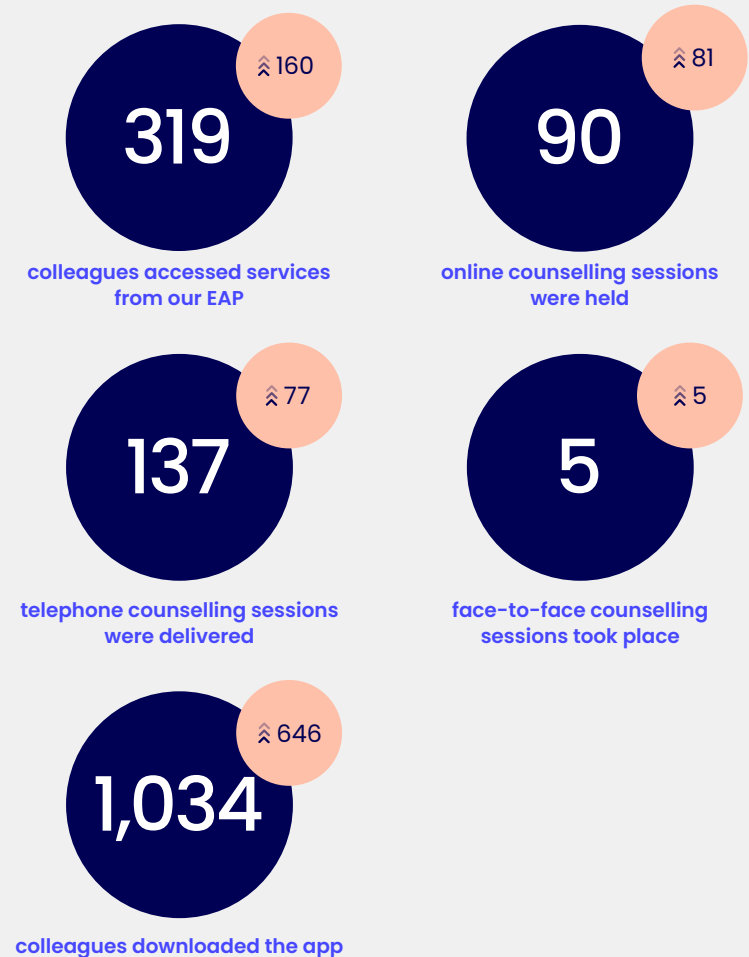
In our latest Group-wide colleague engagement survey, 10.2% of colleagues shared that they have a mental health condition, such as depression or anxiety.

All PFG colleagues and their families have access to free confidential mental health and wellbeing support, available 24/7 through our Employee Assistance Programme (EAP).

### EAP features include:

- a dedicated helpline with calls answered by experienced in-house counsellors, and legal and financial specialists; and
- a smartphone app and personalised online wellbeing content, including videos, webinars, mini health checks and health coaching.

### EAP usage data for 2021 shows:





## Supporting colleague mental health and wellbeing continued

**We are currently piloting a wellbeing initiative specifically designed to support frontline colleagues.**

The project creates opportunities over the course of a month for colleagues to take positive action to check and address their mental wellbeing. They are given wellbeing time with their managers in addition to their regular one-to-one meetings. Assigning the conversations dedicated time and focus, while keeping them separate from routine work discussions, allows individuals the space to develop trust and get to know one another better in a safe space where they speak openly. On top of this, colleagues in the pilot group are encouraged to take time away from their day-to-day roles each month to focus on an activity that supports their wellbeing. To support managers involved in rolling out this initiative, we have developed a new wellbeing training module, which will be delivered as part of our Management Blueprint coaching process.

Our aim is to continue developing and delivering a broad range of mental wellbeing tools and resources in 2022 and beyond to support colleagues and their managers. Videos, presentations and articles, as well as a host of other useful information, are available to colleagues everywhere on our Group-wide Be Well intranet homepage.

“

The new wellbeing sessions are great as they enable issues to be raised that are relevant to me personally and also to many of the people I have talked to. Working from home has had many benefits during the pandemic, but I found going back into the office a day or so a week really helped me, especially as the number of other colleagues increased. That balance moving forward is so important to me.



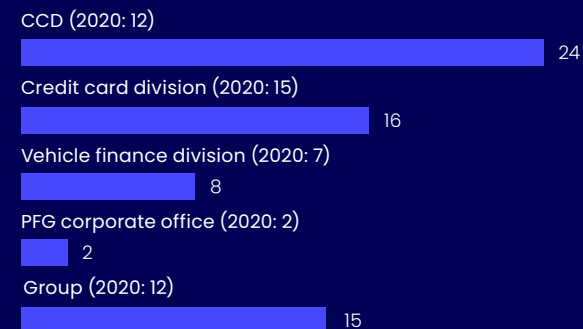


# Colleague turnover

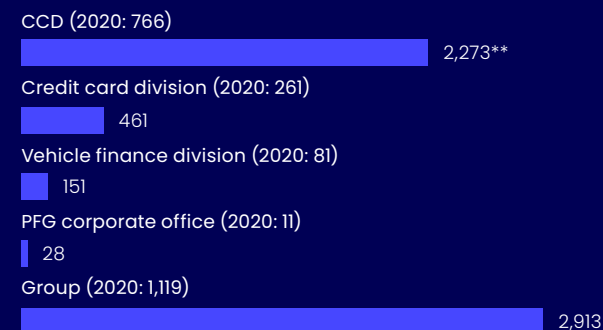
Throughout the year, we aimed to address the key findings that were identified by the colleague engagement survey we carried out in 2020 and, by doing this, we have improved engagement scores and reduced our overall colleague turnover rates in 2021 in comparison to the rates for 2020.



## Average number of absence days per employee



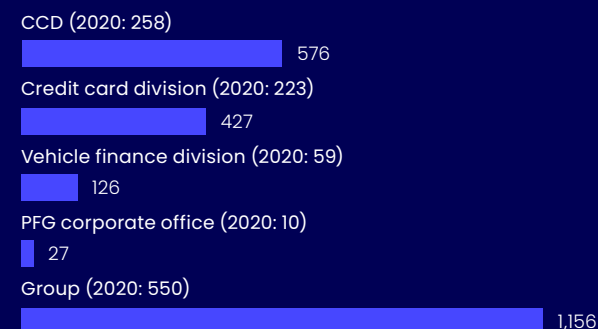
## Number of employees who left the business\*



\* These figures also include colleagues who have moved from one Group business to another.

\*\* CCD closure led to a significant increase in the number of employees who left the business. Read more on page 14.

## Number of employees who left the business voluntarily







## Encouraging colleagues *to save for their future*

Because of the industry we work in, we feel that it is just as important to ensure that our colleagues, as well as our customers, manage their money in a sustainable way. This is why we offer initiatives that allow colleagues to either invest in the Company through a 'share scheme' or save for their future through a workplace pension.

### Pensions

There are two main pension schemes for colleagues across the Group. New colleagues are automatically enrolled into the Provident Financial Workplace Pension Scheme after two months' service, and after two years of membership they are invited to join the PFG Retirement Plan; however, colleagues joining at a managerial level are invited to directly join the PFG Retirement Plan.

The Provident Financial Workplace Pension Scheme is provided through the National Employment Savings Trust, or NEST, and requires colleagues to contribute 3% of their pensionable salary after tax relief. On top of this, we will also contribute 4% of their pensionable salary.

The PFG Retirement Plan allows colleagues to contribute between 3 and 8% of their pensionable salary and we will contribute between 5 and 10%. All colleagues are entitled to a death in service payment.

### All-colleague share schemes

Share schemes are a long-established and successful part of the total reward package offered by the Group, encouraging and supporting colleague share ownership. The Group offers all-colleague and discretionary share schemes.

1,003

colleagues participate  
in our share schemes

The Group's two all-colleague schemes aim to encourage colleagues' involvement and interest in the financial performance and success of PFG through share ownership.

The current schemes for colleagues resident in the UK are the Provident Financial Savings-Related Share Option Scheme 2013 and the Provident Financial Share Incentive Plan (SIP).

864 colleagues were participating in the Company's save as you earn schemes as at 31 December 2021 (2020: 1,088). The Group's SIP offers colleagues the opportunity to further invest in the Group and to benefit from the Group's offer to match that investment on the basis of one matching share for every four partnership shares purchased. 139 colleagues were participating in the SIP as at 31 December 2021 (2020: 348).





# Our supply chain

## Responding to the Modern Slavery Act 2015

The Group is committed to understanding the risks posed by modern slavery and human trafficking, and ensuring that they do not exist in our businesses or supply chains.

As a business with a turnover of more than £36m, we are required to produce an annual statement which describes the steps that have been taken to prevent modern slavery and human trafficking from occurring in our supply chain and direct business activities. Our most recent statement, dated March 2022, sets out the actions that the Group is taking to ensure instances of modern slavery or human trafficking are not occurring directly in our businesses as well as indirectly in the supply chains that we use to procure goods and services. The statement also communicates the measures we have taken to improve internal understanding and awareness around modern slavery, human trafficking and other human rights issues.

You can view our statement on the homepage of our corporate website at [www.providentfinancial.com](http://www.providentfinancial.com)

## Treating our suppliers fairly

Our suppliers play a vital role in our operations, so it is imperative that we encourage best practice within our supply chain by ensuring we are compliant with legislation such as the Modern Slavery Act 2015 and support supplier payment by being a signatory to the Prompt Payment Code.

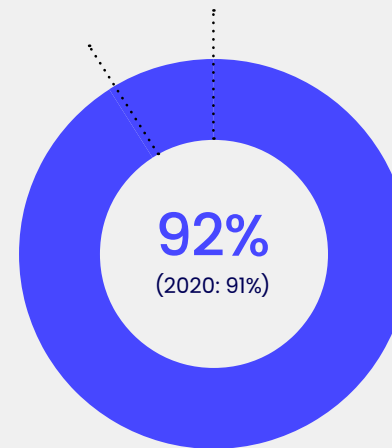
We use a large number of suppliers that range from small and medium-sized enterprises (SMEs) to large multinational corporations, and we are always seeking to be forward thinking in our approach to supply chain management and develop strong supplier relationships to ensure we only procure products and services from those which operate in a responsible manner.

We also understand that many of our suppliers are SME businesses and if we do not pay them on time, this can cause cash flow challenges. Therefore, we have signed up to the Prompt Payment Code, which requires us to pay suppliers within 60 days of receiving an invoice, and aim to pay all suppliers within 30 days of receiving an invoice.

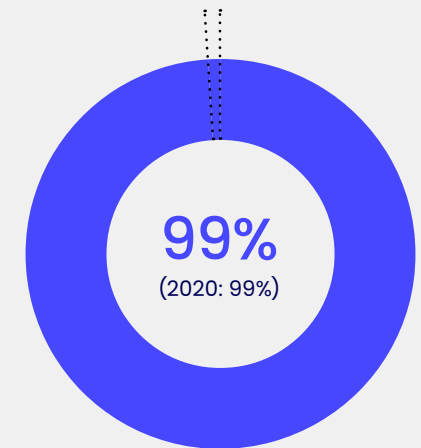
In 2021, 4% (2020: 8%) of the Group's invoices were paid within 60 days and 96% (2020: 92%) of them were paid within 30 days.

We will continue to aim to pay all our suppliers, in particular smaller businesses, within 30 days. As such, we support the reform of the Code which obliges signatories to pay all small businesses within 30 days – half the time outlined in the original Code.

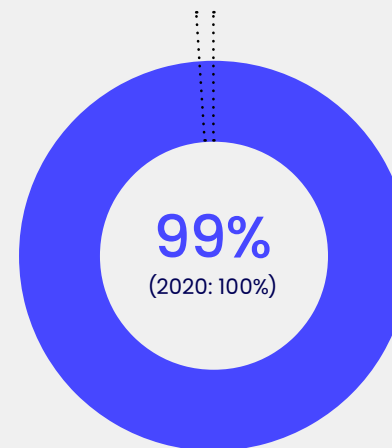
## Percentage of companies paid in line with the Prompt Payment Code in 2021



PFG corporate office



Vehicle finance



Credit cards



# Communities

## Supporting our Purpose through our Social Impact Programme

Our social impact strategy supports our Blueprint by addressing key barriers to financial and social inclusion and helping people overcome them.

### In this section

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- 60 Community partners
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- 67 Social Impact Fund grant case studies
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# Supporting our *communities*

Our Purpose of helping to put people on a path to a better everyday life underpins our reason for being and the role we play in the lives of our customers also informs the choices we make in our community investment activities. This is why we launched our PFG Social Impact Programme in 2019.

The strategy of our Group-wide Social Impact Programme is to invest in activities and initiatives which seek to address some of the key factors which, on their own or acting together, can reduce social and/or financial inclusion. These factors include (although are not limited to) lack of literacy or numeracy skills; disabilities and/or mental health issues; unemployment or under-employment; low levels of educational attainment; and low, uncertain or fluctuating incomes.

The programme delivers community investment activities under the following three workstreams:

**Customers and colleagues** – working with charities and specialist partners to provide support that seek to address key factors which affect customer and colleague wellbeing.

**Education** – supporting children, young people and adults to boost their education, skills and aspirations in order to participate in society and secure a brighter financial future.

**Community** – supporting community foundations and other partners to address the wide range of social inclusion and social mobility issues that are relevant to our customers and the communities where we operate.

