

2010

Provident Financial
Corporate
Responsibility
Report



About this report

Welcome to our 2010 corporate responsibility report.

We have now been publishing reports like this for 10 years – past reports are available at www.providentfinancial.com

The purpose of the report is to provide an account of our CR activities, progress and goals in 2010. Further information can be found in our Annual Report and Financial Statements and on our corporate website.

This report relates to activities of Provident Financial plc, our subsidiary businesses and our key stakeholders between 1st January and 31st December 2010.

The data and accompanying commentary is externally assured by the management consultancy Corporate Citizenship. Assurance is provided to reassure stakeholders that our CR management systems, processes and procedures are well managed and in accordance with legislation and best practice. Please see the assurance statement on pages 52 to 54 for more information.

If you have any questions or comments about this report or our approach to corporate responsibility more generally please email Rob Lawson, Corporate Responsibility Manager, corporateresponsibility@providentfinancial.com



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introduction }

CEO statement

In March of this year, I reported that the Provident Financial Group delivered an excellent set of financial results during 2010 which saw growth in customer numbers and an increase in profit before tax and exceptional costs of £14.4m to £144.5m. These impressive results were delivered in spite of some of the most challenging economic conditions we've seen for decades; conditions that are characterised by a weak employment market and rising inflation which have exerted increasing pressure on the household incomes of many consumers in the UK and Ireland.

The fact that we delivered this strong financial performance in 2010 is testament to the work we undertook to maintain our focus on delivering our group mission. Our mission is both simple and straightforward. It is to be the leading non-standard lender in the UK and Ireland, acting responsibly in all our relationships and playing a positive role in the communities we serve. This mission not only sets out our stall in terms of the market we are proud to serve, it also makes clear that corporate responsibility (CR) is an integral part of how we do business.

First and foremost, ensuring that we are a responsible corporate citizen plays a central role in the way that we treat our customers. This starts with listening to and understanding our customers so that we can develop and deliver products that are tailored to meet their specific needs. This enables us to provide our customers with small-sum products that are straightforward and easy to understand; products that are affordable, and offer high levels of flexibility and personal contact. This is the approach to lending we have taken for over 130 years and is one of the reasons we're able to achieve consistently high levels of customer satisfaction.

While ensuring that we lend to our customers in a responsible manner is perhaps the most important of our corporate responsibilities, we recognise that we have a responsibility to address the other social, environmental and economic issues that are relevant to our business. This is why we remain committed to investing in a CR programme which continually improves and responds to the issues that are important to our key stakeholders.

Two areas of our CR programme where we continued to make great strides during 2010 were our community involvement activities and the measures we put in place to minimise our impact on the environment.

Back in 2007 when I initiated the work that led to the creation of our mission, I was keen to review our role in the many communities we serve to see if there was anything we could do differently to maximise our involvement and investment. This, in turn, led to the launch in 2009 of our flagship community programme, Good Neighbour. Since its launch, the progress that has been made by Good Neighbour in our communities has been nothing short of amazing. By the end of 2010, we had provided support to 22 three-year projects in the communities we serve from Dundee to Dublin and Bradford to Bristol to address issues such as crime prevention, unemployment and low levels of educational attainment, and health and well-being.

Through Good Neighbour and the Vanquis Active Community Programme, we have also seen significant growth in the levels of employee volunteering across our business. Whether helping refurbish a local community centre, delivering reading sessions to pupils in Bradford's primary schools or supporting Vanquis Bank's work with Teach Africa, our people continue to show a willingness to spend time contributing to important causes. While the debate still rumbles on among politicians and commentators alike about what the coalition Government means by the 'Big Society' agenda, I'm clear that through our Good Neighbour programme, Provident is doing its bit to contribute to building stronger and more resilient communities.

I am also pleased with the progress we made during the year to minimise the impact that our business activities have on the environment. Our most notable achievement in this area came through our move into a new, purpose-built head office in Bradford city centre in October. The new office not only underlines our commitment to the regeneration of a city that has been our home for many years, it also provided us with an opportunity to have the premises built with sustainability in mind. The result is a fantastic space in the heart of Bradford which includes a range of innovations, such as rainwater harvesting and solar water heating, which will help improve our environmental performance and contribute to the bottom line of the business.

On a final point, it has been pleasing to note throughout the course of the past year that investors, analysts and others in the 'City' have continued to show an interest in the CR performance of Provident and other companies, when they could be forgiven for focussing more of their attention on the other difficulties being experienced in the economy. I continued to meet personally with a number of investors and analysts during 2010 to talk specifically about the CR programme and its importance to the on-going success of our business. And this is a key reason why we continue to work hard to maintain our presence on the mainstream sustainability indices such as FTSE4Good. By doing this we are able to demonstrate that our CR programme is not something that is 'nice to have', but that it permeates all areas of our business and adds real value to what we do.

I am confident that Provident will continue to grow in the coming years and that our CR programme will play an important role in ensuring that we deliver sustainable benefits to all our key stakeholders.

I therefore welcome you to this, our 2010 CR report, the tenth such annual report we have published. I also encourage you to share with us any views you have on the content of the report and, more broadly, the programme that underpins it. Please email these to us at corporateresponsibility@providentfinancial.com.

Peter Crook
Chief Executive



About our business

Provident Financial is a FTSE mid-shares 250 company listed on the London Stock Exchange. We provide tailored credit products to over 2.4 million borrowers in the UK and Ireland.

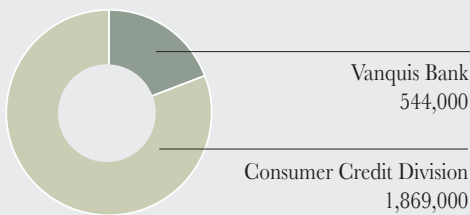
The Consumer Credit Division has been providing small-sum loans, issued in the home and collected weekly, since 1880.

Vanquis Bank has provided credit cards to people excluded by mainstream card issuers since 2003 and is growing steadily.

Our mission is to be the leading non-standard lender in the UK and Ireland, acting responsibly in all our relationships and playing a positive role in the communities we serve.

We have been based in Bradford for all our 130 years and in September 2010 we moved into our new head office in the city centre. Our Consumer Credit Division is truly nationwide with 440 branches and active in almost every postcode in the UK and Ireland. Vanquis Bank is based in London with a call centre in Chatham, Kent.

Customers by business



Our market

The non-standard lending market is made up of over 10 million people who borrow about £65 billion annually. Access to credit is important to people in this market but, because of their circumstances, they often find it difficult to borrow from the mainstream market.

We have been providing credit to this market for well over a century. We understand the needs of our customers and provide specialist products which meet those needs.

There are two segments of the non-standard lending market that we serve: the credit card segment through Vanquis Bank; and the home-collected credit segment through the Consumer Credit Division.

How does the non-standard lending market differ from the mainstream lending market?

The non-standard lending market is made up of people who have modest incomes and minimal savings, and are seen as too high risk by mainstream lenders. As such, they find it more difficult than most to obtain credit. The mainstream lending market is geared towards people on incomes that are considered to be above average. Borrowers in this market are usually salaried, have few other unsecured borrowings and a good credit history.



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Our role in the non-standard lending market

At Provident we have been lending responsibly in the non-standard market ever since our foundation in 1880. Our values inform our approach.

We believe personal relationships are vital. In Home Credit, where we are the UK market leader, agents meet with our 1.9 million customers weekly. Vanquis Bank stays in touch with its customers over the phone and through newer innovations such as SMS text messaging.



1.9m	£867m	0.5m	£345m
Home Credit customers	Home Credit receivables	Vanquis Bank customers	Vanquis Bank receivables

Our products

Our products are designed to meet the needs of hard-working people living on modest incomes. Our loans are relatively small and so have manageable repayments. Our home credit products give customers the flexibility to adjust their repayments should their circumstances change.

