



Supporting our colleagues so they can be themselves

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

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Understanding our colleagues' thoughts and opinions

We value our colleagues because they play a key role in driving our business forward and ensuring both its short-term and long-term sustainability. Needless to say, the past few years have been challenging for many of our colleagues, so their interests and wellbeing have become more important to us than ever because, without our committed and resilient colleagues, our business would not be where it is today. We also recognise that there is a lot more we can do to support them.

In 2019, we carried out a Group-wide colleague survey because we recognised that listening to what our people have to say is a hugely important step towards us becoming better at what we do and truly living our purpose of helping to put people on a path to a better everyday life. This was the first time we have carried out a survey across every Provident Financial Group business. Nearly 70% of colleagues from across the Group took the time to have their say and respond to the survey. The headline findings from the results are set out to the right.

Staff engagement levels

'Engagement' in this scenario refers to satisfaction.

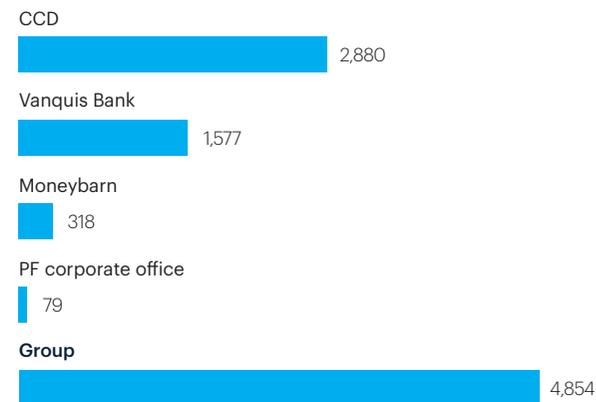
- Moneybarn **80%**
- CCD **76%**
- PF corporate office **70%**
- Vanquis Bank **58%**

- **86%** of colleagues care about the future of PFG.
- **82%** of colleagues understand PFG's purpose and what we are trying to achieve.
- **74%** of colleagues feel like they can be themselves at work.
- **74%** of colleagues feel like they work in a helpful and supportive environment.
- Only **38%** of colleagues feel secure in their job.
- Only **37%** of colleagues feel they know how well the Group is progressing against its plans.
- Only **36%** of colleagues feel their career development aspirations are being met.

Throughout 2020, the more detailed findings from this survey will be shared with our different divisions and individual teams. These results show that there is a clear need to focus on several key areas across the Group. These include: bringing our purpose and strategy to life; leadership in and across our businesses; people development and reward; and how we can better put customers on the team.



Number of employees at 31 December 2019: **4,854**
(2018: 5,708)





Getting to know our colleagues

Staff engagement levels continued

The survey results show both a positive and a negative story, which is what we expected. On the positive side, we know our colleagues care about our business and they understand the purpose of why we exist as a company. **74%** of colleagues feel like they can be themselves at work, which is great – but we need to work towards this being 100% of colleagues. This is why we are driving our EDI agenda forward, to ensure Provident Financial is a workplace where everyone feels free to be themselves because they feel included, represented and valued.

With the low engagement scores from colleagues who do not feel like they know how well the Group is progressing against its plans, it is clear that we have an opportunity to communicate with our colleagues more frequently and in more detail. Our colleagues clearly have much more interest in the wider business than just their own personal responsibilities. This is reflected in the fact that **84%** of our colleagues care about the future of the Group. We have already begun reviewing our colleague engagement and communications. This includes undertaking a review of the visibility of senior leadership across all of our sites – whether this is face to face or digitally.

With the turbulence the Group has experienced over the past few years, and the redundancies we have had to make over the past two years, it is not surprising colleagues feel a sense of insecurity and that their career aspirations are not being met. So, as the business continues to deliver on its recovery plan, colleagues will begin to feel an increased sense of security. In the meantime, it is clear that we need to revisit learning and development opportunities across the Group, and with a new Human Resources Director in place as of December 2019, we are in a great place to do so.



Spotlight on equality, diversity and inclusion

We want our business to be diverse and inclusive as employing people with different skills and backgrounds will help us understand our customers' needs and develop products and services that support them better. But more than this, having a diverse workforce means more opportunity to learn, to grow and meet people from different backgrounds – which is when people can really make a difference.