“

The work we deliver and the community partners we support are specifically chosen to improve the lives of those who are disadvantaged. We look to fund projects which provide access to support which will improve a range of factors such as poor numeracy, literacy, mental health, and employability, all of which can reduce people's ability to lead fulfilling everyday lives. We're very proud of our programme, with its impact being rooted in addressing tangible need.

**Sharon Orr**  
 Social Impact Programme Manager







# Our theory of change

Our community investment strategy supports our Purpose by addressing key barriers to inclusion and helping people overcome them.

## Our core themes



### Customers



### Education



### Community partners

## What we do

Invest in activities and initiatives that address key factors which may affect someone's likelihood of being accepted for credit.

Support children, young people and adults to boost their education, skills and aspirations, in order to participate in society and secure a brighter financial future.

Support community projects in areas where people are more likely to face social and financial exclusion.

## We do this through

Ensuring colleagues have the skills to deal with customers with additional needs.

Supporting independent research into financial decision making.

Supporting financial education, including for hard to reach groups.

Funding a range of debt advice organisations.

Providing support for programmes to boost the literacy and numeracy of children, young people and adults.

Offering young people and adults insights into the world of work and the skills that will help them secure opportunities, including employment.

Providing grants to grass roots organisations and charities through community foundations which will support local people in improving aspects of their life.

## Why we do this



To ensure our customers and others have access to appropriate financial services. Where they do not, to help them recognise and overcome the barriers to financial inclusion.

To ensure help is available to those with additional needs and those in financial difficulty.



The right skill set is essential for social inclusion. Those who live in disadvantaged communities can lack confidence, as well as awareness of where and how they might acquire skills or boost those they have. Developing skills promotes personal confidence, aspirations and the potential to participate in society.



To help people overcome personal difficulties that might be preventing them from feeling socially or financially included in the communities in which they live and work.

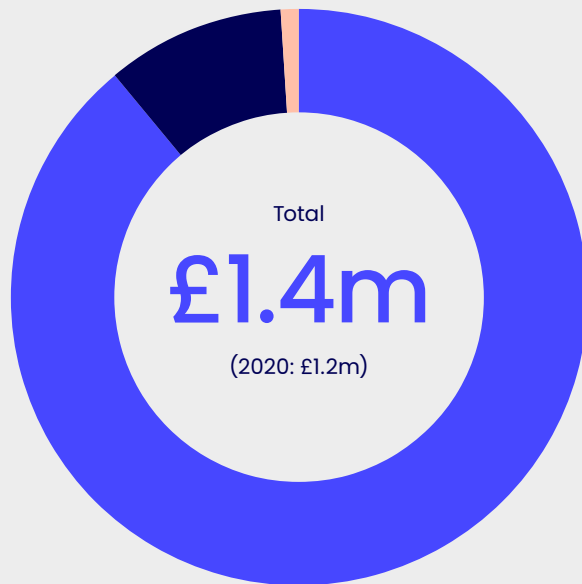


# Our social impact

## *in 2021*

In the following sections, you will find some of the highlights from our Social Impact Programme in 2021.

### 2021 community investment figures



- **Cash: £1,230,677**  
(2020: £1,035,984)
- **Management costs: £126,649**  
(2020: £143,129)
- **Value of employee time: £12,116**  
(2020: £11,219)

## £1.4m

invested to support community programmes, money advice programmes and social research (2020: £1.2m)

## £307k

distributed to 51 grass roots voluntary organisations via community foundations

## £9,938

donated to colleague fundraising efforts (2020: £8,169)

## 425

hours volunteered by colleagues during work hours (2020: 509)

[+ Read more on pages 69 to 72](#)

## 57,124

people took action on the National Numeracy Challenge in May 2021





# Unlocking talent *in our communities*

## Supporting young people in the aftermath of the pandemic




For many young people, life has been on hold for the past couple of years, and they are now facing the prospect of catching up on lost learning and looking to enter a rapidly diminishing job market.

Unfortunately, a further by-product of this, is that a large portion of these young people are also now struggling to cope with increasing levels of anxiety and concern about what the future holds.

Through our education programme we have been working hard with our partners during these difficult times to provide help with literacy and numeracy to children and young people in disadvantaged areas. We have also been providing insights into the world of work to help raise their aspirations and give them a chance of a future that sees them included in society. In addition we have been helping vulnerable families get the help they need.

Here's how, in 2021, helping our communities has supported our SDGs through the education programme:



Sustainable Development Goal	What we did	Who we worked with
<b>Quality Education</b> 	<p>38 PFG volunteers supported 22 career readiness activities throughout the year. These included career talks, mock interview practice, employability boot camps and more.</p> <hr/> <p>Through the 'Early Words Together' programme we supported three nursery schools in Birmingham and two schools in London. Seven practitioners were trained in Birmingham with 41 families reached.</p> <hr/> <p>337 young people from across 14 schools and 22 PFG volunteers took part in the 'Words for Work' programme.</p> <hr/> <p>A new Digital to Doorstep programme was launched resulting in:</p> <ul style="list-style-type: none"> <li>– 60 curated book packs received by The Academy at St James parents in Bradford;</li> <li>– 150 parents/children reached through Allerton Schools in the Park follow-up activity;</li> <li>– 80 book packs distributed to four additional schools in Toller target ward; and</li> <li>– 250 additional children/parents reached through curated story-telling sessions.</li> </ul> <hr/> <p>97 people (teachers, community learning practitioners and STEM Ambassadors) were trained to support beneficiaries in areas of need with their numeracy through the 'Becoming a Numeracy Champion' programme: Children, families and feeling good about maths.</p> <hr/> <p>665 children took part in our bespoke Reciprocal Reading programme.</p> <hr/> <p>20 teachers took part in the Reciprocal Reading training programme.</p> <hr/> <p>26 PFG volunteers supported 28 children through the TutorMate reading volunteer programme in London and Bradford.</p>	<p><b>Ahead Partnership</b></p> <hr/> <p><b>National Literacy Trust</b></p> <hr/> <p><b>National Numeracy</b></p> <hr/> <p><b>Leading Children</b></p> <hr/> <p><b>Innovations for Learning</b></p>
<b>Reduced Inequalities</b> 	<p>Colleagues from our credit card division facilitated a Youth Panel in Bradford to understand why young people may not think the financial services sector is accessible and use this information to develop future activity. 12 young people took part.</p> <hr/> <p>Approximately 11,000 children, families and teachers from 19 schools in areas of need who have been supported through the 'Becoming a Numeracy Champion' programme: Children, families and feeling good about maths have been offered the Family Maths Toolkit resources.</p> <hr/> <p>Approximately 13,100 young people from rural, urban and inner-city schools in areas such as London, Birmingham, Bradford and Glasgow took part in non-residential adventure programmes.</p> <hr/> <p>PFG colleagues donated 106 books and 148 Christmas presents to families in need.</p>	<p><b>Ahead Partnership</b></p> <hr/> <p><b>National Numeracy</b></p> <hr/> <p><b>Outward Bound Trust</b></p> <hr/> <p><b>School-Home Support</b></p>
<b>Gender Equality</b> 	<p>Female colleagues volunteered on PFG-specific activity focusing on IT careers and discussing how young people can get into this type of work.</p>	



## Education case studies



### Case study

#### Working with National Numeracy

##### Family Maths Toolkit programme – supporting children's numeracy and the catch-up agenda

In addition to being a lead supporter of National Numeracy Day for the fourth time on 19 May 2021, one of the areas where we have provided support to National Numeracy as one of its strategic partners has been in relation to the development and roll-out of new maths resources for children and their families and carers.

We share National Numeracy's belief that every child can develop the numeracy skills they will need, both at school and throughout their lives, and that by helping children feel confident about maths can help them to do this. We also know that the disruption in schools caused by Covid-19 during 2020 and 2021, along with issues such as digital poverty, has left many children, particularly those in poorer communities, behind where they should be regarding their numeracy and literacy skills.

To address this issue, the funding we provided to National Numeracy in 2021 also helped the charity to develop new resources to include in the Family Maths Toolkit it offers to parents, families and children aged 13 and under to help them enjoy everyday maths together and to improve their confidence with numeracy.

The new resources that our funding contributed to the development of are curriculum-linked maths activities for children to complete with their families or the other adults who support them. They help them to explore financial capability and how they can apply their knowledge, skills and attitude towards making good money management decisions. All this is done through open-ended activities for children, with information sheets provided for adults which help them to develop their own and their children's confidence with numbers.

By contributing funding to further develop the resources contained within the Family Maths Toolkit, which is an integral part of National Numeracy's Parental Engagement programme, PFG has been able to help the charity to support around 11,000 children, families and teachers from 19 schools in areas of need in the West Midlands, London and Ayrshire to build positive numeracy attitudes and skills.



### Case study

#### The National Numeracy Leadership Council

The National Numeracy Leadership Council launched in September 2021 brought together the Government with a number of pioneering organisations to join forces to tackle the UK's numeracy crisis. Our CEO, Malcolm Le May, is a member of the council and attended the initial meeting alongside other businesses and government partners. Malcolm also attended an exclusive employer roundtable with the Minister for Skills, Alex Burghart, MP, alongside the Department for Education and other leading employers, about the Government's new Multiply programme to help transform the lives of hundreds of thousands of adults across the UK coming in spring 2022.



Addressing poor numeracy is a cause that is of particular interest to me; it is both extremely relevant and aligned to PFG's Purpose. That's why I'm pleased to be part of the National Numeracy Leadership Council and excited to see where this network, combined with the UK Government's 2021 budget commitments, will take us in the future.

#### Malcolm Le May

Chief Executive Officer

Malcolm published a popular article on LinkedIn about the importance of this issue. He also wrote a blog on the importance of tackling poor numeracy in the UK.







## Education case studies continued



### Case study

#### National Literacy Trust

##### Early Words Together

Whilst we support a lot of work within schools, in our most deprived communities, 50% of children start school up to 19 months behind their more fortunate peers in terms of their speech, language and development.

National Literacy Trust's Early Words Together programme empowers parents and carers to support their children's early communication and literacy development by building literacy into daily life.

In 2021, we supported three nursery schools in Birmingham to deliver the Early Words Together programme to parents and children aged three to five years of age. The early years teachers within the schools have been able to network with each other and share good practice around supporting disadvantaged families – this became even more beneficial as schools sought to find new ways to support families with young children during periods of lockdown.

Our funding also enabled the Early Words Together programme to be delivered to two primary schools in Camden, London. All the families of the pupils in the nursery and reception classes at these schools received copies of the Trust's 'Time Together' booklet, which is available in 19 different languages, including Albanian, Chinese and Punjabi, and is full of suggestions to help support children's reading and learning at home.



I love coming into nursery and seeing what my child does. I have tried some of the things at home and it has been really fun.

#### Parent who took part in the Early Words Together programme

#### Words for Work

We've also continued to fund National Literacy Trust's Words for Work programme in Bradford, Chatham, Havant and London, which gives young people the communication skills they need for the workplace.



Part of the school development plan is to prepare pupils for future success in education, employment, or training by providing high-quality careers guidance and opportunities as outlined in the Gatsby Benchmarks. This programme has helped the students develop some of these skills and work towards their future career opportunities.



Remote learning and attending school in bubbles mean that students have had very little contact with anyone outside their families and a small group of classmates. Having the attention and the encouragement of the volunteers has been invaluable in improving students' wellbeing.

#### Teachers whose classes took part in the programme



### Case study

#### Doorstep to Digital

In 2021, we also funded the National Literacy Trust's 'Bradford Stories' programme to pilot a new project in Bradford called 'Doorstep to Digital' which provides families across the city with packs which they can use to connect with books and other learning activities at times of challenge and difficulty.

The packs are designed to support parents and carers to create routine fun and learning activities for children in the home which they can then use in their school work. They contain hardcopy books, storytelling sessions and curated texts to motivate and enthuse the children to continue reading and to learn independently.



The Doorstep to Digital packs provided through the Bradford Stories programme, with support from PFG, have helped us in school to encourage pupils to read for pleasure and improve parental involvement and engagement in the learning process. Through our parent champions, who were supported by Bradford Stories, we were able to hold an event in a local park and reach out to hundreds of families with beautifully curated resource packs.

#### Teacher whose school participated in the Doorstep to Digital project

#### During 2021 we worked with the following schools:

##### Key stage 1

- St Alban's C of E Primary School, Havant
- Harry Gosling Primary School, London
- The Academy of Woodlands, Gillingham
- Westbourne Primary School, Bradford
- Tower Bridge Primary School, London
- Snowfields Primary School, London

##### Key stage 3

- Havant Academy, Havant
- The Halley Academy, London
- Elthorne Park High School, London
- The Victory Academy, Chatham
- One In A Million Free School, Bradford

##### Post-16

- Beckfoot Oakbank School, Bradford
- The Victory Academy, Chatham
- Harris Academy Peckham, London





## Education case studies continued



### Case study

#### Leading Children

Through our partnership with education consultancy Leading Children, we have developed and delivered a Reciprocal Reading training programme to teachers at local schools in the Bradford area.

As a government opportunity area, one of the priorities for Bradford is to make the city a great place to build a career in education, by investing in recruitment, development, progression and retention of the best teachers and leaders. This programme helps teachers to improve the quality of their teaching, ultimately allowing slower graspers to progress quicker by engaging them in activities that encourage them to want to read and write, and to do so independently.

“

Through the programme we employ specialist strategies to help children who might be a little slower to grasp some concepts to feel more engaged in lessons. This not only builds confidence but also ensures engagement and therefore learning.