Provident Financial group		
Division	Consumer Credit Division Operating since 1880 1,869,000 customers (2009: 1,856,000)	Vanquis Bank Started trading in 2003 544,000 customers (2009: 426,000)
Our products	Home credit loans are delivered through Provident Personal Credit (PPC) and Greenwood Personal Credit (GPC) Typical loan size: £300 - £500	Visa Credit Card Initial credit limit: £150 - £1,000 rising to £3,000 depending on customer behaviour Average credit limit: £900
Product APR	Typical APR of a PPC loan: 272.2% Typical APR of a GPC loan: 433.4%	Typical APR : 39.9%
Loan application process	An agent will visit the customer in their own home to conduct affordability and creditworthiness checks, complete the paperwork required, and agree a suitable loan amount, having fully explained the loan terms and determined the loan to be suitable. They will then agree a weekly collection routine to suit the customer.	Customers complete an on-line application and are then interviewed over the telephone before a final decision is made.
Loan repayment	Once the loan has been arranged, the agent brings the agreed amount to the customer's home. The agent then returns each week to collect repayments.	We have made repayments easier by accepting payment online. We are also trialling PayPoint channels. We send SMS text message reminders when payments are due to customers who have signed up for this facility.
Product characteristics	There are no hidden charges in our home credit products. The amount to be repaid, including interest charges, is fixed at the start, even if the customer misses a repayment. In addition to providing customers with cash loans, we offer alternatives such as shopping vouchers and plastic cards, which can be used at cash machines, on the high street, and overseas. We also work with third parties who are having difficulty collecting payment on outstanding debt. With their permission we approach the selected non-paying customer. Those that opt to transfer their debt to us have the opportunity to improve their credit rating by beginning to repay what they owe.	The Vanquis Bank credit card is tailored to the non-standard market. Initial credit limits are a good deal lower than mainstream card issues, typically starting at around £250. We have a much closer relationship with customers than would be normal for a card-based lender.

Group highlights

During 2010, revenue less impairment was £570 million. Of this, £279 million was paid to suppliers of goods and services (including agents). The remaining £291 million is value added by Provident Financial which was distributed to employees (£130 million), shareholders (£85 million) and government in the form of taxes (£58 million). A further £1 million was donated to our community partners and a profit of £17 million was retained by the business.

A more detailed account of Provident's financial performance is published in our Annual Report and Financial Statements 2010 which can be found at www.providentfinancial.com.

Why we manage CR

Corporate responsibility has an important role if we are to remain both profitable and sustainable. For us, corporate responsibility is simply about managing the social, environmental and economic issues that are relevant to our business and stakeholders.

Managing these issues helps us to distinguish ourselves from other businesses both in our sector and listed alongside us on the FTSE mid-shares 250. It helps us to maintain our 'license to operate' and secure business advantage, which ultimately allows us to deliver long-term value to our shareholders.

Financial highlights

Group results – Year ended 31 December			
	2010 (£m)	2009 (£m)	Change (£m)
Home Credit	129.1	128.9	0.2
Real Personal Finance	(1.8)	(7.7)	5.9
Consumer Credit Division	127.3	121.2	6.1
Vanquis Bank	26.7	14.1	12.6
Yes Car Credit	–	0.2	(0.2)
Central:			
- costs	(8.1)	(7.0)	(1.1)
- interest (payable)/ receivable	(1.4)	1.6	(3.0)
Total Central	(9.5)	(5.4)	(4.1)
Profit before tax from continuing operations	144.5	130.1	14.4

We understand and manage the social, environmental and economic effects of our business through our group-wide CR programme. Our programme enables us to deliver high levels of customer satisfaction, reduce our impacts on the environment, act responsibly in all our relationships, and play a positive role in the communities we serve. It also helps us to respond and react to the needs and concerns of stakeholders.

Our CR strategy

CR is an integral part of our business and of our company mission to be “the leading non-standard lender in the UK and Ireland, acting responsibly in all our relationships and playing a positive role in the communities we serve”.

Our mission is supported by our corporate values and our CR strategy. Our five core values guide our behaviour. We are continuing our work to ensure our employees understand our values and sign up to them.

Our values: We aim to be fair, responsible, accessible, straightforward and progressive in all our dealings.

Our strategy brings our mission to life and demonstrates what it means to our business in real terms. It states that we will:

- Earn high levels of customer satisfaction
- Invest in the communities in which our customers and agents live and in which our staff work
- Maintain a system to manage corporate responsibility
- Meet or exceed regulatory requirements on fairness and responsible lending
- Follow our corporate values in the treatment of our stakeholders

Two key performance indicators measure whether we are delivering our strategy and are published in our Annual Report and Financial Statements. These are:

Customer satisfaction: the percentage of customers who are satisfied with the service they have received.

- Our performance in 2010: customer satisfaction of 91% for Home Credit (2009: 94%) and 84% for Vanquis Bank (2009: 84%).
- Plans for 2011: maintain or improve customer satisfaction levels.

Investment in the community: the amount of money invested in support of community programmes (based on the London Benchmarking Group’s guidelines) and donated for charitable purposes.

- Our performance in 2010: invested £1,468,000 in various programmes to benefit the communities we serve (2009: £1,329,000).
- Plans for 2011: maintain the group’s investment in the communities we serve through the Good Neighbour initiatives.

These metrics are clearly not exhaustive. We use many performance indicators to monitor our performance and progress against our strategic aims. These are typically organised around six key themes: governance and management, our customers, our people, our supply chain, community involvement, and the environment. Many of these are published and explained in this report.

Our values: We aim to be fair, responsible, accessible, straightforward and progressive in all our dealings.



{ 95.25% our score in BITC's annual CR index }

governance and management

A strong, well-managed CR programme is an important part of how we do business. It helps us to respond to and manage the issues that concern our stakeholders. Internally, it helps us to embed CR and our values across all areas of our business.

Targets

2010

Maintain or improve our rating on the mainstream sustainability indices (eg BITC CR Index, Dow Jones Sustainability Indices, FTSE4Good, etc).

Achieved – See page 14 of this report for more information.

Continue to engage stakeholders with our CR programme. **Achieved – See page 11 of this report for more information.**

Continue to ensure that our CR programme and reports are subject to independent audits and assurance. **Achieved – See page 15 of this report for more information.**

2011

Maintain or improve our rating on the mainstream sustainability indices, including BITC CR Index, Dow Jones Sustainability Indices and FTSE4Good.

Continue to respond to requests for information about our corporate responsibility programme from stakeholders.

Continue to engage stakeholders with our CR programme.

Continue to subject our CR programme and reports to independent audit and assurance.

Continue to identify opportunities to embed our core values within the policies, processes and procedures of the business.



Our commitment to CR

Our commitment to running our business responsibly is enshrined in our mission and values and our strategic aims. Within this framework we have developed indicators to measure our performance and ensure that our values are being lived.

Policies

CR is built into a number of our business-wide corporate policies. These policies cover a wide range of CR-related issues including environmental management, community involvement, procurement, health and safety, and whistleblowing. In addition, our corporate policy manual includes a code of ethics and HR policy and details the way our businesses should operate. These policies were reviewed and approved by the Provident Financial board in June 2010.

Our operating divisions also have a range of policies which address CR issues and are specific to their business activities.

So our employees understand our commitment to CR, details of our corporate and division-specific policies are included in our induction process, staff handbooks and on our intranet.

How we manage CR

Our Chief Executive has responsibility for our group-wide CR programme. He chairs the group's management committee which oversees the CR programme on behalf of the board.

He and the rest of the board receive updates on the management of our CR programme, including our performance against KPIs, at each board meeting. Management and co-ordination of the CR programme is delegated to a number of steering and working groups. These include:

Working group	Chair	Membership	Role
Corporate responsibility working group	David Stevenson, Head of Communications, Provident Financial	Representation from HR, procurement, corporate office and communications functions	<i>Contribute to the CR programme and ensure that the HR and procurement practices take account of CR considerations.</i> <i>Generate performance information for inclusion in CR reports and submissions to sustainability indices.</i> <i>Help co-ordinate CR management activities.</i>
Environmental working groups	Rob Lawson, CR Manager, Provident Financial	Representation from HR, procurement, facilities management, property and communications functions	<i>Contribute to the strategic direction of the environmental management programme.</i> <i>Generate performance information for inclusion in CR reports and submissions to sustainability indices.</i> <i>Help co-ordinate environmental management activities.</i>
Vanquis Bank active community programme board	Michael Lenora, Managing Director, Vanquis Bank	Representation from local, national and international community programmes	<i>Evaluate and select the Bank's community/charity partners.</i> <i>Oversee the management of the Bank's community involvement activities.</i>
Head office travel plan steering group	Mike Elliott, HR Director, Consumer Credit Division	Representation from HR, facilities management, and communications functions	<i>Input into the development and implementation of travel plan-related policies, procedures, objectives and targets.</i> <i>Co-ordinate the continuing delivery of the travel plan at our head office.</i>

Our commitment to running our business responsibly is enshrined in our mission and values and our strategic aims.

