



Managing our environmental impact

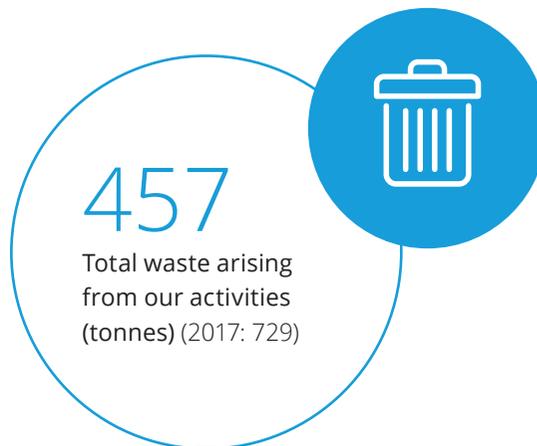
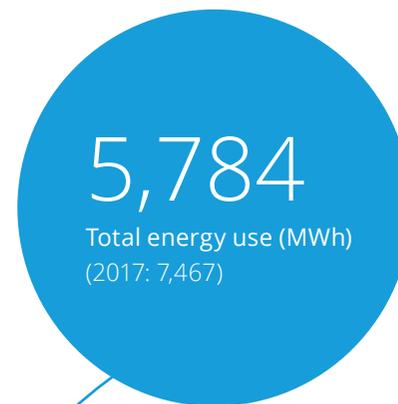
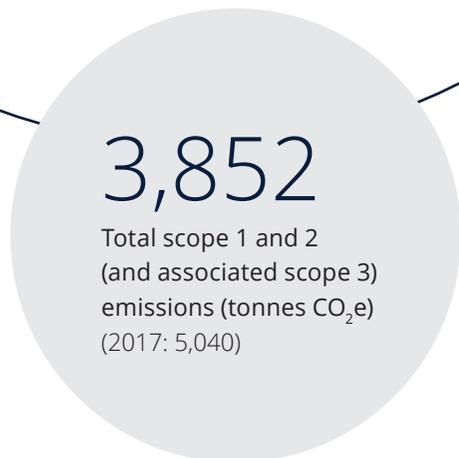
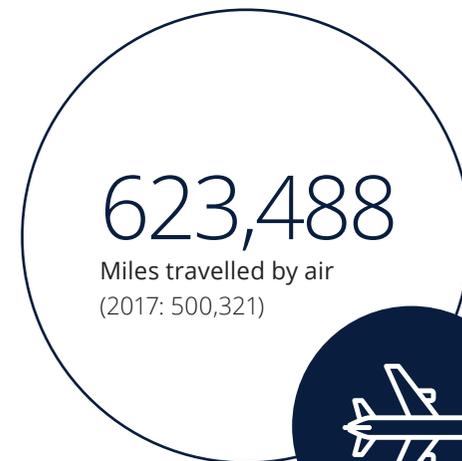
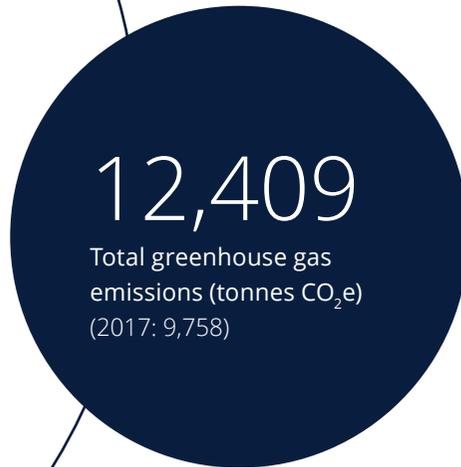
We are committed to minimising our environmental impacts, in particular to reducing the greenhouse gas emissions associated with our business activities, thereby lessening our contribution to issues such as climate change.





Reducing our carbon footprint

We want to deliver services to customers as efficiently as possible. We are working to reduce our carbon footprint, whether it is 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 also working to reduce the resources we use such as paper, and reducing and recycling the waste we produce.



THE BLUEPRINT:
BEHAVIOURS



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Our blueprint



Our approach to environmental management

Like any other company, Provident Financial'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 issues such as climate change.