#### Rachel Jacobs

Education Consultant/Director  
 Leading Children

In 2021, 20 teachers took part in the programme.

All (100%) of the nursery and reception teachers felt that their ability in terms of teaching literacy had improved and reported seeing a huge difference in children's independent writing, despite having had so much time off school due to Covid-19.

In key stages 1 and 2 every school took on board reciprocal reading as part of their teaching of reading comprehension. Again, all (100%) teachers felt their ability in relation to teaching literacy had improved and, in doing so, the children had also improved.

“

They have all made significant progress because of reciprocal reading. It accelerates the children's rate of progress; that's why we want to roll it out through the whole of the school.

#### Year 3 teacher

“

Doing 'Sentence of the Day' is making a huge difference to my children's reading and writing. The difference is extraordinary – I never thought that the class spending just 10 minutes every day doing this could have such a big impact. Thank you!

#### Reception class teacher



As part of the programme, parents were trained to better support children at home. Here is what some of the children had to say:

“

My mum went to a meeting at school, and came back home with some books for me to read. I also have some writing books now so that we can write secret messages to one another. She also has a special bookmark from the school which tells her how to help me read.

“

Now that I've got some books at home, me and my mum enjoy lots of no TV, quiet time so that we can focus on doing some important reading to each other.





## Education case studies continued



### Case study



#### Social Mobility Business Partnership (SMBP)

During 2021 some of our colleagues played virtual hosts to Year 11 students, both as part of a national online Work Insights Week for students who live remotely and also a Bradford-specific cluster, organised by SMBP.

SMBP is a charity which provides an innovative programme, bringing together large corporate organisations and professional sports clubs to remove barriers, develop skills and provide experiences to sixth form and college students from disadvantaged backgrounds. The programme helps build aspirations and inspire students to pursue a career in a profession that they may not have previously considered.

Colleagues volunteered to deliver presentations and workshops on a range of legal and professional topics to inspire the young people who attended. Megan attended the Bradford cluster event we hosted in 2020. We asked her why she joined the programme and how this has helped her since.



Before I took part in the SMBP programme I knew I was interested in finance but had no solid plan in terms of how I could pursue a career in the subject. I was looking for a lot of insight and experience with businesses, which was what encouraged me to apply to the programme.

I developed plenty of skills throughout the week, which is why I would recommend taking part! I got the chance to network with professionals in my sector of interest, such as those at PFG, to learn how they built their careers and what next steps were available to me.

I really enjoyed taking part in group tasks and workshops based around the careers I'd wanted to learn more about, while gaining confidence, self-branding skills and some team working experience. I do think I came out of the programme feeling more prepared about where I could go from there. I've since mentioned my participation in the SMBP programme on my personal statement and job applications, which I certainly think helped me to stand out through having the diverse experiences on my CV at a young age.

After completing the programme I was accepted into a new sixth form college, taking up four A-Levels with the goal of a career in finance. I have since completed my A-Levels and moved to London for university to study a degree in economics. When I applied, I thought it was a long shot, as I didn't know anyone who had done that to go to university, if they'd gone at all, and I was the first in my family to go. I worked for months on my application but it was worth it; I enjoy living in London and managing to get into a top university. When I received my A-Level grades and knew I'd been accepted, I was very proud, especially since I'd taught myself much content over the course of the pandemic, which was stressful at times, but I'm very glad it paid off.

I've also completed a virtual internship with investment bank J.P.Morgan, and am now applying for a scholarship to undertake an academic research project in June 2022, which I am very excited about. I was also successful in securing a role for the SMBP Alumni Advisory Committee so I'm very pleased to be able to continue working with the organisation and hopefully will help extend its outreach to many more, so others can have access to the same opportunities as me.

#### Megan Fisher

2020 SMBP participant



We remember Megan as being a very engaged and interested student during her Bradford SMBP week. Megan took part in the 2020 scheme when the pandemic had just changed the way we all had to think about work. Being engaged in a virtual world was a new concept for not only the students but partners alike and she did not allow this to distort her drive to work hard and achieve the grades she needed. SMBP is proud to have Megan as part of its Alumni Advisory Committee and knows she will make a positive contribution. We look forward to continuing to working with Megan through the charity and see her go from strength to strength.

#### Rose Firth

Head of Operations  
 Social Mobility Business Partnership







## Education case studies continued



### Case study



#### Outward Bound Trust

When Outward Bound Trust (OBT) – a charity that helps young people unlock their potential through learning and adventure in the wilderness – was struggling because of Covid-19, PFG promised to help.

Ordinarily, our annual funding would be allocated to provide adventures for young people from our chosen schools; however, we enabled OBT to use our funding to adapt its programmes amidst the constraints of Covid-19 regulations, to help young people from across the UK experience an adventure.

Having more flexible funding meant OBT was able to create Adventure Days, which could be run from its centres and attended by young people who lived nearby. In addition, it also created an innovative in-school adventure programme – if young people could not go to OBT then OBT would go to them. It sent its instructors to school playgrounds, playing fields and local green spaces to help young people reconnect with each other, and the great outdoors.



The pandemic has had a significant impact upon young people – affecting their self-confidence, resilience, and ambitions for the future. A powerful experience in the outdoors can help young people better deal with the isolation, fear and disruption they've experienced, teaching them important lessons about their own tenacity, and the importance of making meaningful connections with others. We cannot thank PFG enough for its continued generosity, enabling young people to experience a life-changing opportunity in the wilderness.

#### Lucy Sharma

Corporate Partnerships Lead  
OBT



### Case study



#### School-Home Support (SHS)

Since School-Home Support's foundation in 1984, the charity has been using early intervention to break the intergenerational cycles of deprivation. It is the only charity in England working with children and their families using a holistic family-based approach. SHS's work looks beyond the classroom to tackle whole-family issues such as parenting, poverty, and mental ill health, using bespoke support strategies to help children achieve their potential.

Over 1 million people have been plunged into poverty recently and this has been a key factor in the increase in need for SHS's services. The need has quadrupled since the first lockdown was announced and SHS's ongoing work with families highlights that issues caused by the pandemic still continue to affect families today. As well as more families being in need, the families they are helping require more support than ever before. Nearly 80% of the cases referred to SHS require five or more interventions.

SHS changes the life chances of young people, and we help them to do that. We fund practitioners in four schools across Bradford and Medway where SHS practitioners work continuously to tackle barriers to education, and we know this works. Both the schools and the families they support appreciate the amazing difference SHS practitioners make. Between January 2021 to December 2021, our funding has helped SHS practitioners to:

- support 284 individuals;
- work with 125 individuals via intensive support;
- make 9,758 interventions of intensive support;
- work with 159 individuals that benefited from early response support;
- make 827 interventions of early response support; and
- achieve an average attendance increase of 10.9%.



I just want to say a huge thank you to PFG for the amazing contribution it makes to School-Home Support. 2021 was a challenging year for so many of the families we work with, but PFG's continued commitment has helped us to give every child the chance to thrive and achieve despite immense challenges caused by the pandemic. Through this contribution, SHS has been able to help to support children and families to maximise educational opportunities and improve their life chances.

#### Jaine Stannard

CEO  
School-Home Support





# Community partners



**UK COMMUNITY  
FOUNDATIONS**  
GIVING FOR LOCAL GOOD

## A flexible approach to funding for grass roots community organisations

We have developed partnerships with community foundations in a number of UK locations to enable us to distribute grants effectively to organisations which are supporting the communities where our business operates. Community foundations are place-based funders, working with local donors, funders and businesses to ensure that their grant making is location specific, tackling issues that are pertinent to their locality. Their insight and expertise are crucial to our partnerships. By working with community foundations, we have the confidence that we are directing our funding to the places where it's needed the most, and, in doing so, contributing to the sustainability of the small charity sector.

The impact of the pandemic has been felt massively within the voluntary sector as the true cost to our communities carries on emerging. And there has been no doubt about the hugely important contribution that community organisations have made to maintaining as much support as possible for those who are most vulnerable in society. It is no coincidence that their deep-rooted understanding of the people who need them has led to incredible levels of trust and engagement. Whilst they have been on the frontline of service provision, they have also leveraged opportunities to redefine their

services. Assessing what they do and how they do it has led to innovative solutions and deploying resources in new and different ways. Their resilience has been remarkable and it must be acknowledged that their response has never been more vital as they have had to rise to the challenge of unprecedented and sustained increases in demand for their services.

At the start of the pandemic in 2020, we prioritised our funding to ensure that grantees were offered flexibility where they needed it. Some voluntary organisations needed emergency income to ensure their immediate viability could continue (e.g. to cover the additional costs to adapt services to deliver in new and different ways, including digitally). Some were able to adapt their income streams to cover these costs and were keen to protect pipeline funding to enable them to continue delivering planned work as soon as they were able to do so again.

We have maintained open and honest dialogue with our community foundation partners to ensure we remain responsive to the needs of the small charity sector. The partnerships have meant we have had the confidence that our funds have been channelled effectively to the activities and organisations which have been needed the most in our communities. As a responsible funder this has been crucial to our approach. In 2021, we awarded grants totalling £307,000 to 51 community organisations.

You can read more about how we involve our colleagues in the grant-making process on page 70.



“

We have been working with PFG for more than seven years now and in that time it has donated more than £293,000 to 64 organisations across Kent. Its support has made a genuine difference to these small, local community organisations and the people they serve. It's always a fun and enjoyable experience meeting PFG staff and helping them to make decisions about where its money goes. This is a unique corporate partnership in that its staff are actively involved in the decisions about where the money goes locally which I think is really important to help highlight local issues and engage staff in a meaningful way. It is our only fund-holder which does this.

**Josephine McCartney**  
Chief Executive  
Kent Community Foundation



10

## Reduced Inequalities

We will contribute to reducing inequality by building our capabilities to better identify, support and empower our stakeholders who may face inequality and exclusion.



Our current partners are listed on [pages 62 to 66](#)



# How our community foundation partnerships work

PFG  
£

Strategic  
criteria

## Strategic criteria

- Improving people's personal finance capabilities (debt and financial advice/education)
- Improving physical and/or mental health
- Providing support which enhances, creates and sustains positive family relationships
- Addressing issues of low educational attainment and improving learning outcomes
- Providing people with opportunities to reduce inequality, exclusion and disadvantage, including projects which increase access to employment

## Community foundation partners

- Community Foundation Wales
- Foundation Scotland
- Hampshire and Isle of Wight Community Foundation
- Kent Community Foundation
- Leeds Community Foundation
- London Community Foundation




6 PFG  
Social  
Impact  
Funds

## Funding disbursement

1. PFG agrees grant sizes and any special criteria with the community foundation
2. Community foundation opens and advertises the Provident Social Impact Fund
3. Community foundation receives and assesses grant applications and undertakes due diligence
4. Community foundation presents short-listed applications to PFG colleague grant panel
5. Colleague grant panel reviews applications and meets to agree grants to be awarded
6. Community foundation distributes grants and carries out ongoing monitoring and evaluation



## Projects supported through our PFG Social Impact Funds

Community foundation	Grant recipient	Project description
<b>Foundation Scotland</b>  	<b>I Am Me Scotland</b>	To contribute towards the delivery of 'Keep Safe' awareness training to children and young people across Inverclyde to raise awareness of disability, bullying and the consequences of negative behaviours and hate crime.
	<b>Rise Against Abuse</b>	To contribute to the start-up costs of a newly registered community interest company which will deliver support to survivors of abuse, initially online but later face to face.
	<b>Home-Start Renfrewshire &amp; Inverclyde</b>	To establish a new parent support group and deliver 'Equip for Life' courses for parents, focusing on building confidence, resilience and mental wellbeing, as well as developing life skills to support positive family relationships.
	<b>Greenock Glenpark Harriers</b>	To deliver a 'Run, Throw, Jump' programme for juniors, aged 9 to 15, running in tandem with senior coaching to enable parents to bring their children to the junior session, avoiding exclusion due to limited childcare access.
	<b>Magic Torch Comics</b>	To support a collaboration between Magic Torch Comics and two artists to research Greenock's sugar heritage to start honest, inclusive conversations about heritage and inspire citizen historians.
	<b>Man On! Inverclyde</b>	To provide additional support to meet current mental health need, focusing on young people aged 15 to 24, building on a successful pilot project delivering Safe Talk, a three-hour suicide prevention course, and group work and providing one-to-one support. Funding will also cover work with youth offenders in HMP Greenock and provide support prior to release.
<b>London Community Foundation</b>  	<b>Autus</b>	To deliver twice weekly online workshops which focus on providing digital skills training and employability support to young autistic people.
	<b>Dadihiye Somali Development Organisation</b>	To support one day per week of linguistic and culturally appropriate debt advice service supporting ethnic minority people (predominantly Somali women) over a year in Kensington and Chelsea.
	<b>Havelock Family Centre</b>	To deliver an extensive programme of money management workshops to vulnerable clients experiencing difficulties in managing their finances.
	<b>Kurdish and Middle Eastern Women's Organisation</b>	To provide digital skills training, English for Speakers of Other Languages (ESOL) support and employment coaching to marginalised ethnic minority women in North London.
	<b>Lewisham Multilingual Advice Service</b>	To provide resources for emotional support workers to provide six months of wellbeing support to ethnic minority clients who are accessing advice and debt services, in addition to emotional support sessions for volunteers.
	<b>Ripe Enterprises</b>	To deliver weekly one-to-one and group digital skills training with employability support to people experiencing disadvantage in Southwark and Lambeth.
	<b>The Women's Centre Sutton</b>	To deliver digital skills and money management courses for migrant and older women.
	<b>Youth Legal Resource Centre</b>	To increase the reach of the organisation's accredited money advice to young people through creation of online resources, partnership/referral development, webchat development and introducing a money advice triage.