During 2010, we decided to disband the responsible lending group. Its responsibilities have been taken up by different committees across the business, for example, the credit committees in the Consumer Credit Division and Vanquis Bank, and Vanquis's Treating Customers Fairly committee. This has allowed the committees to take account of the different regulatory nuances that relate to our operating divisions.

The day-to-day management of our CR programme is undertaken by the CR manager, community affairs manager and community affairs executive, who report through the Director of Corporate Affairs and are based at our head office in Bradford.

Stakeholders

We have identified six main stakeholder groups who have an interest in, and may be affected by, our business operations, products or services. These are: customers, communities, employees, suppliers (which include the network of 11,400 self-employed agents who play an important role in our home credit business model), shareholders and regulators.

Our stakeholders play an important role in the way our business operates and help shape our CR programme. We run stakeholder engagement activities to gather feedback which allows us to respond to their needs and to monitor our performance in areas such as customer satisfaction. Stakeholder engagement helps us to continually improve our CR programme and contribute to debates on issues that are material to our business.

Our stakeholder engagement activities during 2010 involved:

General stakeholders A cross section of key stakeholder groups attended our sixth annual stakeholder roundtable to provide feedback on the quality and materiality of our CR report and programme. A summary of this feedback and our response to it can be found at www.providentfinancial.com.

CR professionals Our second web-based survey of CR consultants, managers and policy-makers helped us to understand the emerging social, environmental and economic issues that our CR programme should respond to.

Customers We undertake regular customer surveys and focus groups to get feedback on the products and services we provide and to help us develop new products and services. See page 22 for more information.

Government We continue to engage with government and regulators to understand how changes to national and supranational legislation will impact our business activities. We do this by responding to consultations, participating in Government-sponsored initiatives and attending meetings with Government representatives. In 2010, we contributed submissions to consultations on a wide range of issues. These included the CRC Energy Efficiency Scheme Order 2010, the HMT/BIS Consultation on Transfer of Responsibility for Consumer Credit and the HMT/BIS Review of Consumer Credit and Personal Insolvency.

Contributing to debates In 2010, we sponsored a number of events on the issue of financial inclusion, including:

- A Fabian Society seminar entitled 'Continuity and Change in Financial Inclusion', which discussed the lessons from past financial inclusion policy and the issues the Government should prioritise.
- A ResPublica fringe event at the 2010 Liberal Democrat party conference entitled 'A Nation in the Red: Can the new politics boost financial health?'. The event was chaired by Provident's Director of Corporate Affairs and explored the meaning of 'Big Society' in relation to growing debt and financial exclusion.



Community partners We engaged with the community partners and volunteers associated with the Good Neighbour programme extensively in 2010. This helped us to measure the impacts of our community involvement activities and the efficacy of our relationships with community partners. See page 38 for more information.

Suppliers We engage with suppliers at various stages of the procurement process to ensure that social, environmental and economic considerations are taken into account in the products and services we purchase, and to raise awareness of our CR programme. See page 34 for more information.

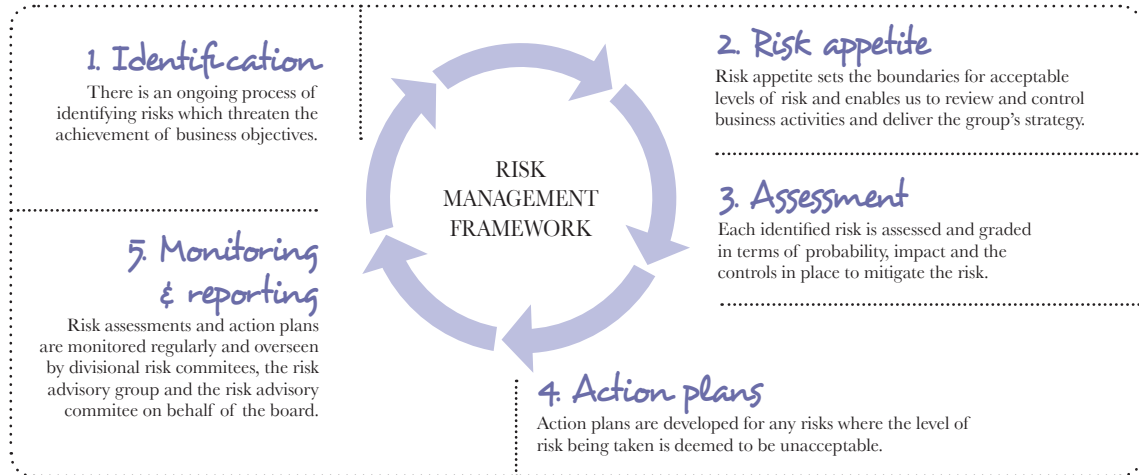
Our strategic aims and objectives

One of our strategic aims is to 'act responsibly in our relationships with customers and make a positive contribution to the communities served by the group's business.' To achieve this aim we will:

- earn high levels of customer satisfaction
- invest in the communities we serve
- manage our impacts
- meet or exceed regulatory requirements on responsible lending
- follow our values in the treatment of our stakeholders

Managing our risks

We have a rigorous risk management framework to ensure adequate controls and procedures are in place to manage risk in line with our strategic objectives and risk appetite (see diagram).



The board is responsible for the group's overall system of internal control and risk management, and for reviewing its effectiveness. Oversight of the group's risk management framework is delegated to a number of committees set out below.

Committee	Membership	Meeting frequency	Responsibilities
Audit Committee	This is a formal sub-committee of the Provident Financial plc board. It comprises the non-executive directors with others, for example, the Finance Director or the Head of Audit and Risk, attending by invitation	Four times a year	<ul style="list-style-type: none"> <i>Monitors group-wide internal financial controls.</i> <i>Appoints and appraises the external financial auditors.</i> <i>Agrees the internal audit plan.</i> <i>Reviews the reports produced by internal audit.</i> <i>Reviews the group's whistleblowing policy.</i> <i>Reviews the financial statements, interim reports and preliminary announcements of the group including any significant accounting judgements made in preparing them.</i>
Risk Advisory Committee	This is also a formal sub-committee of the Provident Financial plc board. The RAC is chaired by independent, non-executive director Rob Anderson and comprises the other two independent, non-executive directors and the Finance Director	Three times a year	<ul style="list-style-type: none"> <i>Manages the group's risk management framework on behalf of the board.</i> <i>Keeps the group's risk registers under review and considers the most important risks facing the group.</i> <i>Approves the group's formal risk management documentation prior to submission to the Board.</i> <i>Delegates a number of responsibilities to the Risk Advisory Group.</i>
Executive Committee	This committee comprises the three executive directors and is chaired by the Chief Executive	At least once a week	<ul style="list-style-type: none"> <i>Deals with matters relating to the general running of the group, including:</i> <ul style="list-style-type: none"> <i>Monitoring the weekly performance of the group's businesses.</i> <i>Approving capital expenditure projects and long-term contracts subject to certain limits.</i> <i>Approving treasury-related transactions.</i> <i>Annually reviewing corporate and accounting policies.</i>
Risk Advisory Group	This group is chaired by the Finance Director and comprises the General Counsel and Company Secretary, the Head of Audit and Risk, and the Group Financial Controller	Four times a year	<ul style="list-style-type: none"> <i>Considers the extent and nature of the risks facing the group, the extent and categories of risk which are acceptable to bear, the likelihood of the risk materialising, the group's ability to mitigate any risk, and the costs of operating particular controls relative to the benefits obtained.</i> <i>It also reviews the risk registers prepared by the divisional risk committees twice a year, challenging and making changes where appropriate.</i>

The Head of Audit and Risk is responsible for the development and implementation of our risk management framework. For more information on our approach to risk management, please refer to the directors' report in our 2010 Annual Report and Financial Statements or go to www.providentfinancial.com



Our mission and values statement

Our mission is to be the leading non-standard lender in the UK and Ireland, acting responsibly in all relationships and playing a positive role in the communities we serve. Our values support this and state that we will be:

- fair in all our dealings with stakeholders
- responsible in the way we conduct our business
- accessible in terms of providing products that meet customers' needs
- straightforward, open and honest with our stakeholders
- progressive in the way we run our business

Tax

Tax strategy

Our tax strategy, which has been endorsed by the board and has been shared with HM Revenue & Customs ("HMRC"), is aligned with our mission, values and business strategy. This strategy, which sets out our governance of tax, seeks to ensure that key tax risks are dealt with through our rigorous risk management framework, that appropriate taxes are paid in each jurisdiction in which we operate and that we safeguard our reputation as a responsible taxpayer.