So, as part of our colleague engagement survey in 2019, we invited colleagues to disclose further information about themselves such as their ethnicity, religious beliefs, sexual orientation, disability status, caring responsibilities and gender identity. We did this to gain a broader understanding of who our colleagues are so that we could open up new dialogue, educate ourselves and give support and representation for colleagues no matter their age, sex, disability, religious beliefs, gender identity or any other characteristic that makes them who they are, or may want to be.

Having collected this data, we now have a benchmark to work against in the future, so we can measure how many colleagues feel comfortable disclosing this information to us. Our aim is that through our EDI initiatives we will give even more colleagues the confidence and trust to disclose this information to us in future.

It is important to state that although approximately **68%** of colleagues completed our colleague engagement survey, not all of these colleagues chose to disclose this somewhat personal information. The below information represents approximately **62%** of our workforce.

Finally, to further support the EDI agenda, we have recently published a new corporate EDI policy and rolled out a mandatory e-learning module to all colleagues.

- **5%** of colleagues disclosed to us that they had a disability.
- **12%** of colleagues disclosed to us that they came from a black, Asian or minority ethnic (BAME) background.
- **0.5%** of colleagues disclosed to us that they identified as a gender other than male or female.
- **43%** of colleagues told us that they had caring responsibilities outside of the workplace.
- **13%** of colleagues told us that they had caring responsibilities outside of childcare, e.g. caring for family members who may be elderly or have long-term illnesses.
- **0.3%** of colleagues told us that their sex is different to what it was when they were born.
- **8%** of colleagues told us that they are part of the LGBTQ+ community.



Recognising the importance of mental health

We are committed to creating a safe and healthy workplace where our employees feel they can talk about their mental health and wellbeing openly and freely.

The mental health and wellbeing of our colleagues underpins the long-term success of our Blueprint and our ability to support our customers while creating a culture of empathy, support and inclusion. We are currently putting in place new initiatives that will better support our colleagues' wellbeing which will, in turn, support the wellbeing of our customers.

Thriving at Work – the Stevenson/Farmer review of mental health and employers

From 2020, we will use the standards as identified in the Thriving at Work (set out to the right) review to monitor our commitment to supporting mental health and wellbeing in the workplace. We will complement the standard by closely monitoring the wellbeing of employees who support our customers, especially those in high-risk vulnerability-focused roles and providing training opportunities and mental health and wellbeing support.



If your team isn't mentally fit to do the job, then they can't deliver 100%... I'm proud that Provident has approached the mental health aspect of work. Working for a company that supports mental health is great.

Aaron Bailey
Mental Health First Aider

1. Produce, implement and communicate a mental health at work plan that promotes good mental health of all employees and outlines the support available for those who may need it.
2. Develop mental health awareness among employees by making information, tools and support accessible.
3. Encourage open conversations about mental health and the support available when employees are struggling. During the recruitment process and at regular intervals throughout employment, offer appropriate workplace adjustments to employees who require them.
4. Provide employees with good working conditions and ensure they have a healthy work-life balance and opportunities for development.
5. Promote effective people management to ensure all employees have a regular conversation about their health and wellbeing with their line manager, or leader, and train and support line managers in effective management practices.
6. Routinely monitor employee mental health and wellbeing by understanding available data, talking to employees, and understanding risk factors.

We recognise that challenging stigma associated with mental health requires commitment, investment and focus; we are committed by 2024 to be 'excelling' at all six of the core standards of the Thriving at Work review, as identified by the City Mental Health Alliance, in all of our operating businesses.



Mental health first aid

We have partnered with a variety of leading mental health charities to establish a Mental Health First Aider network, in line with best practice as outlined by Mental Health First Aid England. To date, our Mental Health First Aider network is made up of 53 colleagues across the UK with further plans to extend this network to include colleagues in ROI. Working with the Bank Workers Charity, approximately 120 managers attended positive mental health sessions to help create a culture of wellbeing. In May 2019, we participated in Mental Health Awareness Week. A variety of events took place across our businesses with the objective of encouraging colleagues to speak up and seek support, and to create awareness of the support framework colleagues have access to.

Mental wellbeing and innovation

Over a six-month period Vanquis Bank employees piloted a mobile app solution – 'Thrive Mental Wellbeing' – to identify feelings and monitor and support their mental wellbeing. This pilot was delivered in partnership with the Bank Workers Charity and Thrive Therapeutic Software, a social enterprise. Following a successful pilot, Thrive Mental Wellbeing will be available to all colleagues by the end of March 2020.