## Projects supported through our PFG Social Impact Funds continued

Community foundation	Grant recipient	Project description
<b>Leeds Community Foundation</b>  	<b>Bradford Community Broadcasting (BCB)</b>	To support children and young people to increase their digital skills, confidence, and self-esteem, and widen their life chances, aspirations and educational outcomes through becoming radio broadcasters, producing radio programmes and audio content for broadcast on BCB Radio.
	<b>Flourished Minds</b>	To provide individual coaching for children to be their best selves, have healthy, positive minds, develop their confidence, resilience and life skills, realise their aspirations and have the tools to support them to increase their educational attainment.
	<b>Impact Hub Bradford</b>	To inspire young people (13 to 16 year olds) to raise their aspirations, and build their motivation and confidence to succeed through the exploration of social entrepreneurship as a career option through a programme of school-based interactive workshops.
	<b>Keighley Association for Women and Children's Centre</b>	To continue work with ethnic minority girls and young women aged 13 to 18 at risk of under-achieving, alongside their mothers/older sisters, to challenge conventional stereotypes about suitable careers for Asian women. They are encouraged to aim higher, broaden their horizons, achieve in education and make choices that lead to prosperous employment opportunities, including STEM.
	<b>Leeds Gypsy and Traveller Exchange (GATE)</b>	To provide core costs for this Gypsy and Traveller-led Bradford youth project that builds the skills and confidence of this marginalised community of young people through a programme of activities and one-to-one work and by connecting them to opportunities. Sessions include confidence building, making connections to peers and wider networks, sex education, criminal vulnerabilities, healthy eating and other areas as directed by the group.
	<b>Meridian Centre</b>	To provide 'Sunday 4 Learning' drop-in sessions for children in primary school who are struggling to complete their homework in their home environment and access the information they need via electronic or printed means.
	<b>Participate Projects</b>	To fund 'The Venturists', a project which encourages young people who face the most challenging circumstances to take a proactive role in their communities by putting them in charge, and empowering them through real project-based learning experiences to develop and deliver their ideas for social change.
	<b>Café West Healthy Living Centre</b>	To provide facilities and support for educational and employment advice to allow people to develop and achieve with an inspirational mindset and tailored support.
	<b>Hollings Youth Association CIC</b>	To provide core costs for 'Rise Up', a social action project which includes both social and physical activities to help increase confidence, self-esteem and resilience for young people to enable them to raise aspirations and move into positive social action.
	<b>Mary Magdalene CiC</b>	To provide young people (13 to 19 year olds) with the opportunity to take part in The Duke of Edinburgh's Awards scheme, one of the world's best-known and most respected kite marks of youth achievement, offering a programme of personal development. Young people will be supported to achieve Bronze and Silver Awards.
	<b>The Valley Project</b>	To provide funding towards the provision of The Valley Project which uses a range of practical skills-based training programmes to support children and young people to undertake a varied range of tasks, equipping them with practical, transferable skills for life (and future employability), and increasing their confidence, resilience, attainment and aspirations to reach their true potential.






## Projects supported through our PFG Social Impact Funds continued

Community foundation	Grant recipient	Project description
<b>Hampshire and IOW Community Foundation</b>  	Frontline Petersfield	To provide free and confidential debt and benefit advice, together with assistance on budgeting and planning.
	Home-Start Butser	To deliver a 10-week 'Preparation Course' to train volunteers to support families with young children going through a critical time in their lives. The project will train volunteers to provide focused, personalised outreach support from someone that the family trusts.
	Wet Wheels	To fund a pilot project that will provide sailing trips for people with disabilities aimed at increasing their opportunity to participate in an activity to improve mental health and wellbeing. The project aims to remove barriers to participation for its target beneficiaries.
	Gosport & Fareham MS Society	To support those affected by MS and requiring mental health counselling as we come out of the Covid-19 restrictions. A significant number of those affected by MS are isolated and live on their own – as a result there has been an increase in demand for mental health services.
	Making Space	To provide facilitated workshops which enable engagement with crafts as 'prescribed' by GPs and social workers for wellbeing. The project works regularly with young people with special needs, refugees, and the local women's refuge, homeless shelter, and hospice.
	Interim	To provide counselling and psychotherapy for families who are going through difficult times in their lives resulting from a range of factors including isolation, bereavement, redundancy or unemployment, relationship breakdown, disability, substance abuse, domestic violence, criminal activity, illness, loneliness, and depression.
	Moving On	To provide a specialist counselling, wellbeing and mental health service, supporting young people aged 11 to 25.
	Y Services	To provide funding for a 12-month project aimed at LGBTQ+ young people to increase positive mental health, build resilience, develop coping strategies and understand how and where to gain appropriate support when needed.
	Marvels & Meltdowns	To provide improved staff and volunteer facilities for this autism charity, providing a space for staff to decompress and process. In addition, the funding will provide vital upgrades for IT equipment and software.
	Love Outdoors	To fund the creation of a community garden where local people, patients and staff can learn how to grow food and cook with it, take time to rest and relax outdoors. This will support a disadvantaged community with their mental and physical health.
	Disabled Sailors Association	To provide sailing experiences for people with physical or learning disabilities, seeking to engage with and support groups and individuals who have not been out in the community or accessed sport or recreation for some time.




## Projects supported through our PFG Social Impact Funds continued

Community foundation	Grant recipient	Project description
	<b>Kent Community Foundation</b>	
	Cornerstone City Church	To provide running costs for Jaspers Community Café, supporting young people with learning and other disabilities with employment skills and opportunities, including independent living.
	Gillingham Baptist Church	To provide core costs for a principal debt coach for a Christians Against Poverty (CAP) Debt Centre, supporting those in financial difficulty. This will include delivering sessions on budgeting skills and money management to small groups.
	Great Leaps Adventure CIC	To provide core costs for a wellness programme for socially isolated members from the community of Medway. The programme works in an outdoor environment to deliver activities aimed at the development of physical and mental health.
	Kent Savers Credit Union	To provide core costs towards the salary of a Loans Officer to promote and administer a 'Save As You Borrow' scheme.
	Maidstone Mediation	To provide core staffing costs for 'Talk and Mend', a mediation programme focusing on familial breakdown and parent/teenage conflict resolution. Aimed at young people, families and parents mainly from socially disadvantaged backgrounds, Talk and Mend offers intensive and bespoke support covering parenting skills and respectful communication.
	Medway Education Business Partnership	To contribute to the core salary costs for delivery of a virtual work experience programme providing a worthwhile experience for students who could not take part in regular placements due to the pandemic.
	Medway Puzzles	To cover the costs of five outings for autistic children and their families, helping parents to overcome the barriers to socialising with others and accessing events by themselves without support, reducing their anxiety, improving mental health and increasing participants' self-esteem.
	Medway Watersports Trust	To fund a new accessible safety boat to enable the continued provision of watersport activities for disadvantaged children.
	Refocus	To provide staff costs for delivery of 'U Chooz' sessions in educational settings around the dangers of gangs, violence, drugs and grooming. The sessions will seek to address the exclusions/violence cycle of offending by identifying risk and safeguarding issues at earlier stages, supporting the most vulnerable and equipping young people with tools to change and make positive choices.
	Walderslade Together CIC (WALT)	To provide the equipment needed to deliver a digital inclusion programme, supporting people to make meaningful connections, helping to reduce loneliness and social isolation, providing supportive, safe access to technology, and reducing digital poverty whilst improving digital literacy, confidence, empowerment and quality of life.



## Projects supported through our PFG Social Impact Funds continued

Community foundation	Grant recipient	Project description
 COMMUNITY FOUNDATION IN WALES SEFYDLIAD CYMUNEDOL YNG NGHYMRU	<b>Community Foundation Wales</b>	
	Bethel Trust Port Talbot	To provide core costs towards establishing a money advice centre in partnership with Community Money Advice. The charity is based in a deprived area with high long-term unemployment, poverty, addiction issues and financial difficulties.
	Horn Development Association – ‘Go Girls’	To fund female-only gym provision in a deprived area with a high proportion of women who are excluded from exercise due to cultural sensitivities. This also provides wrap-around social integration to reduce isolation.
	Llanelli LGBTQ+	To provide a support worker who will help set up a group for members of the Llanelli LGBTQ+ community and their families. The organisation helps build stronger families and offers a much-needed support mechanism which is currently missing from this community.
	St Paul’s Family Centre	To provide core costs towards parent activities and support in an area which has one of the highest levels of disadvantage in Wales.
	Swansea Music Art Digital	To cover access costs of participants for a comprehensive employability programme focused on digital skills. The funding will cover costs such as travel for participants and translation costs, as well as some of the digital equipment needed.

“

The work we do and the community partners we support are specifically chosen to improve the lives of those who are disadvantaged. We look to fund projects which provide access to support which will improve a range of factors such as poor numeracy, literacy and mental health.

**Sharon Orr**  
Social Impact Programme Manager



# Social Impact Fund

## grant case studies



### Case study

#### Kurdish and Middle Eastern Women's Organisation (KMEWO)

KMEWO has been providing specialist support services for Kurdish, Middle Eastern and North African women for over 21 years. KMEWO is an organisation that is accredited as 'led by and for' black and minoritised women that strives for equality, safety, justice and empowerment. KMEWO provides specialist violence against women and girls (VAWG) services and crisis intervention to some of the most vulnerable minoritised women who are survivors of domestic violence and harmful practices, including female genital mutilation, forced marriage and 'honour' based violence. Its approach is a combination of individual and group holistic activities designed to help survivors of VAWG through recovery.

KMEWO is a member of the London VAWG Consortium, Imkaan and the Women's Aid Federation, working in partnership with a wide range of organisations, as well as VAWG coordinators and statutory services across London to influence and improve policy and practices supporting minoritised women.

Our funding is enabling KMEWO to provide digital skills training, ESOL support and employment coaching to 15 marginalised ethnic minority women over six months in North London, through its 'Breaking Digital and Personal Barriers to

Employment' project. The project will work with women to break down the barriers they face in achieving their personal goals including low digital skills, childcare, caring responsibilities, language, self-esteem, self-worth, low confidence, and lack of support.

Workshops and training will include one-to-one advice and guidance sessions to identify barriers; digital skills learning (how to keep safe online, emails, setting up, accessing and installing apps, virtual meetings, using social media and skills to create documents); ESOL for employability; coaching and career-building workshops to prepare women for volunteering or employment opportunities; and personalised one-to-one employment support including online job searching and CV creation.

Alongside workshops and training, the women will receive advice, support and counselling to support their recovery from domestic violence (funded separately). PFG's funding will cover the core costs of an Employability Support Worker for six months to coordinate the project and work individually with each woman to support goal setting and access to support, advice and counselling. It will also be used for tutor costs for digital skills, ESOL and employability workshops.







## Social Impact Fund grant case studies continued



### Case study



#### Y Services

Y Services, a charity in Hampshire, supports the development and delivery of quality youth work that meets the needs of young people in some of the County's local communities. The charity works with a network of local community organisations, local agencies, schools and statutory organisations to provide the most appropriate support to the young people referred to them.

Over the past two years, the charity has seen that pandemic-related lockdowns have resulted in vulnerable young people being isolated from positive role models, support networks and the range of engaging activity that drew them away from risk-taking behaviours. The ongoing Covid-19 restrictions have also led to a rise in poor coping strategies, alcohol and drug misuse, and the feelings of loneliness and being unworthy. All of this has led to a negative impact on their mental health, aspirations, confidence in the future and self-belief. LGBTQ+ young people and young people with disabilities such as autism have struggled even more.

Our funding is supporting a project which focuses on LGBTQ+ young people in Havant, Gosport and Fareham who are struggling with their emotional mental health. One-to-one and small group work will be delivered throughout the year, including during school holidays, when positive activities will be promoted as well as engagement that reduces isolation, provides positive social interactions, and builds resilience and an understanding of where to gain appropriate support when needed. This critical intervention work is needed to ensure that the mental health of young LGBTQ+ people does not deteriorate further.



### Case study



#### Man On! Inverclyde

This community support service in Inverclyde, was set up in March 2020 by a group who have been personally impacted by suicide in their families or friendship groups. Through the support that the group delivers, it seeks to prevent unnecessary death by suicide and promote positive mental health.

Man On! Inverclyde provides peer support and education on mental health and suicide prevention primarily for men and youths. The group has 150 members ranging in age from 15 to 85 and has recently introduced a support group for women. Support services are delivered online or through face-to-face group work and sessions throughout the week including a drop-in, peer support, counselling, football therapy, a book club, walk and talk sessions, and tailored support.

Our grant has enabled Man On! Inverclyde to increase the hours of the Mental Health and Wellbeing Coordinator to meet current need and address its waiting list. The Mental Health and Wellbeing Coordinator primarily focuses on supporting young people aged 15 to 24. Working with a local secondary school initially, the group plans to build on a successful pilot project delivering 'Safe Talk', a three-hour suicide prevention course, and group work, and providing one-to-one support. The Coordinator will also work with youth offenders in HMP Greenock, providing support prior to their release.



See [page 34](#) to find out how our funding supported money advice at Bethel Trust in Port Talbot



## Decent Work and Economic Growth

We will create opportunities for all generations, and protect and promote labour rights in both our business and supply chain to contribute to achieving sustained, inclusive and sustainable economic growth and decent work for all.