We seek to protect shareholder value by structuring operations in a tax efficient manner which complies with applicable laws and regulations and which does not adversely impact our reputation as a responsible taxpayer. We are committed to having a positive working relationship with tax authorities and dealing with our tax affairs in a straightforward, open and honest manner. We have a positive and constructive working relationship with

HMRC which involves regular meetings to discuss issues and regularly includes obtaining advance clearance of key transactions where the tax treatment is uncertain.

In 2010, we worked intensively alongside HMRC to agree our outstanding VAT and employment tax issues as well as a significant number of outstanding corporation tax matters. We also completed the process of improving and upgrading our framework of responsibilities, systems and procedures which support the preparation of the various corporation tax, VAT and employer tax returns and which support the Senior Accounting Officer declaration.

Our experienced in-house tax team is responsible for managing the group's tax affairs. A key part of our tax strategy is ensuring that the tax team is actively involved in all key commercial and operational transactions, that there is a clear allocation of responsibilities between the tax team and the business units and that advice from external professional advisers is sought for all material transactions.

Tax contribution

In 2010, our net cash tax contribution in the UK and the Republic of Ireland was £57 million. This comprised £37 million of corporate taxes, £10 million of employer's National Insurance (NI), £2 million of business rates and £8 million of irrecoverable VAT.

In addition, through PAYE, we accounted for tax as well as NI on employees' pay amounting to a total of £28 million.

The £10 million of employer's NI, the £2 million of business rates and the £8 million of irrecoverable VAT were all accounted for as administrative costs in arriving at profit before taxation. The corporate taxes were accounted for through the tax charge.

The £37 million of corporate taxes paid in cash in 2010 was lower than the current tax charge of £41.7 million shown in note 5 to the Annual Report and Financial Statements 2010. This is primarily due to the timing of corporation tax instalment payments in the UK.

A key part of our tax strategy is ensuring that the tax team is actively involved in all key commercial and operational transactions.

Membership

We are an active member of a number of organisations and groups. Through these groups we can access and share best practice on a range of social, environmental issues.

These include:

- Associate Parliamentary Corporate Responsibility Group
- The Better Business Environmental Forum
- Business in the Community
- Employer's Forum on Disability
- National Council for Voluntary Organisations
- Race for Opportunity

Sustainability assessments

We are represented on the main global sustainability indices and are committed to sharing information about our CR programme with investors and other stakeholders.

We continue to be a constituent member company of the Dow Jones Sustainability World Index (DJSI World), Dow Jones STOXX Sustainability Europe Index (DJSI Europe) and FTSE4Good Index.

Our CR performance has also received a 'prime' rating by Oekom research and we continue to be included in the Ethibel Pioneer and Ethibel Excellence Investment Registers.

We submitted our fifth response to the Carbon Disclosure Project, which provides over 550 institutional investors representing US\$71 trillion in assets with information relating to the way we manage the risks and opportunities associated with climate change.

During 2010/11, we retained our platinum performance rating in the Business in the Community (BITC) CR index. The CR index is a voluntary, business-led benchmark of responsible business practice.

We also continued to meet and/or engage with investors and analysts on an individual basis to talk about our CR programme. This included meeting with the Church of England Ethical Investment Advisory Group and Cazenove Capital Management and providing CR information to RiskMetrics and Schroder Investment Management Limited.

95.25%

The score we were awarded in June 2010 which enabled us to achieve a 'platinum' rating in BITC's annual CR index.



Assurance and audit process

This report is independently assured by Corporate Citizenship. Assurance is provided to reassure stakeholders that CR is well managed and in line with legislation and best practice and that the data reported is accurate, complete and material.

The report is assured against the AccountAbility AA1000 Assurance Standard (AA1000AS) principles of inclusivity, materiality and responsiveness and the Global Reporting Initiative's G3 sustainability reporting guidelines. Corporate Citizenship's assurance statement can be found on pages 52 to 54 of this report.

Our community involvement programme is also assured by Corporate Citizenship and has been since 2006. This process assesses our application of the London Benchmarking Group model and the effectiveness of the implementation of our community strategy.

Our environmental management system is audited against the requirements of ISO 14001. This has been carried out by SEQM since 2006.





11,400 self-employed agents

our customers

We develop products that are tailor made for our 2.4 million customers, many of whom are unable to access credit in the mainstream market and may otherwise face financial exclusion. Responsible lending is at the heart of these products and our business.

We have served the non-standard market since 1880, so we understand the needs of our customers. The service we deliver is straightforward, personal and flexible. Our consistently high levels of customer satisfaction show it is an approach our customers welcome.



Anthony
Vanquis Bank customer

"With my Vanquis card I'm clear about what I'm spending so it's easier to stick to my budget."

Targets

2010

Ensure that at least 80% of Consumer Credit Division customers are either 'very satisfied' or 'quite satisfied' with their service and that at least 80% of Vanquis Bank customers rate their experience as 'good' or 'excellent'.

Achieved – During 2010, 91% (2009: 94%) home credit customers were either very or quite satisfied with the service provided to them, and 84% (2009: 86%) of Vanquis Bank customers rated their experience as good or excellent.

2011

Ensure that at least 90% of Consumer Credit Division customers are either 'very satisfied' or 'quite satisfied' with their experience and that at least 80% of Vanquis Bank customers rate their experience as 'good' or 'excellent'.

Review and amend the tools (the System Enhanced Lending programme and Single View of Customer system) used in the Consumer Credit Division to support lending decisions.

Support research to examine how the current economic conditions are affecting low and middle income consumers' spending, borrowing and money management.

Our customers explained

Our typical customers are hard-working people who live on modest incomes. They borrow relatively small amounts, which are a big commitment for them.

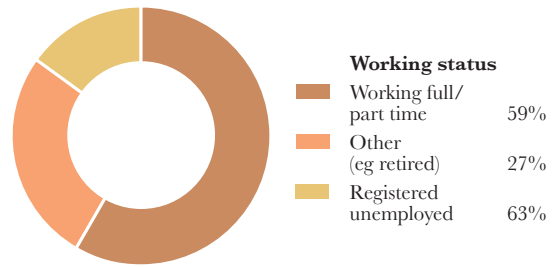
Home credit customers

Our home credit customers are not always the main breadwinners, but they normally control the household budget. The majority are women. The breadwinners in these households are more likely to be on piece-work or hourly rates than in regular, salaried employment.

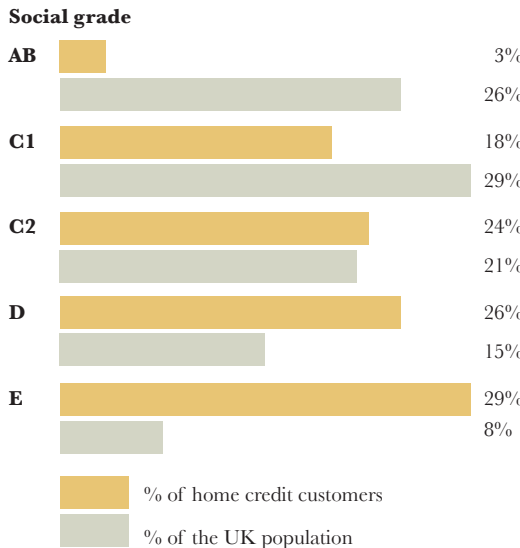
Only a minority of our customers are in receipt of non-universal benefits, but most have financial positions that are subject to changes in their personal circumstances.

Home credit customers value the routine of the weekly visit and appreciate having flexibility on repayments.