Colleague absence and turnover

Colleague absence

Over the last few years, colleague absence in some areas of the business has increased. Therefore, in 2019, we decided to undertake a review of the reasons for absence and whether absence is higher or lower depending on the role that colleagues work in. In the first instance, we measured absence rates of customer-facing staff compared with non-customer-facing staff, and the absence of people managers compared to non-people managers. We also factored into this review whether the absences were reported as physical ill health or mental ill health.

- **33%** of absence days were reported to be for mental ill health.
- Of the absence days reported to be for mental ill health, **9%** of those were reported to be due to workplace stress.
- **86%** of all absence days were taken by customer-facing staff, which make up **23%** of our workforce.
- **9%** of all absence days were taken by those with people management responsibilities.

- Of the absence days customer-facing staff took, **35%** of them were reported to be for poor mental health and, similarly, **33%** of those with people management responsibility stated mental health for their absence reason.

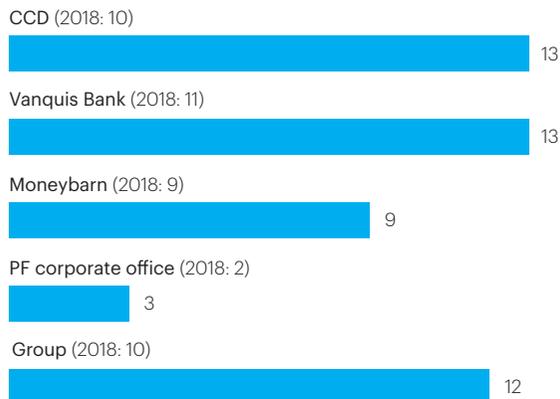
The Mental Health First Aider initiative, which you read about on page 31 of this report, was introduced to the Group in 2019 to better support colleagues facing stress and mental health challenges. We are also launching a Managers Mental Health Toolkit in 2020 that will provide guidance and resources to managers on how to support their colleagues and themselves when they are facing difficult challenges whether inside the workplace, or at

home. We will continue to closely monitor absence rates and deliver initiatives to support the wellbeing of colleagues and reduce absence.

Colleague turnover

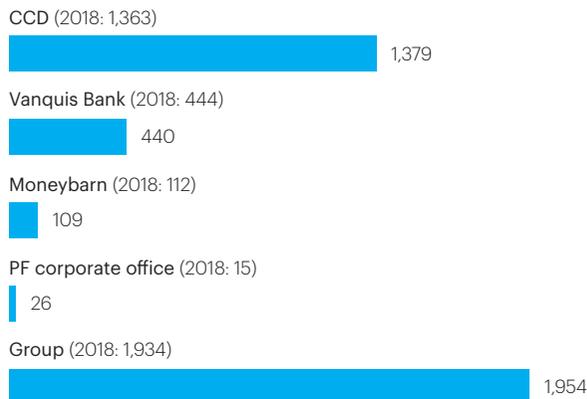
Our employee turnover rates remain higher than national average. This relatively high figure is mainly affected by the high turnover we have in our customer-facing roles, both in the field in Provident home credit and within our contact centres for all businesses, which is typical in this type of role. Our aim in 2020 is to address the findings of our colleague engagement survey and, by doing this, we will improve engagement scores and reduce turnover rates.

Average number of absence days per employee



Number of employees who left the business*

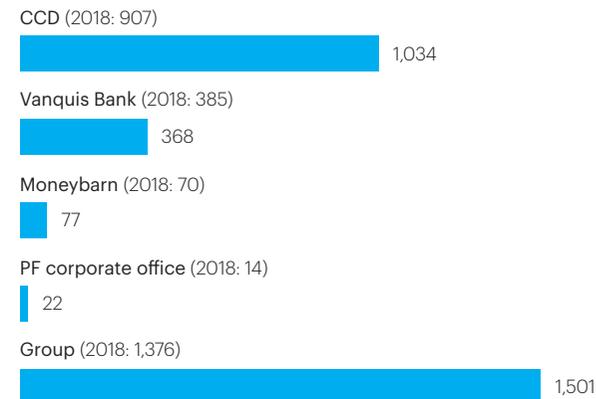
40% of our workforce left in 2019 (2018: 34%)



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

Number of employees who left the business voluntarily

77% of employees who left the business in 2019 left voluntarily





Gender diversity

Improving female representation at senior management and director level is extremely important for the long-term sustainability of the Group. In 2019 we implemented an EDI strategy and here you can read about the progress we have made since implementation as well as how the gender diversity levels look from colleague level, right up to director level.