PFG Social Impact  
Fund grants awarded to

# 51

small voluntary  
organisations  
in 2021





# Colleague volunteering *and fundraising*

We know that colleagues want to work for a business that supports them to make a positive and meaningful impact in their communities, so, in addition to being the 'right thing to do', enabling this to happen is a crucial element of our HR processes. We provide the support and tools for them to engage in a variety of ways.

Our Volunteering and Matched Funding Policy ensures that all colleagues across the Group benefit from volunteering opportunities. Colleagues are able to take a full day's paid leave to volunteer for a community organisation or charity of their choosing.

In addition, we offer a number of Company-led opportunities to colleagues through our Social Impact Programme. There is no limit on how much Company-led volunteering colleagues can take part in.

Here are some examples of volunteering opportunities that colleagues can participate in:

- community foundation grants panels;
- delivery of careers and employment skills sessions;
- delivery of literacy skills for the workplace sessions;
- guided reading sessions for schoolchildren;
- school business enterprise days; and
- training to become a mental health first aider.

Team challenges continued to be on hold during much of 2021 as a result of the pandemic but it is hoped that these will be reintroduced in full in 2022.

Our matched funding programme continues to be popular with colleagues, who tell us that being able to fundraise for the organisations that are close to their hearts is important to them. We provide matched funding up to £500 per person each year and, in 2021, colleagues' causes benefited from matched funding of £9,938.

We will continue to encourage colleagues to volunteer and fundraise by improving awareness of, and engagement with, our Social Impact Programme.



## Case study

### Sharing the joy of reading

Books can often be a luxury many families can't afford for their children. Children living in poverty have been hardest hit during the pandemic and being at home meant they had less access to books and learning resources. To celebrate World Book Day in March 2021, colleagues were encouraged to donate books and book tokens to disadvantaged pupils of all ages, teaming up with our partner School-Home Support (see page 59) to make sure that donations reached children in the communities where our main offices are based.



We were so very grateful for the wonderful donations of books that we received – it really has made a difference to our school stock and has helped to bolster much wanted reading materials for our classrooms, corridors and our new book bus library. It has transformed lives as our children are developing reading as their new favourite pastime!

**Sue Mason, Head Teacher, Brompton Westbrook Primary School**

### No child left behind at Christmas

For many, December is the most wonderful time of the year. However, for those living in poverty, this is when the financial strains of the winter period hit the hardest. We asked colleagues to support vulnerable families through our partnership with School-Home Support. This campaign complemented our year-round work with School-Home Support (see page 59) to reach the most vulnerable children over the festive period. Colleagues were invited to either make a donation to School-Home Support, which in turn attracted matched funding, or to purchase gifts online which were then distributed by School-Home Support direct to children most in need at the following schools:

- Brompton Westbrook Primary School – Chatham;
- Byron Primary School – Chatham;
- Grafton Primary School – Islington; and
- One In A Million Free School – Bradford.



Thank you so much to PFG for making the children we work with smile this Christmas. We know so many children will wake up to no presents under the Christmas tree, and you have helped us change this for over 145 children!

**Helen O'Brien, School-Home Support Senior Partnerships Manager**



## Colleague volunteering and fundraising continued



### Case study

#### Employee grant panels

An important element of our community foundation partnerships is the opportunity that we have to engage colleagues in the decision making process, which helps us to allocate funds in the communities where we operate, and where our colleagues work and live. Their own lived experience, local knowledge and diverse perspectives mean they can add real value and introduce another layer of insight to our funding. This approach also provides a helpful lens through which to develop a better understanding of the issues that exist in the communities where our customers live and work, and how the voluntary sector is addressing the challenges.

Colleagues take time to review applications before meeting as a panel to discuss each of the applications and decide collectively which organisations will receive grants.

In 2021, due to social distancing restrictions, we continued to conduct our grant panels online, with the exception of the panel for the PFG Manjit Wolstenholme fund which took place in person in November. We held a total of six grant panels to allocate funding in 2021, with a total of £307,000 in grants awarded to 51 small voluntary organisations.

“

It was lovely to work with Moneybarn....  
I appreciated the depth of feedback from each  
of the panel members. We were very impressed.

**Jacqui Scott**

CEO

Hampshire and Isle of Wight Community Foundation

“

I found the grant panel really insightful. It gave me a whole new level of understanding in terms of what we are doing in our communities and how we're really helping to make a difference. I'd encourage anyone to participate in future, discover some of the great causes we support and play a part in the decision making process.

**Clare Holding**

General Manager

CEL

25

colleagues took part in

6

grant panels giving

175

volunteering hours  
during work time



## Colleague volunteering and fundraising continued



### Case study



#### Supporting children with their reading

A child who can read is set up for life – not just because they do better at school and have better job prospects, but also because they are happier and more confident about their place in the world.

That is why in 2021 we teamed up with the charity Innovations for Learning, which targets struggling young readers from disadvantaged communities. Its flagship programme, TutorMate, harnesses technology to enable volunteer tutors to give children vital reading support from their workplace or home using an online platform.

During the 2020–21 academic year, 26 PFG volunteers supported 28 children through the programme in London and Bradford. As a consequence, children have benefited from 62 hours of one-to-one reading time and (for those receiving TutorMate in the 2020–21 academic year) progressed by two levels in their reading.



We are hugely grateful to PFG for its support of the TutorMate programme, both financially and through its fantastic volunteers in London and Bradford. Not only did its volunteers continue to support children during the challenging months of the pandemic and school closures, but we were delighted that an increased number of volunteers have signed up for the 2021–22 academic year. The children we support have fallen behind due to Covid-19 school closures and the need for the vital reading practice the volunteers will provide has never been so great.

#### Emma Bell

Executive Director  
Innovations for Learning



The children who are reading with the PFG volunteers return from their sessions feeling proud and happy. The reading confidence that I have seen grow in these children is wonderful. It is a testament to the relationships that the staff at PFG have forged with these young minds. I see real progress in the students' reading ability as the TutorMate platform complements classroom reading extremely well.

#### Emma Austen

Year 1 teacher  
Earlsmead Primary School





## Colleague volunteering and fundraising continued



### Case study



#### Ahead Partnership

Socially disadvantaged young people are more likely to be unemployed when they leave school due to the complex barriers they face and the fact that many are from families experiencing two or three generations of unemployment. These young people often have little or no experience of the world of work and struggle to envision a future that sees them included in society. When they speak to us, they often have no idea about the many different opportunities businesses like ours can offer.

We are looking to change that through the work we deliver with our education partners in areas where we have large numbers of colleagues. The reason for this is two-fold:

1. We want to build a diverse pool of future talented colleagues.
2. We want our current colleagues to get involved in the programme to help them understand the issues our communities face and also to develop their own skills.

Working with partners like the Ahead Partnership which help businesses to deliver social value projects that overcome inequality, promote opportunity and deliver positive change within society we are able to support young people with careers information. The 2021 programme faced some challenges from Covid-19 but we were able to adapt and change delivery to ensure young people from across Bradford and West Yorkshire and nationally were supported.

Through our funding the charity delivered:

- an 'Exploring Roles at PFG' recorded webinar session;
- a 'Roles of the Future' vlog; and
- an 'Engaging with Digital' Youth Panel.

Through the programme:

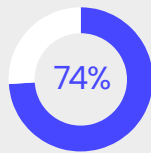
- 1,751 young people have been supported;
- 38 volunteering hours have been provided by PFG colleagues; and
- 22 activities have been delivered.

#### What young people said

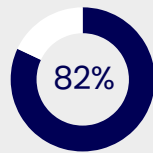
This data has been taken from all activity that PFG volunteers have supported.



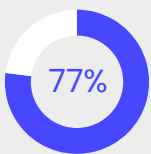
increased their understanding of how to get into different careers



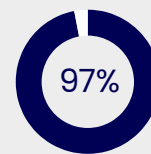
improved their communication skills



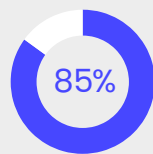
improved their self-belief



are now thinking about their own goals for the future



improved their interview technique



developed skills in how to represent themselves

“

I love being able to help young adults and children in their development. I know I was so incredibly lucky to have had support from my family when I was growing up and yet there are so many young people out there who don't have that support network around them. I want to be able to do my part in helping them. In my role I have lots of experience in interviewing and so this event was a perfect opportunity to share my knowledge with these young people and support the future talent pipeline of our business.

**Lorna Wiggins**

HR Business Partner  
Vanquis Bank

“

The speakers from the businesses were really engaging.

**Teacher**

Titus Salt Secondary School

“

It helped me build more confidence in my speaking skills and I now feel more confident about future interviews.

**Year 12 student**

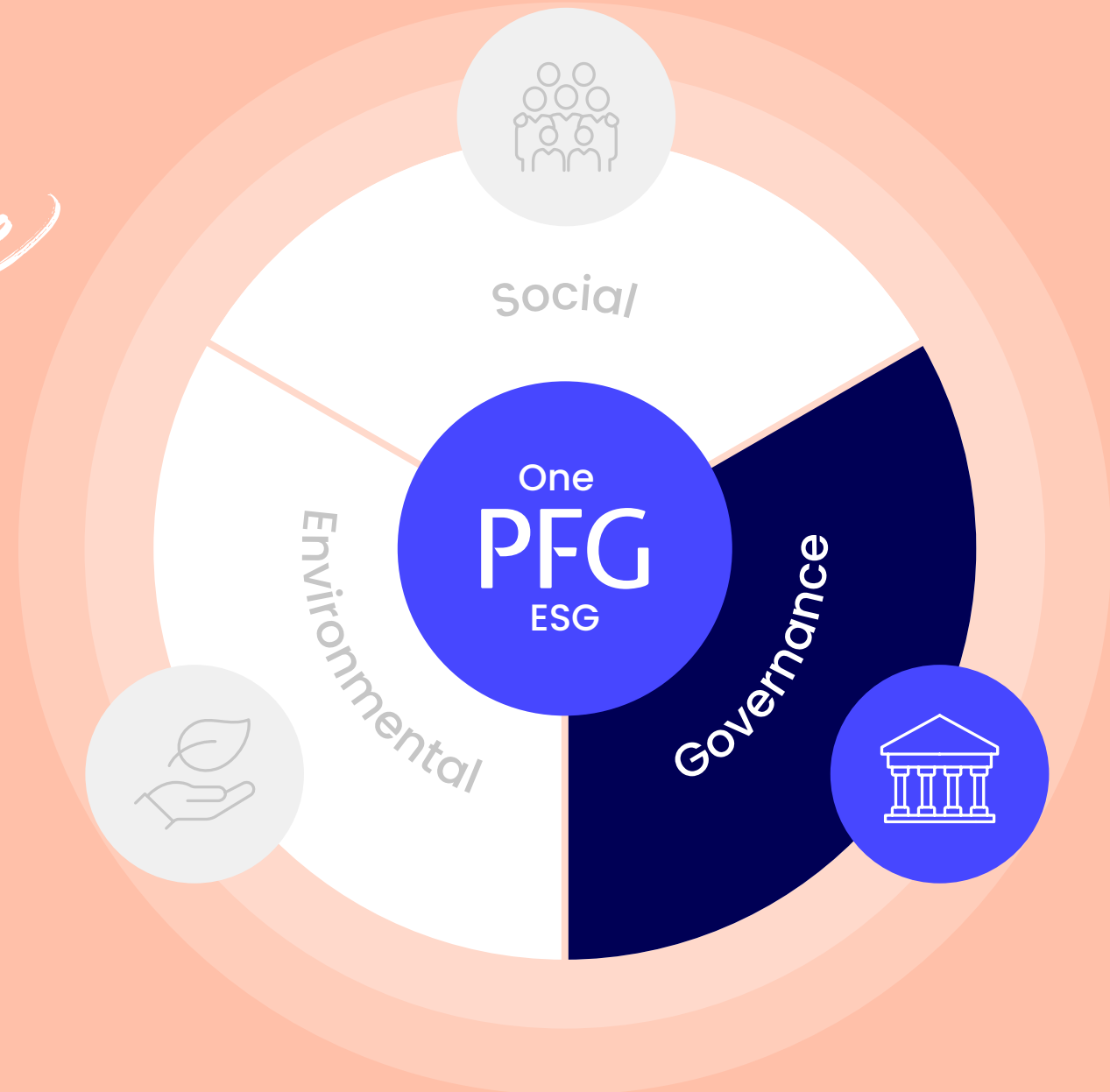


# Ensuring strong ethics *and compliance*

In this chapter you can read more about our stakeholder engagement strategy, how we engage with our investors on sustainability matters and what makes us a responsible taxpayer.

## In this section

- 74 Governance and management of the ESG agenda
- 75 Our stakeholder engagement strategy
- 78 Engaging investors on CR
- 79 What makes us a responsible taxpayer
- 84 How PFG is regulated
- 85 Data table





# Governance and management of the ESG agenda

Overall responsibility for the delivery of PFG's Purpose, and the sustainability strategy that it is closely aligned with, rests with the Provident Financial plc Board generally and Malcolm Le May, the Chief Executive Officer (CEO), specifically. The PFG Executive Committee also plays an important role as it reviews and approves aspects of the responsible business programme and its budget.

The Board's CCE Committee also continues to play a key role in providing oversight of matters that relate to the sustainability agenda. The Committee is chaired by non-executive director Graham Lindsay and its members include other non-executive directors Elizabeth Chambers, and Margot James. Meetings of the Committee are also regularly attended by the Chairman, CEO, Group General Counsel and Company Secretary, Chief Human Resources Officer, Group Corporate Communications Director and Head of Sustainability.