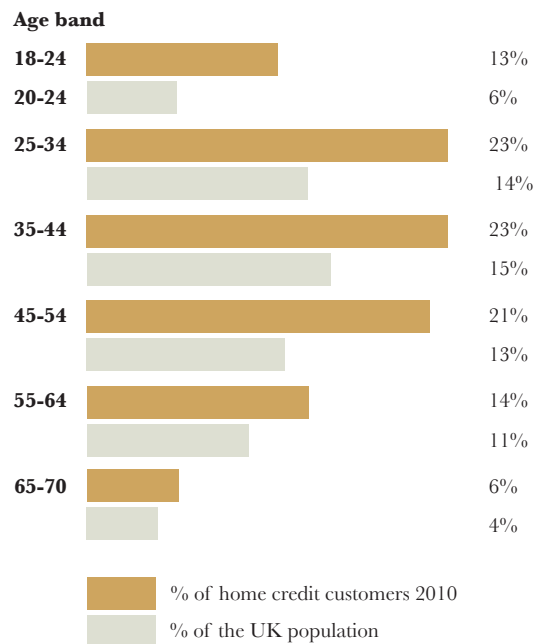
Household working status - home credit customers*



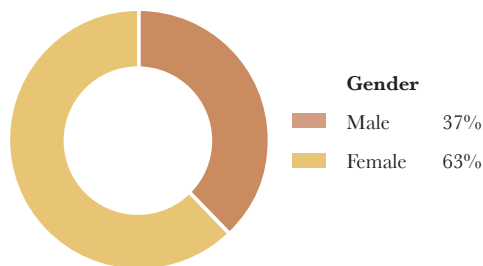
Socio-economic breakdown of home credit customers*†



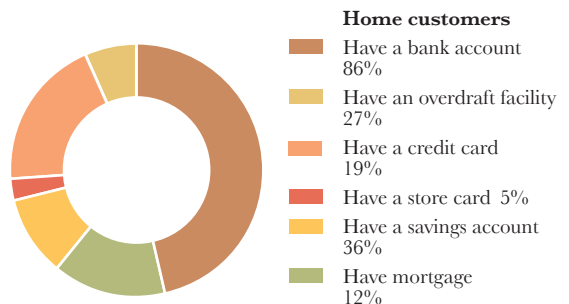
Average age - home credit customers*



Gender breakdown of home credit customers*



Customers' use of other financial products - home credit customers*



Footnotes: † Key: Social grades (ABC1 = white collar; C2DE = blue collar)

A: Senior managers in business/commerce **B:** Middle managers in large organisations **C1:** Junior managers, owners of small establishments, clerical workers and students **C2:** Skilled manual workers and manual workers responsible for other workers **D:** Semi-skilled or unskilled manual workers and apprentices **E:** Includes casual workers and those dependent on the state long-term (eg due to ill-health or unemployment).

* Based on current and paid up tracker survey, September 2010, PPC and GPC customers. Monthly annual average data. Research conducted by Quaestor on behalf of the Consumer Credit Division.

Vanquis Bank customers

Most Vanquis Bank customers are on moderate incomes earning up to around £30,000 a year. Many have been refused credit by mainstream card lenders because their credit histories are limited or uneven.

Vanquis Bank customers use their credit card in a similar way to users of mainstream cards - at major supermarkets, on the high street and for shopping on the internet.

A typical Vanquis Bank customer	
Employment status	Employed
Annual income	£10,000 to £30,000 a year
Resident status	Tenant (75%)
Have a bank account	High proportion
Use of other credit cards	Low proportion
Use of secured/unsecured loans	Very low proportion

Our products

Product: Home credit

Brands: Provident Personal Credit (PPC) and Greenwood Personal Credit (GPC)

Product overview:

Our home credit business is the longest running and largest in the UK and Ireland. We have been providing small-sum loans, issued in the home and collected weekly, since 1880.

We have 440 branch offices which extend to nearly every postcode in the country; this makes us one of very few businesses with a truly nationwide coverage in the UK and Ireland.

Our home credit customers tend to use their PPC or GPC loans to supplement their income to meet one-off or seasonal needs such as Christmas, household goods or holidays.

We take a 'low and grow' approach. First time borrowers typically get a 14-week, £100 loan. We use this initial loan to learn about the customer's payment behaviour. Based on this we decide whether it is appropriate to lend larger amounts for longer periods.

How home credit works:

First contact

Many of our customers hear about us via a recommendation. Much of our new business comes from word of mouth, direct mail, agent canvassing or online recruiting

The agent's visit

After obtaining a request to call at the customer's home, the agent will visit to discuss the various products the company offers and make an appointment to call back.

Transparent terms

There are no hidden charges. The maximum amount to be repaid is clear and fixed at the start, even if the customer misses payments.

Applying for a loan

An agent will visit the customer in their own home to conduct affordability and creditworthiness checks, complete the paper work required, and agree a suitable loan amount, having fully explained the loan terms and determined it to be suitable. They will then agree a weekly collection routine to suit the customer and hand over the loan in cash.

Building trust

We operate a 'low and grow' policy. First-time borrowers typically get smaller, shorter-term loans. Those able to manage their repayments become eligible for larger amounts over longer periods.

Product: Credit card

Brand: Vanquis Bank

Product overview:

Vanquis Bank operates in the non-standard sector and many Vanquis customers have been refused credit by mainstream credit card lenders.

Like the home credit division, Vanquis has a 'low and grow' policy. Customers start with credit limits far lower than mainstream credit card providers, which gives us time to get to know them and their payment behaviour. We can then make an informed decision about whether it is appropriate to increase their credit limit.

How the Vanquis credit card works:

First contact

50% of Vanquis Bank's new customers came from online channels, 33% from direct mail and 17% from recommendations from other financial services organisations.

Applying for a card

Online applicants get a provisional response within minutes. They, along with applicants via other channels, are then interviewed over the phone before a final decision is made.

Transparent terms

Every new customer gets a welcome pack which outlines their rights and responsibilities, and offers tips to help them manage their finances and improve their credit rating. Vanquis Bank's website provides detailed advice.

Payment channels

Repayments can easily be made online. The Bank is also trialling repayment via PayPoint channels. SMS text message reminders are sent when payments are due to customers who have signed up for this facility.



The role of agents explained

A network of 11,400 self-employed agents play a key role in issuing our home credit loans and collecting repayments. Each week local agents visit 1.9 million customers, or one in 20 UK households, located throughout the country.

Many of the self-employed agents we engage are former customers themselves. They generally live in the communities they serve, which enables them to build up a strong relationship with their customers.

Agents are self-employed and they earn commission on amounts repaid rather than on loans issued. This is a crucial part of our business model. It encourages responsible lending as agents have no reason to lend more than customers can afford to repay.

Agents are provided with a comprehensive agent manual which sets out detailed information on the rules and procedures which relate to the way our business operates. They are also provided with information on issues such as personal safety.

An agent's typical week

Subject to the rules in the agent manual, agents are free to run their agency how and when they choose.

Monday	<i>Collections</i>	<i>Agents typically collect two to four days per week – Monday and Friday are the main days</i>
Tuesday/ Wednesday	<i>Pay-in</i>	<i>'Pay-in' is on either Tuesday or Wednesday. This enables reconciliation and compliance checks to be carried out, and customer payment data to be analysed</i>
Thursday	<i>Meet with Development Manager to discuss the next weeks activity</i>	<i>Development Managers support agents on a range of issues including new products and regulatory compliance</i>
Friday	<i>Collections</i>	

Agents

- All agents we engage are self-employed
- 70% are women
- Average time as an agent is eight years
- Typically have 142 customers and generate commission of £160+ per week
- Paid commission on what they collect, not what they lend

Responsible lending

Responsible lending is an important part of our commitment to our customers. It is built into our products and the way we deliver them.

We have robust decision-making processes and systems which ensure that we issue credit to new and existing customers at the right time and of the right amount. Our 'low and grow' lending policy means we get to know our customers and their circumstances and lend only to those that can manage the repayments. This inherently cautious approach to lending is the right thing to do, for our customers and for our business.

We maintain high levels of contact with both our home credit and Vanquis Bank customers, either face-to-face or over the phone. This means we can discuss any difficulties or queries at an early stage, before they become a problem, and agree a course of action with the customer.

Lending decisions at the Consumer Credit Division

Responsible lending decisions are made for our new and existing home credit customers through a combination of agent activity and the use of decision support tools.

Self-employed agents return to the customer's home each week to collect repayments. This gives them the opportunity to assess the intent to repay the loan (or 'character'), ability to repay the loan (or 'capacity') and the stability of the customer's circumstances (or 'conditions'), or the "3 C's", of new and existing customers.