Action on climate change

We recognise the importance of acting on climate change, which poses a significant risk to the global economy and to society in general. In response, we have developed a low carbon strategy to help us reduce the carbon intensity of the Group's operations, products and services. The Group's low carbon strategy aims to:

- demonstrate commitment and leadership in working towards achieving significant reductions in GHG emissions;
- continue to measure and benchmark our energy usage and carbon dioxide performance to ensure that we adhere to best practice in carbon management and reduction;
- establish challenging targets to enable us to be more efficient with the energy we consume and to reduce the emission of GHGs that arise from our operations, products and services;
- influence our customers, employees and suppliers to act on climate change and reduce their carbon footprints; and
- engage positively and proactively with stakeholders to ensure that the voice of business is heard in the debate on climate change.



Environmental management at Provident Financial Group

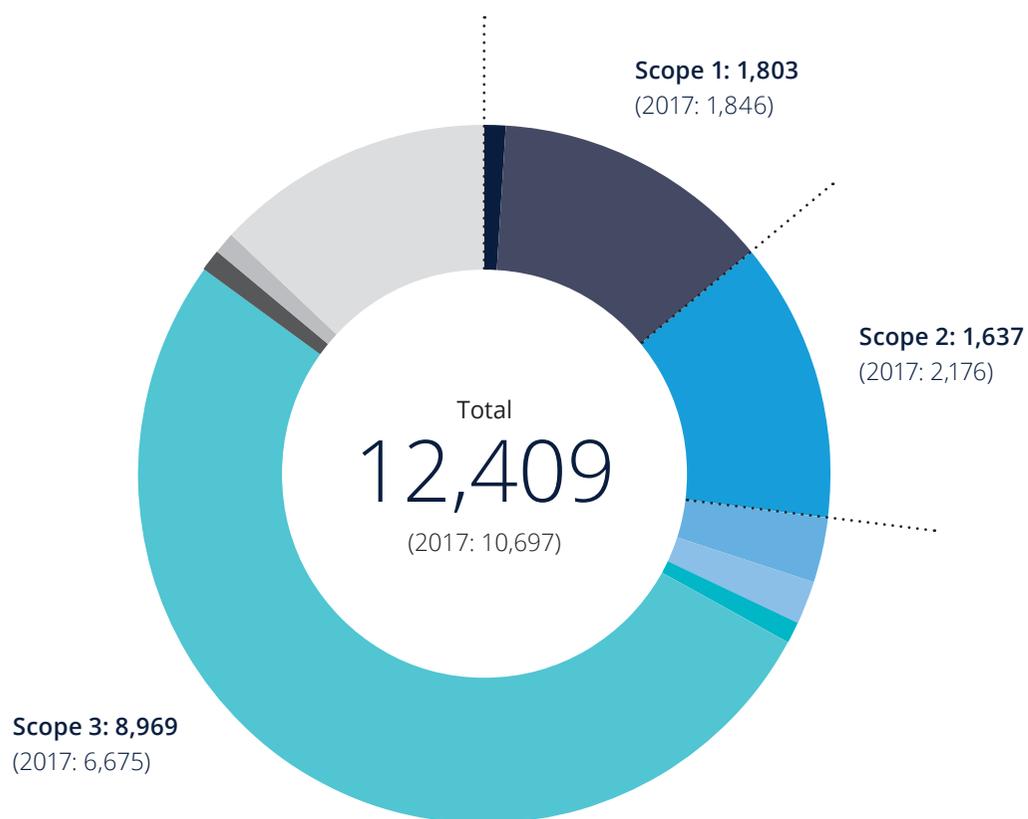
A key tool in helping us to manage our environmental impacts is our environmental management system (EMS). This helps us to identify, assess, and reduce key environmental risks and impacts; set and deliver against environmental targets; and ensure our legal compliance. Our EMS is independently audited each year. The scope of these audits covers the business activities of our Bradford-based head office, a small sample of the Consumer Credit Division's branch offices, and Vanquis Bank's business premises in London and Chatham, Kent. The EMS at our Bradford head office has been certified to the international management standard ISO 14001:2015 since 2011. And following the independent audit that was carried out in 2018, we successfully extended this ISO 14001:2015 certification to cover all of Vanquis Bank's other operations in London and Chatham.