We also have a Climate Risk Committee to oversee the work we undertake to ensure that we meet the recommendations of the TCFD by strengthening our capabilities in climate risk and speeding up the integration of climate considerations into our existing risk management framework, and an Inclusion Steering Group, which supports the delivery of the Group's inclusion and wellbeing strategy.

The day-to-day delivery of the PFG CR programme is carried out by the Group's CR team, which is supported by colleagues from across the business. This includes the colleagues who sit on the various working groups we have in place and oversee the management of environmental and community investment matters.



Further information on the CCE Committee and our workforce panels can be found in our Annual Report



“

The primary role of the CCE Committee is to assist the Board in fulfilling its responsibilities by monitoring the Group's culture, stakeholders' expectations and evolving governance requirements.

**Graham Lindsay**

Customer, Culture and Ethics Committee Chairman and Designated Non-Executive Colleague Champion






# Our stakeholder engagement strategy

**Interest from many of our stakeholders in our ESG credentials and performance, along with our responses to this interest, continues to rise.**

To be able to respond to this interest we need to have effective stakeholder relationships and engage in meaningful dialogue. This enables us to understand and prioritise the ESG-related views and concerns that our key stakeholders have with regard to their relationships with PFG; it also helps us to respond appropriately to stakeholders' interests and supports our ongoing compliance with the requirements of s.172 of the Companies Act 2006 (see pages 75 to 86 of our 2021 Annual Report and Financial Statements for more information).

We have identified our key stakeholders as being our customers, colleagues, communities, suppliers, investors (both debt and equity), regulators and government, as well as the environment. We engage with these stakeholders on an ongoing basis to ensure that we understand any views and concerns they may have, making sure to factor them into decision making processes as and when it is appropriate to do so. There are also a number of other stakeholders with whom we engage on a more periodic basis. These include the media, the money advice sector, claims management companies, trade associations, debt collection agencies, consumer forums and competitors.



To guide our approach to engagement, we have established a range of strategic objectives within our approach to how we engage with each stakeholder so that we can systematically seek their perspectives and expertise, and understand, address and manage their expectations with regard to a range of ESG matters, so that we can identify opportunities, manage and enhance our corporate reputation, reduce risk and comply with regulatory and voluntary standards. These objectives are set out below.

Stakeholder	Strategic stakeholder engagement objectives
 <b>Customer</b>	<p>Our businesses employ a wide range of techniques (e.g. customer satisfaction surveys) to engage with customers throughout their time with us. In addition to continuing to use these methods, we will:</p> <ul style="list-style-type: none"> <li>– convene more customer panels/groups once social distancing restrictions start to get lifted;</li> <li>– involve customers in the inclusive design of products and services so that they can be designed to be accessible to, and usable by, as many of them as possible from the outset; and</li> <li>– ensure that collaborate initiatives (e.g. Vanquis' partnership with IncomeMax) are accessible to other PFG businesses.</li> </ul>
 <b>Colleagues</b>	<p>We will continue to engage with colleagues in order to maintain and encourage a supportive and inclusive workplace culture by:</p> <ul style="list-style-type: none"> <li>– using a range of communications channels (e.g. our PFG-wide intranet, face-to-face meetings and remote platforms) to provide colleagues with business-related updates and to encourage them to provide feedback or, for example, participate in community investment activities;</li> <li>– encouraging colleagues to get involved in the PFG Inclusion Community (which comprises five Affinity Groups based around Disability, Ethnicity, Gender Balance, LGBTQ+ and Social Mobility) to help the Group shape related policies and ways of working, and push to educate colleagues across our businesses; and</li> <li>– utilising Colleague Forums, which have a designated non-executive director, to engage collaboratively with colleagues across PFG on key issues affecting the Group.</li> </ul>
 <b>Regulators</b>	<p>We will continue to focus on maintaining open and trusting dialogue with our regulators and policymakers by:</p> <ul style="list-style-type: none"> <li>– ensuring that our regulatory responses (e.g. our contributions to consultation exercises and correspondence on specific issues) continue to be channelled through a single team so that they are coordinated;</li> <li>– engaging with our regulators through our trade association memberships;</li> <li>– where possible, contributing to, or participating in, multi-stakeholder forums involving our regulators and other businesses within the financial services sector;</li> <li>– identifying opportunities to inform and educate our regulators about aspects of our business models, including collections, complaints, income and expenditure, etc; and</li> <li>– participating in discussions and events on a broader range of issues that are material to PFG (e.g. by engaging with the Bank of England, HM Treasury and other stakeholders through PFG's membership of the National Numeracy Leadership Council).</li> </ul>





## Our stakeholder engagement strategy continued

Stakeholder	Strategic stakeholder engagement objectives
 <b>Government</b>	<p>We will continue to engage with the Government at the CEO level, and through our think tank partners, and participation in multi-stakeholder forums and government-sponsored initiatives and schemes. In addition, we will engage with the Government by:</p> <ul style="list-style-type: none"> <li>– participating in discussions and events on a broader range of issues that are material to PFG (e.g. by engaging with the Bank of England, HM Treasury and other stakeholders through PFG's membership of the National Numeracy Leadership Council).</li> </ul>
 <b>Investors (debt and equity)</b>	<p>Given that we are required to comply with disclosure obligations which relate to the transparency ESG-related performance information we will continue to engage with investors using the methods already employed.</p> <p>Strategic priorities in terms of engaging with our investors include:</p> <ul style="list-style-type: none"> <li>– attending broker conferences and other events with a view to meeting prospective shareholders;</li> <li>– using existing channels (e.g. presentations and meetings) to engage with our investors on our ESG strategy;</li> <li>– publishing thought leadership articles on topics that would be of interest to investors on social media and other channels; and</li> <li>– engaging more with our debt investors (with the help of the PFG Treasury team) to promote our ESG credentials with that audience.</li> </ul>
 <b>Suppliers</b>	<p>We will continue to develop and embed our Supplier Relationship Management Framework, ensuring that the tools, processes and procedures used to procure products and services are aligned across PFG.</p> <p>We will also engage with our suppliers on other issues (e.g. the climate risk agenda to help support the work we undertake in meeting the recommendations of the TCFD).</p>
 <b>The environment</b>	<p>Climate change represents a priority ESG issue for our business, particularly in the context of managing material climate-related risks and meeting the recommendations of the TCFD. Given the work we have delivered over the past 18 months in order to meet the TCFD recommendations (i.e. established a new Climate Risk Committee), our stakeholder engagement activities will focus on:</p> <ul style="list-style-type: none"> <li>– continuing to include TCFD updates in our Annual Report and Accounts and CR Reports;</li> <li>– including TCFD content in investor relations materials (e.g. presentations) and regulatory-related documentation (e.g. VBL's ICAAP);</li> <li>– informing and involving colleagues by engaging them on climate-related matters (e.g. through e-learning, intranet-based campaigns and involvement in working groups);</li> <li>– profiling relevant activities (e.g. our support of the Grange Festival/WWF project and Business Ambition for 1.5°C pledge) via the intranet and social media channels; and</li> <li>– ensuring that regular updates on our climate change-related work are provided to the CCE Committee, Group Executive Committee and other groups/committees as appropriate.</li> </ul>



## Our stakeholder engagement strategy continued

### 2021 materiality assessment

To help us to identify and prioritise the ESG risks/issues that are most material to our business and our key stakeholders, we undertake a materiality assessment every two years. These assessments are carried out in accordance with ESG reporting best practice, and involve conducting interviews with internal and external stakeholders and taking account of the outcomes of any existing stakeholder engagement activities (e.g. our investor perception audits, colleague engagement surveys and supplier due diligence assessments). Having carried out our last materiality assessment during April and May 2021, the following material ESG risks/issues were identified:

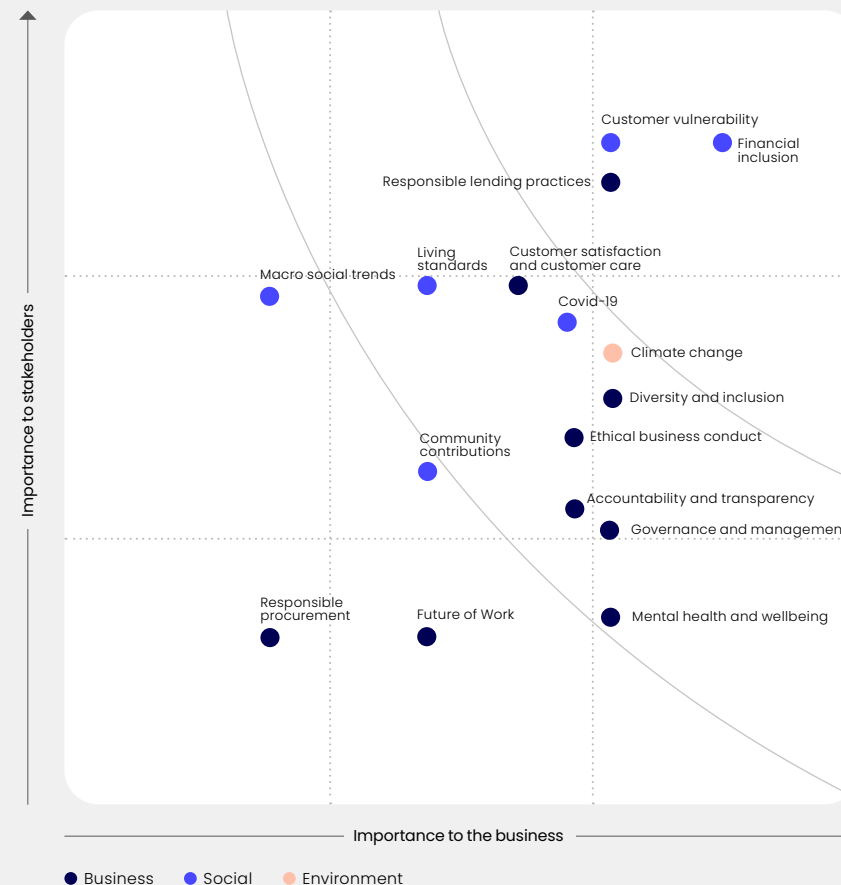
- **Environmental issues:** climate change.
- **Social issues:** customer vulnerability, financial inclusion, Covid-19, community contributions, living standards and macro social trends.

- **Governance/management issues:** accountability and transparency, customer satisfaction and care, diversity and inclusion, ethical business conduct, Future of Work, governance and management, mental health and wellbeing, responsible lending practices and responsible procurement.

These ESG risks/issues have been plotted on the matrix here according to their relative importance to both our business and key stakeholders.



### Materiality matrix





## Engaging

## investors on CR

PFG is committed to continuing to build not only a financially stronger and sustainable business but also a better company that balances profit with our Purpose. In order to deliver on this commitment it is important that we are transparent with our investors with regard to a range of key ESG issues including our contribution to reducing the impact of climate change and advancing inclusion and diversity, as well as demonstrating that we are a responsible taxpayer.

The main means by which we inform our investors of our ESG-related performance is through the publication of our annual CR Report. We also inform and listen to investors through the submissions we make to the main sustainability investment indices and rating agencies.

In 2021, we were recognised for our ESG efforts, with highlights including:



CDP: Following the submission made in the summer to CDP, the largest climate change-focused data collection and assessment programme which, each year, requests information from companies on greenhouse gas emissions, energy use and the risks and opportunities from climate change, PFG was notified in December 2021 that it had been given a B- score (up from a D score in 2020). This reflects the work that has been undertaken by PFG in meeting the recommendations of the TCFD (go to pages 16 and 17 for more information).



FTSE4Good

FTSE4Good: PFG remains a constituent of the FTSE4Good, an extra-financial market index, which measures the performances of over 800 companies against a range of ESG criteria.



Dow Jones Sustainability Indices (DJSI): Inclusion in the DJSI Europe means that PFG is in the top 20% of the largest 600 European companies in the S&P Global BMI based on long-term economic, environmental and social criteria.



ISS ESG: In 2021, we engaged with ISS ESG, the responsible investment arm of Institutional Shareholder Services Inc, so that a corporate rating assessment of our ESG performance could be undertaken. As a result of this assessment, PFG continues to be rated as 'Prime', meaning that we fulfil ISS ESG's demanding requirements regarding sustainability performance in our sector.



# What makes us *a responsible taxpayer*

## Our approach to tax

Taxes allow governments to fund essential public expenditure, enabling them to meet economic and social objectives. Paying tax is a key part of how our business contributes to society.

We are committed to ensuring that we pay the tax we are legally required to pay in all the territories in which we operate, we comply with all tax rules and regulations in those territories and we safeguard our reputation as a responsible taxpayer. However, we recognise that we also have a duty to protect shareholder value by managing and controlling our tax liabilities.

## Our tax strategy

Our approach to tax is set out in our Board-approved tax strategy which can be accessed on our website at [www.providentfinancial.com](http://www.providentfinancial.com), and which was last approved by the Board in December 2021.

Our tax strategy is aligned with our corporate mission and values. We are committed to being a fair and responsible taxpayer, operating in an open, honest and straightforward manner in all tax matters and being fair and reasonable in all our dealings with tax authorities.

Our tax strategy is aligned with HMRC's Code of Practice on Taxation for Banks (the Code) which sets out the principles and behaviours expected of banking groups with regard to tax, and we have unconditionally adopted the Code.