Agents only earn commission on what they collect, not what customers borrow. So they have no reason to lend more than the customer can afford to repay.



Kath Home Credit agent

"It's important to build strong relationships. Then, if someone's having trouble making a repayment, we can sit down together to find a solution. A few weeks ago one of my customers had to deal with an unexpectedly high bill. We skipped a payment and he paid a little bit extra over the next few weeks. My customers really value that flexibility."

We have two tools which support lending decisions; the System Enhanced Lending programme for existing and previous customers, and the Single View of Customer system for new customers. We also use data from credit reference agencies.

These systems support agents in making lending decisions: they filter out higher credit risks; set maximum amounts, weekly rates and terms of further credit availability; and can enforce a 'do not issue' decision.

Lending decisions at Vanquis Bank

By being highly selective about which credit card applications we accept and starting with low credit limits, we have ensured that our credit card meets the needs of the non-standard market. It also ensures that we issue our cards in a responsible manner.

Before we accept a customer we run a credit bureau check. This determines whether we accept the application and the credit limit we set. We also speak with the customer by phone before making a final decision. In 2010, we only approved 18% of Vanquis Bank credit card applications.

Each month we rescore every account based on payment behaviour and external credit bureau data. This score then informs credit, price and contact decisions.

We have a closer relationship with our customers than other card issuers. On average, we speak with every customer three times a year, more than four times as often as the average mainstream lender.

The APR of our products

We issue small loans over short terms. The APR on these loans can appear high. But APR was designed to compare more standard, longer-term loans and it is not a good measure for the type of loans we provide.

Our loans differ significantly from more mainstream loans; they are created around our customers' needs and circumstances.

What is important for our home credit customers is that all our charges and interest are included in a single fixed charge, which does not change. This transparent approach lets our home credit customers plan their finances and doesn't penalise them if something unexpected happens which means they miss payments.

Our Vanquis Bank credit card is designed with non-standard customers in mind. The higher-end APR of the card acknowledges the additional risks, while other features of the card, such as frequent contact, provide support to Vanquis customers.

The regulation of our business

The Provident Financial group is subject to various regulatory and supervisory regimes, including the Office of Fair Trading (OFT) in respect of our credit-granting businesses and the Financial Services Authority on account of the banking licence held by Vanquis Bank. Our business in the Republic of Ireland is subject to the authority of the Central Bank in the Republic of Ireland.

Jade

Vanquis Bank contact centre operative

"We take the time to talk to our customers so that they are always clear about the terms and conditions when applying for a credit card. We make sure that they are kept up-to-date with their payments by giving them regular reminders and always keeping them in the loop."



Current regulatory framework

Consumer Credit Act

The provision of credit is regulated by the rules set out in the Consumer Credit Act 1974 as amended (CCA). The main provision of this legislation ensures that the UK consumer credit market operates in the interests of consumers in a fair, clear and competitive way. Both home credit and Vanquis Bank are subject to CCA regulation.

The CCA and its supporting regulations set out detailed requirements covering: advertising, canvassing and the provision of pre-contract information to customers; the form and content of credit agreements; cancellation rights and early settlement rebates; debt collection procedures; and the granting of consumer credit licences.

Changes were made to the CCA and EU regulations in March 2010 to implement the 2008 Consumer Credit Directive, with a transitional period for businesses to comply with the new rules by 31 January 2011. The group implemented the required changes to its procedures in line with the prescribed timetable.

Compliance with the CCA is monitored nationally by the OFT and regionally by the local authority's trading standards department. Complaints can be taken to the Financial Ombudsman Service.

In Ireland, the regulatory framework consists of the Consumer Credit Act 1995 and the requirements of the Irish Financial Services Regulatory Authority's Interim Code of Practice. PPC is licensed to carry out business as a moneylender (as home credit providers are known in Ireland) by the Financial Services Regulatory Authority.

PPC and GPC are members of the home credit industry's trade association, the Consumer Credit Association. As members they are subject to the Association's Code of Practice and Business Conduct Pledge. These are voluntary codes which reinforce the statutory requirements contained in the CCA.

Credit and store card regulation

In March 2010, the Government and credit and store card companies entered into a Joint Commitment agreeing to implement five new rights for credit and store card users by the end of 2010. These included a right to repay against the highest-rate debt first; a right to control the level of credit limits; more time to reject interest rate increases; rights to clearer information to enable users to make comparisons and to deal more effectively with payment difficulties; and a ban on increases in credit limits and interest rates for those who are at risk of financial difficulties. Along with other credit and store card providers, Vanquis Bank made the necessary systems and other procedural changes to ensure compliance with the Joint Commitment.

Financial Services Authority

Vanquis Bank is subject to CCA regulation and, as a bank, is also regulated by the Financial Services Authority (FSA). In its supervisory role, the FSA sets requirements relating to capital adequacy, liquidity management and large exposures.

Being regulated by the FSA, Vanquis operates in line with the FSA's Sixth Principle, 'a firm must pay due regard to the interests of its customers and treat them fairly'. Vanquis fully embraces the FSA's Treating Customers Fairly (TCF) initiative and adheres to the six TCF outcomes:

- 1) Consumers can be confident that they are dealing with firms where the fair treatment of customers is central to the corporate culture;
- 2) Products and services marketed and sold in the retail market are designed to meet the needs of identified consumer groups and are targeted accordingly;
- 3) Consumers are provided with clear information and are kept appropriately informed before, during and after the point of sale;
- 4) Where consumers receive advice, the advice is suitable and takes account of their circumstances;
- 5) Consumers are provided with products that perform as firms have led them to expect and the associated service is both of an acceptable standard and as they have been led to expect; and
- 6) Consumers do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint.

The Bank's compliance committee, which is chaired by a non-executive director, continues to provide oversight in terms of how the TCF initiative is embedded across all areas of its business, with its TCF forum using a 'dashboard' to measure the Bank's progress against the six TCF outcomes.

The "3 Cs"

Character
the customer's intent to repay the loan

Capacity
the customer's ability to repay the loan

Condition
the stability of the customer's circumstances

As the parent company of Vanquis Bank, Provident Financial is the subject of consolidated supervision by the FSA. The FSA sets requirements for the consolidated group in respect of capital adequacy and large exposures but not in respect of liquidity.

Ensuring compliance

Regulations affect all parts of our business and we have a number of systems and groups in place to make sure we remain compliant.

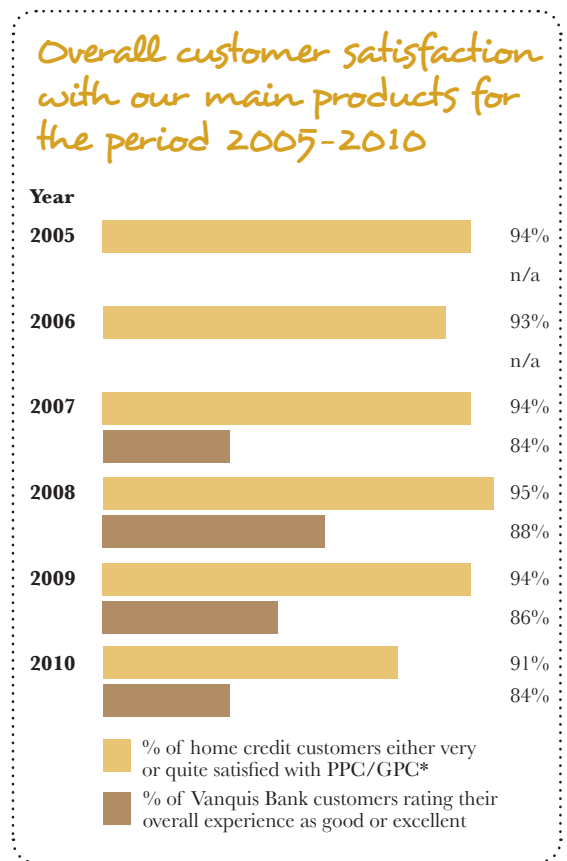
Our in-house legal teams ensure that our lending processes and procedures and our marketing activities comply with all relevant legislation. A number of committees and functions in both the Consumer Credit Division and Vanquis Bank ensure that all our businesses comply with legislation and that we lend in a responsible manner.

All relevant employees receive compliance training on a range of regulatory issues. This training is delivered to employees via our intranet-based learning management system or formal training sessions.