Our carbon footprint

(tonnes of CO₂e)



	2018	2017
Scope 1 (tonnes CO₂e)		
● Gas use †	154	235
● Diesel and petrol †	1,649	1,611
Scope 2 (tonnes CO₂e)		
● Electricity use	1,637	2,176
Scope 3 (tonnes CO₂e)		
● Scope 1 and 2 associated 'well-to-tank' emissions †‡	412	1,018
● Employee air travel	217	162
● Employee rail travel	86	88
● Grey fleet (employee own vehicle travel)	6,524	3,699
● Self-employed agent car use	n/a	565
● Waste collection and management	15	16
● Water	15	New measure
● Scope 3 associated 'well-to-tank' emissions ‡	1,700	1,127

* Our emissions are reported in accordance with WRI/WBCSD Greenhouse Gas ('GHG') Protocol. We use an operational control consolidation approach to account for our GHG emissions and use emission conversion factors from Defra/DECC's GHG Conversion Factors for Company Reporting 2017. 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.

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

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

A closer look at scope emissions

Scope 1

Emissions are direct emissions from sources owned or controlled by us e.g. gas used in our boilers or petrol in company cars.

Scope 2

Emissions are indirect emissions from the generation of purchased energy in our business, specifically from electricity.

Scope 3

Emissions are all other indirect emissions, or emissions created on our behalf. The scope 3 emissions we calculate cover our employees' travel by train, plane and their own vehicles, waste management and 'well-to-tank' emissions associated with the production of fuel.

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Scope 1 and 2 emissions – gas, company vehicles and electricity

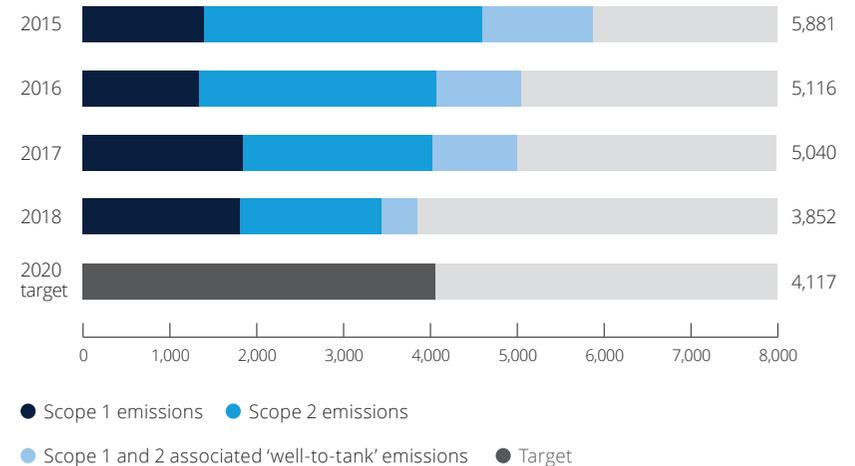
During 2018, our scope 1 and 2 (and associated scope 3) emissions accounted for 3,852 tonnes of CO₂e. We have restated our carbon footprint for 2017 due to the availability of improved electricity and gas data at our Bradford head office. This means that we did not reach our 2020 reduction of scope 1 and 2 (and associated scope 3) target in 2017, like we thought we had. However, we're happy to report that we have now met this target and have reduced our scope 1 and 2 (and associated scope 3) emissions against a 2015 baseline by 35%.

Intensity ratio

1.78

Scope 1 and 2 (and associated scope 3) kg of CO₂e/£1,000 of receivables (2017: 2.18)

Scope 1 and 2 (and associated scope 3)





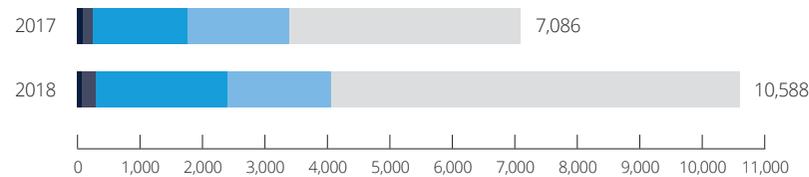
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Scope 3 emissions and business travel

Our scope 3 emissions have increased mainly due to the fact that since changing to the new operating model in 2017, in our Provident home credit business, our grey fleet mileage has naturally increased.