We operate only in the UK and the Republic of Ireland and do not operate, or generate revenue, in any other territory. We seek to ensure that all intragroup transactions are priced on an arm's length basis, in particular transactions with our Irish operation, as well as transactions between Vanquis Bank Limited (which is subject to a higher rate of corporation tax as a result of the bank corporation tax surcharge) and the rest of the Group.



To find out more on our tax strategy visit  
[www.providentfinancial.com](http://www.providentfinancial.com)

Our strategy comprises a number of key tax objectives and policies and is supported by our tax procedures manual which sets out how the objectives and policies are to be achieved.

It comprises a number of key principles, including:

- **Payment of taxes.** We seek to ensure that we always pay the tax we are legally required to pay and comply fully with our tax obligations in all territories in which we operate.
- **Dealings with tax authorities.** We are committed to dealing with tax authorities openly, honestly and proactively. This includes having a regular and constructive dialogue with HMRC across all taxes, seeking advance clearance where tax treatment is uncertain and discussing contentious issues as early as possible.
- **Mitigating tax liabilities.** We seek to ensure that genuine commercial transactions are structured with clear and unambiguous legislative support so that tax liabilities are controlled and minimised, but artificial structures without commercial or economic substance which give a result which is inconsistent with the underlying economic position will not be considered.
- **Mitigating and controlling tax risk.** We have a low appetite for tax risk. We set out how tax risk is mitigated and controlled by having documented processes and controls to ensure the correctness and completeness of data for tax returns and tax reporting purposes, documented principles for the involvement of the in-house tax function in transactions and business developments, and the allocation of responsibilities between the tax function and the businesses and principles for the involvement of external advisors.
- **Prevention of tax evasion and the facilitation of tax evasion.** We do not tolerate any of our employees, agents or suppliers undertaking tax evasion themselves or facilitating tax risk management evasion by another person whilst acting for us.
- **Tax risk management.** Our tax strategy, as well as setting out how we mitigate and control tax risk, also sets out our tax risk management framework. This explains: (a) how we identify, evaluate and manage tax risk; (b) independent review and challenge of first-line actions; and (c) independent assurance provided through a rolling programme review by the PFG Internal Audit function of the processes and internal controls underpinning the reporting and payment of UK taxes.





## What makes us a responsible taxpayer continued

### Principal tax risks

The principal tax risks facing the Group, how we mitigate those risks and progress made in 2021 are as follows:

#### Risk

##### Self-employed status of agents

The Group has been, and may continue to be, subject to claims brought against it by tax authorities challenging the historical employment status of the Group's home credit agents in the UK and the Republic of Ireland (ROI).

Were the Group to be unsuccessful in defending such claims, it may be required to make payments to agents and pay additional taxes, in particular National Insurance contributions, to the relevant authorities.

#### Mitigation and progress in 2021

- In July 2017, the Group changed the operating model of its home credit business in the UK from a self-employed agent model to an employed workforce so as to take direct control of all aspects of the customer relationship. In the Republic of Ireland, the Group continued to operate a self-employed agent operating model until the business ceased during 2021.
- Policies and procedures were in place in the UK up to the transition to the new operating model in 2017 and in the Republic of Ireland to ensure that the relationship between the business and the agents it engaged was such that self-employed status was maintained. Compliance with policies was routinely evidenced and tested.
- To date, the Group has successfully defended claims and challenges against the historical employment status of its home credit agents, although there is no guarantee that this will also be the case with future claims and challenges.
- It is understood from discussions with HMRC that it commenced an industry-wide review of the self-employed status of agents in 2019. The Group's discussions with HMRC, which are focusing on the period from when the FCA took over responsibility for the regulation of consumer credit in 2014 to the change of operating model in July 2017, have remained in the initial fact-finding stages. The Group has worked positively and collaboratively with HMRC but it remains the case that HMRC has reached no decision on the position.
- Where the Group to be unsuccessful in defending the historical self-employed position of agents with HMRC, PPC could be liable for additional taxes, including employer's National Insurance contributions, on the commission it paid to agents in the UK for the years concerned. However, PPC does not know the amounts of tax and National Insurance contributions paid by agents through self-assessment which are available for offset, and it is therefore difficult to calculate an accurate liability should the Group be unsuccessful in defending the position. HMRC has raised protective assessments on PPC which have been appealed pending the outcome of the review. These are a procedural matter to ensure that, in the event the review concludes that taxes are payable, HMRC can recover such amounts that would otherwise be excluded due to the lapse of statutory time limits.
- The Group has worked with HMRC over many years to manage employment status risk and it remains confident, based on advice received, that agents were self-employed as a matter of law throughout their engagement by PPC.
- PPC has now completed the managed run-off of its home credit business which has not resulted in a surplus for creditors of the Scheme of Arrangement or more generally and the company is expected ultimately to be placed into formal wind-down proceedings. Any contingent liabilities in respect of any additional tax liabilities would then be dealt with as part of those proceedings.



## What makes us a responsible taxpayer continued

### Tax risk management and principal tax risks continued

Risk	Mitigation and progress in 2021
<p><b>Other tax risks</b></p> <p>The Group has a number of tax risks across corporation tax, VAT and employment taxes. These include:</p> <p>(a) the risk that tax authorities take a view that is different to the view that the Group has taken on the treatment of particular items in its tax returns;</p> <p>(b) the risk that there is an unforeseen breakdown in the systems and processes which underpin the preparation of tax returns and identification of tax sensitive matters which results in an item being treated incorrectly for tax purposes; and</p> <p>(c) the risk that the Group has not put in place adequate procedures to meet its legal and compliance obligations.</p>	<ul style="list-style-type: none"> <li>– In order to keep with our strategy of having a regular and constructive dialogue with HMRC across all taxes:                         <ul style="list-style-type: none"> <li>• We have continued to work constructively and collaboratively with HMRC in relation to its review of the historical employment status of agents.</li> <li>• We provided regular updates on the progress of the Scheme of Arrangement and the closure of CCD.</li> <li>• We updated HMRC on a number of matters, including the securitisation of the Moneybarn and Vanquis Bank's receivables, the prior year restatement in Moneybarn and the tax treatment of the Scheme of Arrangement, and we provided an update on the Group's VAT position with particular focus on Moneybarn. We also highlighted key features in the 2020 CT returns.</li> </ul> </li> <li>– Expert third-party tax advice was obtained on all material transactions and wherever the necessary expertise is not available in house. During 2021, advice was obtained on a range of issues including HMRC's review of the historical employment status of agents in the UK, the impact of the closure of CCD on the Group's carried forward losses, the Scheme of Arrangement, the development of processes to deal with the new off-payroll working provisions, and the tax treatment of Vanquis Bank's Repayment Option Plan (ROP) forward flow provision.</li> <li>– We place considerable importance on having in place robust processes and internal controls to ensure the correctness and completeness of data which needs to be captured and treated correctly in the various tax returns that the Group is required to make. As well as allowing the annual Senior Accounting Office certification to be made, these processes are a key control in our overall tax governance framework, providing assurance that tax sensitive issues are identified and taxes are correctly calculated.</li> <li>– During 2021, the Internal Audit function carried out its annual review of different aspects of the operational effectiveness of processes and internal controls supporting tax, including reviewing key financial controls.</li> <li>– An experienced central in-house tax function is in place, supported by tax aware personnel in the businesses, which deals with, or has oversight of, all of the Group's tax matters.</li> <li>– During the year, the Board was updated on key tax matters for the Group through the CFO's report, an update to the tax strategy was provided and approved and updates were provided to the Group Audit Committee on the progress of HMRC's review of the historical employment status of self-employed agents, and the Group's tax loss and deferred tax asset position.</li> </ul>



## What makes us a responsible taxpayer continued

### Our total tax contribution in 2021

Our total tax contribution comprises the direct tax we contribute to governments out of our own financial resources as well as the indirect tax we collect on behalf of governments, such as employment taxes deducted from payments to employees.

Over the last five years, our total tax contribution has been as follows:

	2017 £m	2018 £m	2019 £m	2020 £m	2021		
					UK £m	ROI £m	Total £m
<b>Direct tax contribution</b>							
Corporation tax (note 1)	40	7	14	13	—	—	—
Bank corporation tax surcharge	15	15	10	8	6	—	6
Employer's National Insurance and equivalent	23	23	22	21	17	—	17
Irrecoverable VAT	28	35	30	26	47	—	47
Business rates	3	2	2	2	2	—	2
	109	82	78	70	72	—	72
<b>Indirect tax contribution</b>							
Employee's income tax and National Insurance (through PAYE)	59	51	50	47	37	1	38
Tax deducted from interest paid on Vanquis Bank deposits and redress payments	—	1	1	3	2	—	2
	59	52	51	50	39	1	40
<b>Total tax contribution</b>	168	134	129	120	111	1	112

Note 1: Until its closure during 2021, our Provident home credit business operated as a branch in the Republic of Ireland. In 2021, it generated revenue of £19m (2020: £19m) and a loss before tax of £19m (2020: loss of £56m) and had, on average, 43 (2020: 113) employees.



## What makes us a responsible taxpayer continued

### Our total tax contribution in 2021 continued

#### Our direct tax contribution comprises:

##### Corporation tax

- This is the tax due on the profits we generate in the UK and the Republic of Ireland.
- In the UK, corporation tax is paid in quarterly instalments. For years up to and including 2019, 50% of the estimated corporation tax liability for the year was payable in the year concerned with the remaining amount in the subsequent year. For 2020 onwards, the estimated corporation tax liability for the year is payable fully within the year concerned.
- The reduction in corporation tax paid in 2018 arose as a result of the losses generated in the home credit business in 2018 which substantially reduced the Group's corporation tax liability for the year. The reduction in the home credit losses in 2019 resulted in corporation tax paid increasing to £14m in 2019.
- Corporation tax paid in 2020 comprised the remaining 50% of the corporation tax liability for 2019 and 100% of the estimated corporation tax liability for 2020. Due to the Group having generated a significant loss in 2020, no corporation tax liability arose in respect of the 2020 period, and the tax paid in 2020 therefore relates entirely to the corporation tax liability for 2019.
- Corporation tax paid in 2021 comprised 100% of the estimated corporation tax liability for 2021. Due to the Group having generated a loss in 2021, no corporation tax liability arose in respect of the 2021 period.

### Bank corporation tax surcharge

- A bank corporation tax surcharge of 8% was introduced with effect from 1 January 2016. It applies to the taxable profits of Vanquis Bank above £25m, where taxable profits are calculated after adding back bank compensation payments and the additional 10% deemed taxable receipt on such payments as well as other tax disallowable items, and it is payable through quarterly instalments along with corporation tax.
- The settlements payable to Vanquis Bank customers in respect of ROP following resolution with the FCA in 2017, and the further amounts recognised in 2019 related to balance reductions on charged off accounts net of the release of provisions related to other accounts following completion of the ROP refund programme, are treated as bank compensation payments, as explained in note 26 to the Annual Report and Financial Statements 2021. As well as increasing corporation tax liabilities, they also have the impact of increasing the bank corporation tax surcharge liabilities for 2017 and 2019 and therefore the amounts of bank corporation tax surcharge paid in 2017, 2018, 2019 and 2020.
- The bank corporation tax surcharge liability is not reduced as a result of losses generated in the non-banking segments of the Group. Accordingly, the losses generated by the home credit business in the years 2017 to 2021 have no impact on bank corporation tax surcharge liabilities.

### Employer's National Insurance contributions

- In 2021, we employed, on average, 2,535 (2020: 4,232) employees in respect of whom we pay 13.8% employer's National Insurance contributions in the UK and the equivalent in the ROI. In 2021, along with the Apprenticeship Levy, this comprised £17m (2020: £21m) of our direct tax contribution.

### Irrecoverable VAT

- As a provider of loans and other credit products, we are unable to recover VAT on most of the costs we incur. In 2021, £47m (2020: £26m) of our direct tax contribution comprised irrecoverable VAT incurred by our businesses.

### Business rates

- The remaining £2m of our 2021 direct tax contribution (2020: £2m) comprised business rates payable on the various business premises we occupy.
- Employer's National Insurance contributions, business rates and irrecoverable VAT are taken into account in arriving at profit before tax. Irrecoverable VAT on capitalised costs is accounted for as part of the cost of the underlying asset.
- Corporation tax and bank corporation tax surcharge are accounted for through the tax charge as explained in note 6 to the Annual Report and Financial Statements 2021. The corporation tax and bank corporation tax surcharge we paid in 2021 of £6m differed from the current tax charge for the year of £9m primarily due to the reallocation of £3m of corporation tax overpaid in earlier years.

### Our indirect tax contribution comprises:

#### Employee's income tax and National Insurance contributions

- This represents the income tax and employee's National Insurance contributions and the equivalent in Republic of Ireland that we deduct from amounts paid to employees through PAYE. In 2021, it amounted to £38m (2020: £47m).

#### Income tax deducted from customer redress payments

- In 2018 onwards, basic rate tax has been withheld from interest on ROP redress payments made to Vanquis Bank customers, and to interest on redress payments made to customers elsewhere in the Group. In 2021, this primarily represents income tax withheld from redress payments made to CCD customers.





## How PFG is *regulated*

PFG, as a whole, is the subject of consolidated supervision by the Prudential Regulation Authority (PRA). This is because the Group is parent company of Vanquis Bank. The PRA sets the requirements for the consolidated Group in respect of capital adequacy, liquidity and large exposures.