Maintaining high levels of customer satisfaction

Customer satisfaction is one of two key performance indicators we use to measure whether we are delivering our CR strategy at board level. High levels of customer satisfaction and a low number of customer complaints are good indicators of whether we are meeting our customers' needs and lending in a responsible way.

We continue to conduct regular customer satisfaction surveys and seek to resolve customer complaints quickly and professionally.





Our customer complaint handling process

1

The customer's complaint is referred to the customer relations team in either the Consumer Credit Division or Vanquis Bank.

2

The complaint is logged on the customer relations databases used in our subsidiary businesses and work is undertaken to resolve the complaint as quickly as possible.

3

If the complaint is not resolved within five working days, a letter is sent to the customer to acknowledge receipt of their complaint, explain that investigations are still ongoing and, where appropriate, request additional information.

4

By 28 days, details of the resolution of the complaint will normally be provided in a final response letter. If the complaint remains unresolved, an update letter will be sent to the customer.

5

Where no resolution is found within 56 days, a letter is issued which states that an investigation is ongoing and advises the customer of their right to refer their complaint to the Financial Ombudsman Service.

6

A final resolution letter is issued to the customer which provides a full account of the investigation and decision. The complainant is also reminded of their right to refer their complaint to the Financial Ombudsman Service.

7

If a complaint is referred to the Financial Ombudsman Service, the customer relations teams will liaise with the Ombudsman to investigate the complaint.

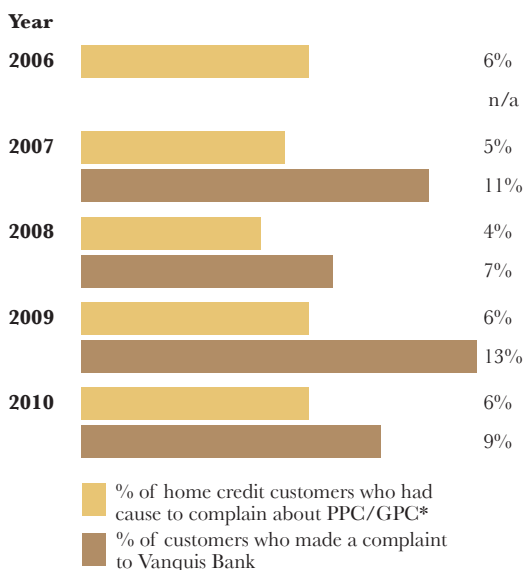
During 2010, the total number of complaints referred to the Financial Ombudsman Service was 441. Of these, 66 (15%) were upheld in favour of the complainant.

Customer relations

Both the Consumer Credit Division and Vanquis Bank have clear complaint handling processes and procedures. Our focus is always to resolve the complaint as quickly as possible. If customers are not satisfied with how we deal with their complaint, they can refer the complaint to the Financial Ombudsman Service.

The nature of the complaints made by our home credit customers relate mainly to the receipt of correspondence associated with arrears and the agent not calling. For our Vanquis Bank customers, they relate mainly to collections activity, full default fee refund requests and the Repayment Option Plan product, which enables customers to choose to miss one repayment every six months.

Home Credit & Vanquis Bank customer complaints for the period 2006-2010



The service we deliver is straightforward, personal and flexible. Our consistently high levels of customer satisfaction show it is an approach our customers welcome.

* Based on current and paid up tracker survey, September 2010, PPC and GPC customers. Monthly annual average data. Research conducted by Quaestor on behalf of the Consumer Credit Division

Supporting the money advice sector

Supporting the money advice sector is a significant part of our community involvement programme.

We support specialist partners to deliver financial education programmes. This involves working with organisations such as Credit Action and DebtCred to:

Develop money advice resources for those experiencing employment difficulties

- Our funding enabled the national money advice charity, Credit Action, to further develop its money advice resources, which help people to avoid uncontrollable debt and financial hardship. Credit Action added to its already popular 'Moneymanual' series and published guidance on savings and investment. The funding also enabled Credit Action make its entire 'Moneymanual' series available online for free.

Deliver financial education sessions to schoolchildren and college and university students

- Among other things DebtCred partnered with Young Enterprise to provide two days of financial education workshops to year 12 and 13 students from a number of schools in Bradford. The workshops provided students on the verge of moving onto higher education or into employment with financial management and life skills. For the third successive year DebtCred also collaborated with the Enterprise Business Partnership in the West Midlands to deliver a financial enterprise challenge as part of Global Enterprise Week to students from seven schools in Wolverhampton. The challenge was designed to raise students' awareness of enterprise skills, enable them to develop an understanding of economics and business, and learn more about money management.
- Our funding enabled Credit Action to continue delivering money advice training, workshops, seminars and one-to-one

help and advice sessions to a range of organisations, including schools, community centres, homelessness charities, faith-based groups and other organisations.

We believe that people who are having difficulty managing their personal finances should be able to access free, independent and quality-assured financial advice to help them make educated choices and improve their circumstances. We work with a wide range of organisations to support the money advice sector, in particular to:

Develop the capacity of the money advice sector

- We continue to support the post of corporate relations manager at the national debt counselling charity Christians Against Poverty (CAP). During 2010, this enabled CAP to develop links with organisations within the water industry to address the issue of indebtedness within this sector.
- Our support helped the money advice team at Citizens Advice Specialist Support to deal with 5,135 of the most complex cases brought to Citizens Advice bureaux and their partners. The clients involved were often dealing with traumatic situations, facing loss of their home, bankruptcy or court action. Specialist Support advisers help these clients, over the phone and online, with legislation, case law, court process, access to journals and tactics.
- In 2010, National Debtline provided assistance to 156,027 clients, 4% more than in 2009. The donation we made to National Debtline in 2010 covered the salary costs of the new post of Triage Officer. With this new post National Debtline can quickly handle simpler debt advice cases, with more complex problems referred to specialist advisers. The Triage Officer handled approximately 1,750 cases in 2010.
- Our funding to AdviceUK enabled it to deliver one-to-one development support to money advice organisations in the voluntary sector. This involved co-ordinating and supporting advice networks at the local, regional and national level, delivering training and representing members and members' interests to key stakeholders.



Support skills development within the money advice sector

- Through our funding, the Citizens Advice Specialist Support team delivered training and advice to money advisers. This included facilitating or contributing to 52 networking events; publishing 'Arian', a debt advice bi-monthly newsletter with a readership of over 2,100; and contributing to 'Adviser' magazine. The team also delivered over 100 training courses and were subject experts in the development of face to face training, and distance and e-learning through its partnership with the Money Advice Trust.
- Our funding enabled money advice Scotland (MAS) to maintain its status as an 'Approved Centre' to deliver Advice and Guidance Vocational Qualifications and Professional Development Awards in money advice. These qualifications are validated by the Scottish Qualifications Authority and enable MAS to raise the standard and quality of money advice in Scotland.

Share best practice within the money advice sector

- We provided funding to the Money Advice Liaison Group (MALG) to support the meetings that they held through the course of the year. MALG is a forum which seeks to promote communication, best practice, understanding and professionalism among organisations and agencies involved in consumer credit and debt, money advice, debt collection and related matters.
- We supported the annual Money Advice Scotland conference in 2010 which was attended by almost 250 delegates from a range of money advice, debt collection and insolvency organisations. The conference is the largest training event of the year for the money advice and debt collection sector in Scotland.
- Our funding contributed to supporting AdviceUK's National Money Advice Co-ordinator who has responsibility for money advice policy and strategy at AdviceUK and providing practical support to its network of members. In particular, this focused on dealing with consultancy enquiries from members, organising its third annual conference and writing regular email bulletins for the money advice members of the AdviceUK network.

Deliver money advice to consumers

- We continue to support the charity the Consumer Credit Counselling Service (CCCS) to assist people in financial difficulty by providing them with free, independent, impartial and realistic advice. We do this by making a 'fairshare' contribution to the charity of almost 12% of any payment we receive from a customer who has entered into a debt agreement plan with the CCCS. During 2010, the 'fairshare' contributions we made to the CCCS amounted to £130,888 (2009: £118,461).

- We also make fairshare contributions to Christians Against Poverty (CAP) of almost 12% of any payment we receive from a customer who has entered into a debt agreement plan with CAP. These contributions enable CAP to deliver debt counselling via its network of 125 centres which are based in local churches across the UK. During 2010, we paid £7,523 in fairshare contributions to CAP (2009: £4,907).