EDI targets:

✓ **Achieved**

Become a signatory to the Women in Finance Charter (WiFC)

We became a WiFC signatory in 2019.

✓ **Achieved**

Deliver the Next Generation Women's Leadership Programme

This six-month programme made up of a variety of upskilling training and mentorships was successfully concluded with 10 women being nominated based on their performance, perceived potential and commitment to personal development and development of others, by an Executive Committee member. Cohort 2 began in January 2020 with 11 more women, and planning for cohort 3 is already underway.

✓ **Achieved**

Design a new Group EDI policy that will create a consistent approach to recruitment, employee retention and pipeline development of our best female talent

Approved by the Nominations Committee in December 2019.

✓ **Achieved**

Appoint 'EDI Business Ambassadors' who can drive progress in each division

Five colleagues who sit on either the Group Executive Committee or their subsidiary Executive Committees were given the responsibility of ensuring EDI had a voice at all Executive Committee meetings. These representatives will be reviewed in 2020 to ensure continued representation at Executive Committee level.

✓ **Achieved**

Develop a new balanced performance scorecard and remuneration policy

A new balanced scorecard of non-financial measures was also introduced for the 2019 annual bonus with the aim of increasing focus on key objectives and the continuing transformation of the business. The scorecard considered performance within five categories: (i) strategy; (ii) customer; (iii) regulatory risk and conduct; (iv) investor relations; and (v) employee. Within each of these headings the targets were split into corporate/strategic objectives and personal objectives. Performance scores are measured for ensuring the Equality, Diversity and Inclusion Policy is taken into account for all succession planning achievements in the 'employee' category. This is evidenced on page 152 of our Annual Report and Financial Statements 2019.

Gender diversity across employee levels at 31 December 2019

Employee level	Female		Male	
	Number	%	Number	%
Total staff	2,673	55	2,181	45
Director*	6	21	23	79
Senior management	32	30	76	70
Middle management	152	41	222	59
First level management	148	47	152	53
Other colleagues	2,335	58	1,708	42

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



Gender pay gap

We are committed to supporting diversity and creating an open and inclusive culture where everyone feels valued. We also recognise that the Group has 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.

Our pay and bonus gender gap as at 5 April 2019

	Hourly pay 2019 (2018)		Bonus 2019 (2018)	
	Mean	Median	Mean	Median
Provident Financial Management Services Limited	29.7% (30.4%)	28.1% (30.2%)	71.7% (61.3%)	27.7% (84%)
Vanquis Bank	32% (23.5%)	21.7% (11.6%)	67.9% (62.9%)	38.5% (25.6%)
Provident Personal Credit	5.6% (4.9%)	0.1% (0%)	28.3% (21.8%)	0% (0%)
Moneybarn	38.1% (35.2%)	27.1% (27.3%)	75.5% (85.8%)	0% (0%)
Provident Financial plc	42.7% (71.4%)	34.6% (51.9%)	85.7% (94.3%)	52.1% (95%)
Cheque Exchange Limited	5.9% (3.9%)	21% (6.5%)	14.9% (95.3%)	7.4% (96.1%)



Our ambition is to create a truly diverse workforce. One that reflects the broad diversity of our local communities and the customers we serve. That diversity comes through having a culture of inclusion and providing equal opportunity.