The business units that deliver Group's products and services are regulated by the Financial Conduct Authority (FCA), which monitors all consumer credit lenders to ensure they comply with the Consumer Credit Act 1974 (as amended). Customer complaints that relate to the products and services offered by PFG are dealt with by the Financial Ombudsman Service. Under the UK regulatory regime, Moneybarn is fully authorised by the FCA, and Vanquis Bank is authorised by the PRA and dual-regulated by the FCA and the PRA.

We believe maintaining an open, constructive and trusting dialogue with policymakers and our regulators, the PRA and FCA, is critical. We work closely with our regulators to ensure we meet all regulatory standards and contribute to a safe and robust banking system. As the leading specialist bank for underserved markets, we do have unique insights into those parts of the market that we serve and regularly share these views with our regulators with a view to enabling the underserved credit market to work effectively for all.

Updates on key regulatory interactions in 2021:

- We have continued to ensure that strong, proactive relationships with regular lines of communication are in place with both the FCA and the PRA.
- We are not aware of any part of the Group and divisions currently being placed on any regulatory watchlist.
- In March 2021, CCD was notified by the FCA enforcement team that it will be starting an investigation into the affordability and sustainability of lending to customers, as well as the application of an FOS decision into its complaint handling process in the period between 26 February 2020 and 11 February 2021. We have provided the FCA with all the information that has been requested to date as part of this investigation.

### PFG trade association membership

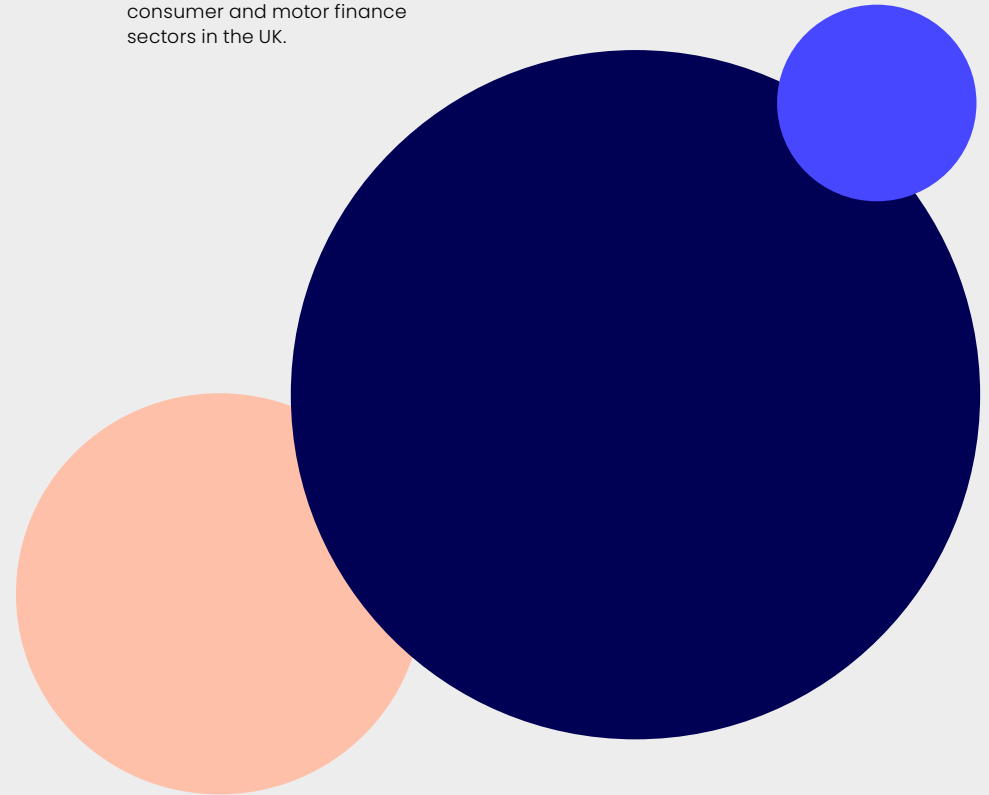
To help ensure we stay up to date with regulatory matters, PFG, through its business units, is a member of the following trade associations:



**UK Finance** – UK Finance is a trade association for the UK banking and financial services sector.



**Finance and Leasing Association (FLA)** – the FLA is the trade body for the asset, consumer and motor finance sectors in the UK.





# Data table

Metric	2021	2020	2019	2018
<b>Customer satisfaction</b>				
Credit cards customer satisfaction rate	4.7/5	4.6/5	4.5/5	4.3/5
Vehicle finance Feefo score	4.4/5	4.5/5	4.6/5	4.7/5
<b>Customer complaints</b>				
Total number of complaints	66,516	90,264	75,898	79,902
Total number of complaints referred to the Financial Ombudsman Service (FOS)	13,313	13,736	4,253	4,302
% of complaints referred to FOS upheld in customer's favour	65%	65%	35%	30%
Total customer-focused training hours	39,509	55,229	19,140	134,055
<b>Colleague numbers</b>				
Group total	2,535	4,232	4,854	5,708
CCD	563	2,276	2,880	3,735
Credit card division	1,385	1,471	1,577	1,612
Vehicle finance division	407	389	318	284
PFG corporate office	180	96	79	77

Metric	2021	2020	2019	2018
<b>Female representation</b>				
Female colleagues	54%	54%	55%	55%
Female directors	21%	19%	21%	23%
Female colleagues in senior management positions	35%	38%	30%	26%
Female colleagues in middle management	41%	38%	41%	35%
Female colleagues in first level management	55%	47%	47%	44%
Female colleagues at colleague level	57%	57%	58%	57%
<b>Equality, diversity and inclusion</b>				
Colleagues from a Black, Asian, other White or Minority Ethnic background	19%	11%	12%	9%
Colleagues who have declared a disability	20%	5%	5%	0.4%
Colleagues with caring responsibilities	43%	39%	43%	New measure for 2019
Colleagues with caring responsibilities beyond childcare	12%	11%	13%	New measure for 2019
Colleagues that identify as a gender other than male or female	0.4%	0.3%	0.5%	New measure for 2019
Colleagues from LGBTQ+ community	7%	7%	8%	New measure for 2019



## Data table continued

Metric	2021	2020	2019	2018
<b>Learning and development</b>				
L&D hours	59,580	56,501	105,978	161,560
Average number of L&D hours per colleague	24	13	28	28
<b>Absence and turnover</b>				
Average number of absence days per colleague	15	12	12	10
Average number of absence days – CCD	24	12	13	10
Average number of absence days – PFG corporate office	2	2	3	2
Average number of absence days – credit card division	16	15	13	11
Average number of absence days – vehicle finance division	8	7	9	9
Colleagues who left	69%	26%	40%	34%
% of colleagues who left that left voluntarily	40%	49%	77%	71%
<b>Health and safety</b>				
Reportable accidents	2	7	12	8
Reportable accidents scaled up to 100,000 colleagues	78	165	268	140
Non-reportable accidents	80	277	740	693
Non-reportable accidents scaled up to 100,000 colleagues	3,155	6,545	16,934	12,141

Metric	2021	2020	2019	2018
<b>Whistleblowing</b>				
Calls made to whistleblowing hotlines	2	13	21	37
<b>Social impact</b>				
Colleague volunteering hours	425	509	2,224	2,415
Grants distributed through community foundations	51	44	96	17
Colleague matched funding	£9,938	£8,169	£29,817	£30,389
<b>Community investment breakdown</b>				
Cash	£1,230,677	£1,035,984	£1,249,818	£1,431,990
Management costs	£126,649	£143,129	£149,605	£210,759
Value of colleague time	£12,116	£11,219	£48,715	£37,829
Total community investment	£1,369,442	£1,190,332	£1,448,138	£1,680,578
<b>Environment</b>				
Total greenhouse gas emissions (tonnes CO <sub>2</sub> e)	19,589	4,720	9,468	12,409
Scope 1 emissions (tonnes CO <sub>2</sub> e)	311	408	700	1,803
Gas use (tonnes CO <sub>2</sub> e)	200	230	266	154
Diesel and petrol (tonnes CO <sub>2</sub> e)	111	178	434	1,649
Scope 2 emissions	928	1,113	1,502	1,637
Electricity use 'location based' (tonnes CO <sub>2</sub> e)	928	1,113	1,502	1,637



## Data table continued

Metric	2021	2020	2019	2018
<b>Environment continued</b>				
Electricity use 'market based' (tonnes CO <sub>2</sub> e)	125	Not measured	Not measured	Not measured
Scope 3 emissions (tonnes CO <sub>2</sub> e)	18,350	3,199	7,266	8,969
Scope 1 and 2 associated 'well-to-tank' emissions (tonnes CO <sub>2</sub> e)	409	327	500	412
Air travel (tonnes CO <sub>2</sub> e)	2	16	91	217
Rail travel (tonnes CO <sub>2</sub> e)	26	4	77	86
Grey fleet (tonnes CO <sub>2</sub> e)	229	2,073	5,218	6,524
Other travel (tonnes CO <sub>2</sub> e)	4	Not measured	Not measured	Not measured
Hotel stays (tonnes CO <sub>2</sub> e)	8	Not measured	Not measured	Not measured
Suppliers' emissions (tonnes CO <sub>2</sub> e)	17,548	Not measured	Not measured	Not measured
Paper usage (tonnes CO <sub>2</sub> e)	31	Not measured	Not measured	Not measured
Waste collection and management (tonnes CO <sub>2</sub> e)	15	102	13	15
Water (tonnes CO <sub>2</sub> e)	4	24	Not measured	15
Downstream leased assets	0	Not measured	Not measured	Not measured

Metric	2021	2020	2019	2018
Scope 3 associated 'well-to-tank' emissions (tonnes CO <sub>2</sub> e)	74	440	1,367	1,700
Intensity ratio*	1.02	0.88	1.16	1.78
Air travel (miles)	4,334	45,669	288,776	623,488
Rail travel (miles)	466,452	297,290	1,167,100	1,208,771
Grey fleet (miles)	828,918	5,945,671	18,305,919	22,441,766
Other travel (miles)	14,707	Not measured	Not measured	Not measured
Absolute waste arising (tonnes)	256	389	397	457
Recycled (tonnes)	136	113	206	103
Sent for energy recovery (tonnes)	98	59	138	284
Landfill (tonnes)	23	216	53	70
Paper usage for admin and marketing (tonnes)	36	95	Not measured	994
<b>Suppliers paid according to the Prompt Payment Code</b>				
PFG corporate office	92%	91%	90%	94%
Credit card division	99%	100%	89%	90%
CCD	0%	93%	94%	94%
Vehicle finance division	99%	99%	99%	100%

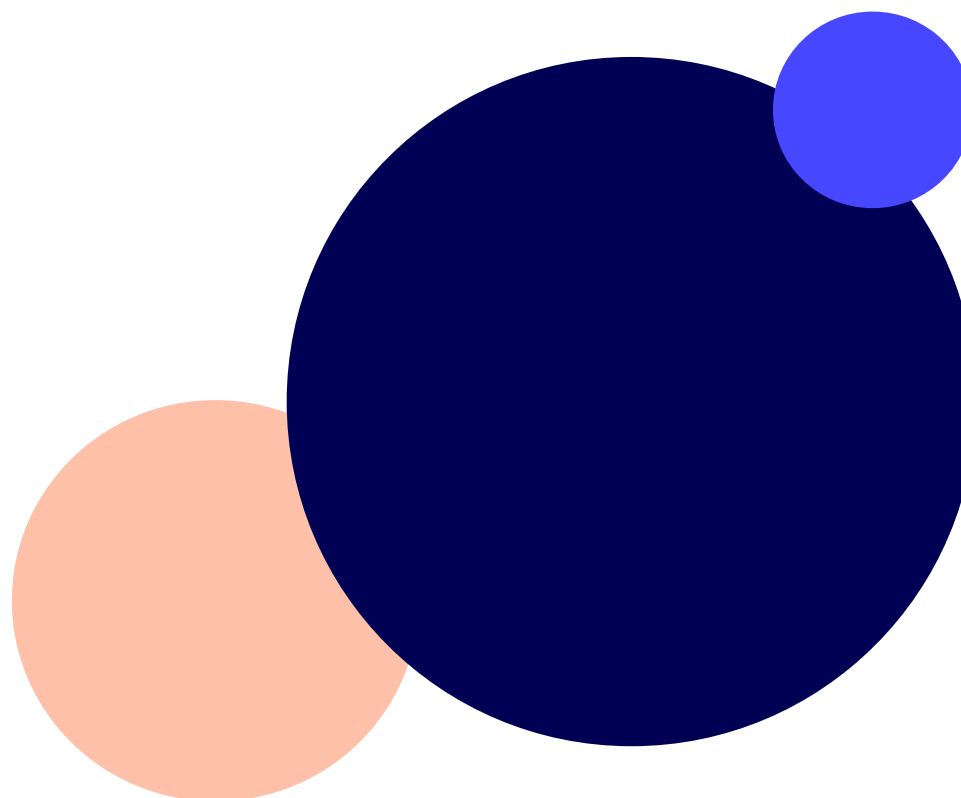




## Data table continued

Metric	2021	2020	2019	2018
Investor indices				
Dow Jones Sustainability Indices	57	61	61	62
FTSE4Good score	—	4.7/5	4.5/5	4.5/5
Carbon Disclosure Project	B-Management	D Disclosure	C Awareness	C Awareness

\* We changed the measurement in 2019 from CO<sub>2</sub>e/£1,000 of receivables to CO<sub>2</sub>e/per customer.



# Provident

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