Although the waste the Group has generated in 2018 has decreased from 729 tonnes to 457 tonnes, the tonnage of CO₂e we have emitted shows an increase of 1 tonne. This is solely because this year we had much more in-depth information about how much waste we sent to landfill, so we were more accurately able to calculate the tonnage emitted by this element of our waste. 7 tonnes of CO₂e are associated with waste we sent to landfill, 6 tonnes of CO₂e are associated with waste we sent for energy recovery and 2 tonnes of CO₂e are associated with the waste we sent for recycling. We have made good progress on our target of reviewing our waste management process in our home credit branch offices and at our Bradford head office with the aim of implementing recycling schemes, as well as sending waste for energy recovery. We will be implementing a new recycling scheme in the coming months.

In addition to last year's scope 3 reporting, we have now added in our water consumption, which makes up 15 tonnes of our carbon footprint this year. Previously, we have struggled to report our water consumption due to a meter reading issue at one of our larger offices; however, following the creation of an Environmental Working Group at Vanquis Bank, we have been able to rectify this matter.

Business travel GHG emissions (tonnes of CO₂e)

- **Rail travel:** 86 (2017: 88)
- **Air travel:** 217 (2017: 162)
- **Travel-associated 'well-to-tank' emissions:** 2,112 (2017: 1,526)
- **Company car (diesel and petrol use):** 1,649 (2017: 1,611)
- **Grey fleet:** 6,524 (2017: 3,699)

Business travel distance (miles)

Air travel
623,488 (2017: 500,321)



Rail travel
1,208,771 (2017: 1,173,865)



Grey fleet mileage
22,441,766 (2017: 14,525,238)



Company car mileage - Moneybarn
137,570 (2017: 116,159)

Company car fuel consumption (litres)

660,397 (2017: 638,541)

Carbon offsetting

We continue to offset all our operational carbon footprint. To offset these emissions, we finance renewable energy projects around the world which help to mitigate the effects our operations have on climate change. In 2019, we offset the GHG emissions associated with the Group's 2018 total operational footprint. This amounted to 12,409 metric tonnes of carbon dioxide equivalent (CO₂e).

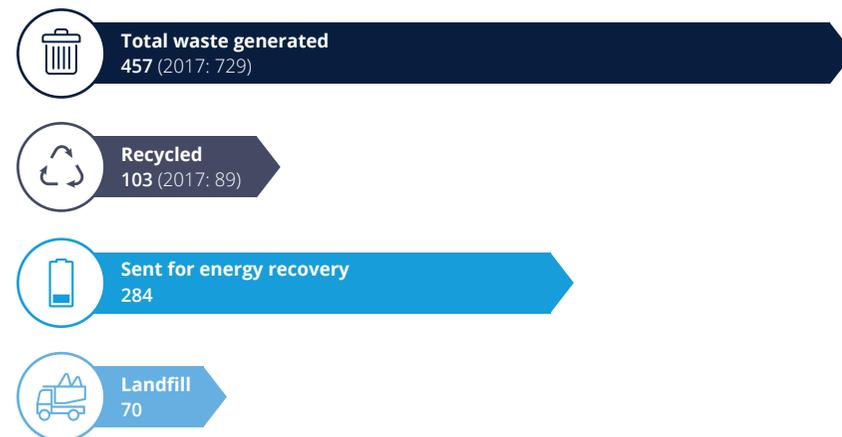
We offset our 2018 GHG emissions through the purchase of Gold Standard-certified carbon credits in the Yuntdag wind power project in Northwest Turkey. This project comprises 17 turbines which each generate 2.5 megawatts of electricity per

annum which, taken together, equates to clean and sustainable electricity for more than 80,000 households. The revenues generated by the carbon credits we purchase help to finance the ongoing running of this project which produces electricity that would otherwise have come from the combustion of fossil fuels.

The project therefore reduces the amount of emissions going into the atmosphere which contribute to climate change. The project also generates a number of economic benefits as it actively supports the development of sustainable industries in Turkey, which stimulates the market for renewable energy and makes use of a local workforce, which benefits the local community around the power plant.



Waste (tonnes)



Water usage (m³)