Rob Lawson
Head of Sustainability
Provident Financial plc



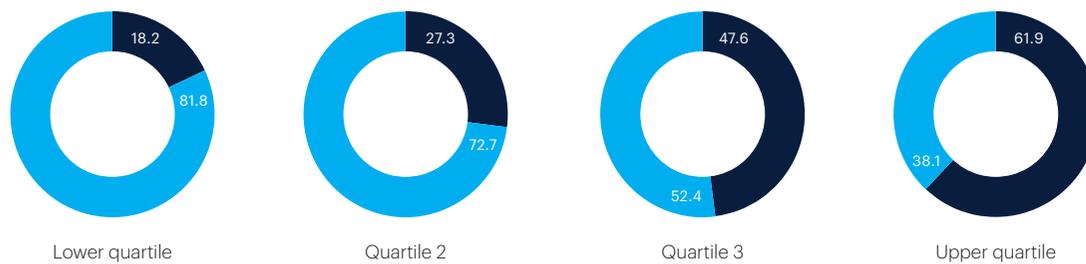


Gender pay gap continued

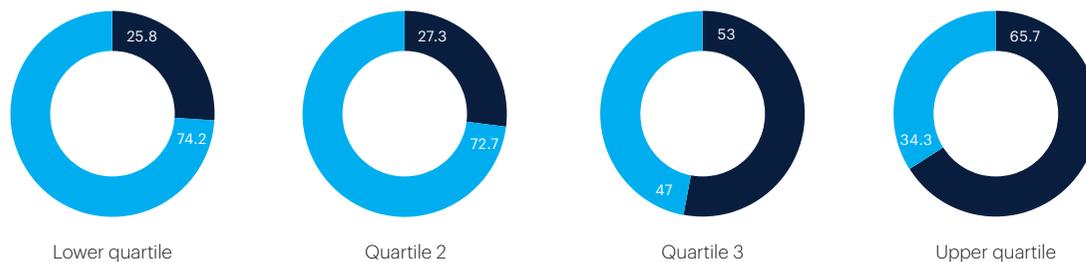
Gender representation by pay quartiles (%)

● Male ● Female

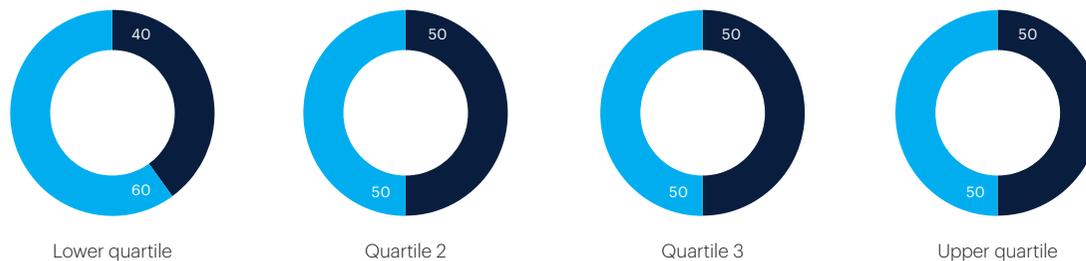
Provident Financial plc



Moneybarn



Cheque Exchange Limited



Provident Financial plc

Proportion of males and females receiving a bonus in 2019:

Male

93.5%

Female

86.8%

Moneybarn

Proportion of males and females receiving a bonus in 2019:

Male

71%

Female

65.2%

Cheque Exchange Limited

Proportion of males and females receiving a bonus in 2019:

Male

100%

Female

100%



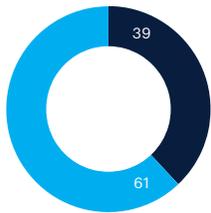


Gender pay gap continued

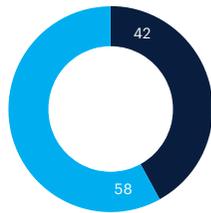
Gender representation by pay quartiles (%) continued

● Male ● Female

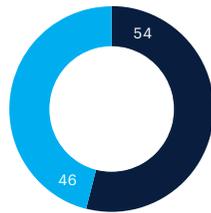
Provident Financial Management Services Limited



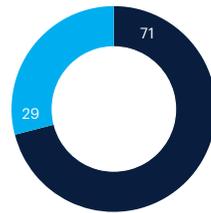
Lower quartile



Quartile 2

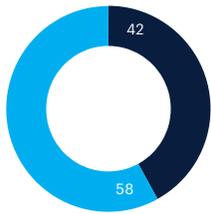


Quartile 3

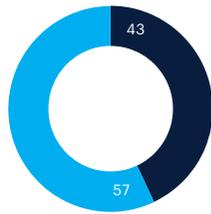


Upper quartile

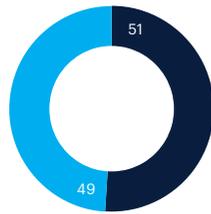
Vanquis Bank



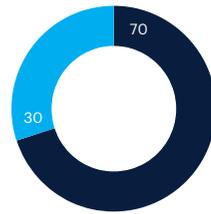
Lower quartile



Quartile 2

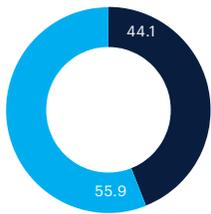


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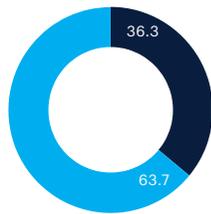


Upper quartile

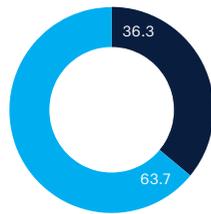
Provident Personal Credit



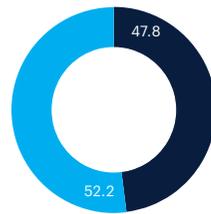
Lower quartile



Quartile 2



Quartile 3



Upper quartile

Provident Financial Management Services Limited

Proportion of males and females receiving a bonus in 2019:

Male

88.7%

Female

91.2%

Vanquis Bank

Proportion of males and females receiving a bonus in 2019:

Male

87.3%

Female

90.5%

Provident Personal Credit

Proportion of males and females receiving a bonus in 2019:

Male

95.9%

Female

96.8%





Upskilling our people

Ensuring our colleagues undertake continued professional development (CPD) is extremely important to the viability of our businesses. We continue to place a strong emphasis on supporting our customer-facing staff by equipping them with a broader range of skills, so that they can better support customers in vulnerable situations, whilst looking after their own mental health.

Although we have introduced some positive things, like EDI training for colleagues, our recording of learning and development hours has not been aligned across the Group. Therefore, in 2020, we will aim to create a framework in which to collect and analyse learning and development data, as well as encouraging people managers to review their colleagues' CPD.

Number of apprentices introduced since the implementation of the Apprenticeship Levy in 2017

80

Total number of learning and development hours

105,978

(2018: 161,560)

Average number of learning and development hours per employee

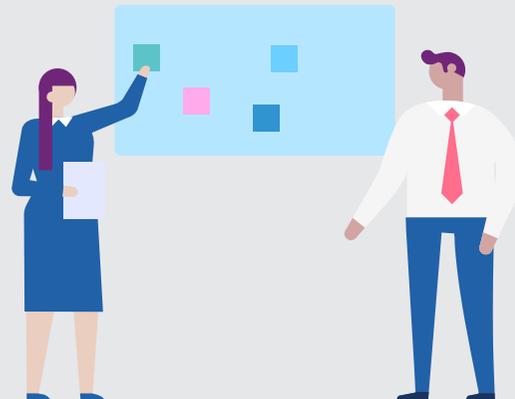
28

(2018: 28)

Total number of customer-focused training hours

19,140

(2018: 134,055)





Our Blueprint: *Behaviours*

Ensuring the health, safety and wellbeing of colleagues

Workplace health and safety and wellbeing of all our people are top priorities. We are committed to protecting our employees, self-employed agents in ROI, contractors, suppliers and customers.

We primarily do this through our Group-wide health and safety policy which enables us to comply with health and safety legislation. Our operating divisions also have additional policies on a range of health, safety and wellbeing issues which reflect the factors unique to their business. 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.

Across the Group, we have a number of indicators we use to measure the health and safety level of our colleagues, alongside programmes in place to support their physical and mental health. These range from discounted gym memberships to free counselling access and nutritional wellbeing courses.

12*

reportable accidents
(2018: 8)

268*

reportable accidents when scaled
up to 100,000 employees
(2018: 140)

740

non-reportable accidents
(2018: 693)

16,934

non-reportable accidents when
scaled up to 100,000 employees
(2018: 12,141)

* 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 a major injury or a fatality.



Empowering staff to raise concerns

We are committed to the highest standards of quality, transparency and accountability, so employees are encouraged to raise any concerns they may have. We have whistleblowing policies in place which outline how concerns can be raised. All employees receive anti-bribery and corruption and whistleblowing training annually and have access to a confidential third-party helpline through which they can raise concerns relevant to anti-bribery and corruption or corporate hospitality.

In 2019, this helpline received 21 complaints, which were thoroughly investigated and dealt with in accordance with the appropriate internal procedures.



Encouraging staff 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 employees 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, employees joining at a managerial level are invited to directly join the PFG Retirement Plan.

The Provident Financial Workplace Pension Scheme is provided through NEST and requires employees to contribute 3.2% 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 employees to contribute between 3 and 8% of their pensionable salary and we will contribute between 5 and 10%. All employees are entitled to a death in service payment; however, the PFG Retirement Plan includes an increased death in service payment of 3x salary and offers long-term sickness benefit.

Employee share schemes

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



The Group's four schemes aim to encourage colleagues' involvement and interest in the financial performance and success of the Group 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).

The current scheme for colleagues resident in the ROI is the Provident Financial Irish Savings-Related Share Option Scheme 2014.

1,756 colleagues were participating in the Company's save as you earn schemes as at 31 December 2019 (2018: 1,786). 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. 553 colleagues were participating in the SIP as at 31 December 2019 (2018: 483).