Supporting research into our sector

For many years, we have supported collaborative research into a range of issues that are relevant to our sector. The main focus of this research is to understand the financial behaviour of consumers on lower incomes which, we believe, is of interest to a range of stakeholders, including other financial service providers, regulators and Government departments. The research we support also contributes to increasing the quality and availability of free, independent money advice in the UK. During 2010, we part-funded the following research projects:

- **Financial behaviour and outcomes of those on low incomes:** The Social Market Foundation analysed the findings of the Office National Statistics' UK Wealth and Assets Survey, which gathers information on the economic well-being of households and individuals in Great Britain. The aim is to better understand the financial behaviour of those on low incomes. The findings from this research will be published in 2011.
- **Open Economics – a research project on economic literacy:** The think-tank Demos explored, among other things, how much those on low or middle incomes understood economic concepts and engaged in wider questions on the economy. The resulting report can be viewed at www.demos.co.uk/publications/openeconomics.
- **Towards a nation of savers: understanding capacity, desirability and motivations for saving on a low income:** The Personal Finance Research Centre, an independent research institute based at the University of Bristol, is examining how people on low incomes can be encouraged to save money formally and how to encourage people who are not saving to prioritise saving over spending. This research will be completed and published in 2011.



{ OVER 3,200 hours were volunteered by Provident employees in 2010 }

our people

We employ over 3,700 people across the UK and Ireland, and by helping them to achieve their potential we also help our business to flourish. We want to attract, develop and retain the best people by providing a working environment that is safe, inclusive and meritocratic, and where behaviours aligned with our core values are recognised and rewarded. Our aim is to promote a culture where everyone is encouraged and supported to do their best to meet our business objectives and their own personal goals.

Targets

2010

Promote a revised absence management policy and guidance within the Consumer Credit Division.

Achieved – A revised absence management policy, and accompanying guidance documentation and training was rolled out to all line managers during late 2009/early 2010.

Continue to operate employee recognition schemes across the Provident Financial group.

Achieved – Throughout 2010, both operating divisions continued to operate a range of recognition schemes (see page 30 for more information).

Continue to deliver leadership and management development training across the Provident Financial group. **Achieved – Throughout 2010, Level 3 and Level 5 Chartered Management Institute-accredited and Institute of Leadership and Management-approved programmes were delivered to employees across the group.**

Roll out a Clerical NVQ to staff in the Consumer Credit Division. **Achieved – During 2010, an NVQ was launched to clerical staff.**

Promote a revised diversity strategy and define benchmark measures within the Consumer Credit Division. **Achieved – A diversity policy was signed off by the Division's board during 2010 and a diversity survey undertaken to benchmark our diversity performance.**

2011

Review and update our diversity training to ensure employees understand their responsibilities and the benefits of a diverse workforce.

Make proposals to promote diversity in the business and improve the diversity performance of specific parts of the business.

Review the recruitment process to identify the benefits and constraints of monitoring the diversity of applicants and appointments.

Employee insight *Natalie, Vanquis Bank contact centre operative*

"From day one we have much more regular contact than the average credit card issuer. We aim to get to know our customers so we can understand their priorities and assist them if they have any problems or queries."

Our HR functions are responsible for the development and delivery of a wide range of policies that are material to our employees. These include policies on equal opportunities, training and development, and health and safety. They also ensure our people are engaged and informed so that they can do their jobs, take advantage of opportunities to develop and get involved in our CR programme.

Organisational change

In 2009, we decided that due to difficult market conditions, our direct repayment loan products would be restricted to known home credit customers. As a result, we no longer needed separate Real Personal Finance management, sales and collections teams, which led to 190 positions becoming redundant in 2010.

To ensure that the redundancies were handled in a fair and transparent way, the Consumer Credit Division undertook a 'Formal Collective Consultation' via its Business Consultation Group (BCG). This was carried out in addition to the consultation that took place with the trade unions that are recognised by the Division (go to page 31 for more information). Through this consultation process, the BCG engaged with senior management to discuss the redundancy proposals in detail and to consider the implications and options for colleagues that were affected. The BCG also made representations to management on behalf of employees.

As a result of the consultation, we provided support to help individuals affected by the redundancies find alternative employment. This included workshops to help employees to develop their CV and practise interview techniques.

Ensuring a diverse workforce

We are committed to providing a working culture that is inclusive. To do this we embed the latest thinking on equal opportunities into our recruitment, employment, training and remuneration packages.

In 2010, we did a significant amount of work to understand diversity in the Consumer Credit Division. This included developing a new diversity policy, which has been signed off by the Division's board, and conducting a diversity survey of both the Consumer Credit Division and our corporate head office. The survey has enabled us to collect more accurate, up-to-date information on our employees as well as collect new information, such as our employees' religious views and beliefs.

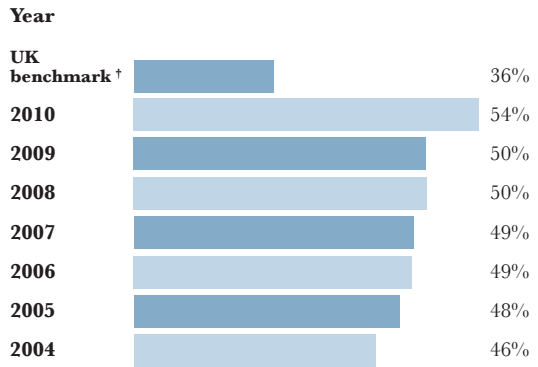
The survey in particular allowed us to collect more up-to-date information on disability in our workforce. 2.6% of employees declared a disability in the survey compared to just 0.06% in 2009. Despite this increase, we still need to do more to improve disclosure in this area particularly as, according to the Office for

National Statistics, 20% of the workforce in the UK has some form of disability.

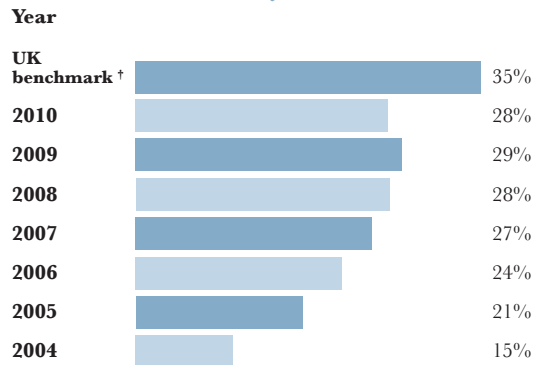
Employees from across our business who have a disability are encouraged to discuss their requirements for reasonable adjustments in their working environment with their line manager and our HR officers. We are a member of the Employers' Forum on Disability which enables the business to access up-to-date research and advice on recruiting and retaining disabled employees. Through this we receive regular bulletins which are forwarded to all HR personnel.

We are using the information collected in the survey to benchmark our performance, develop an action plan and make improvements. During 2011, we will review and update our training programmes and include information on the benefits of having a diverse workforce, and set out line managers' responsibilities in managing workplace diversity issues.

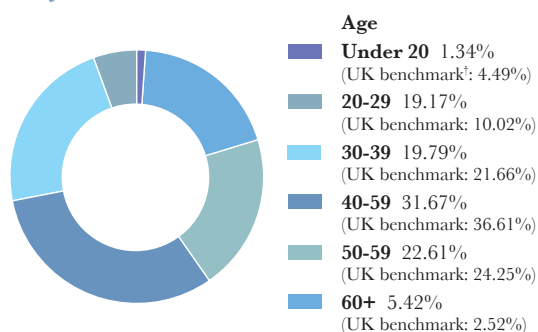
Female staff



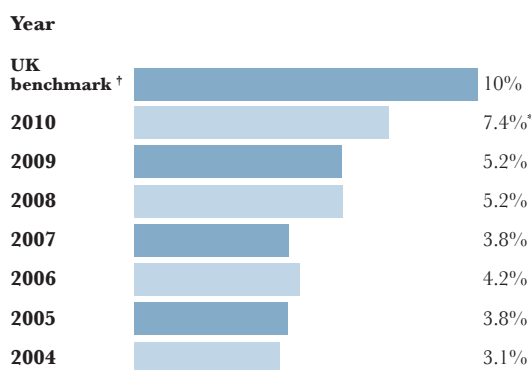
Female managers



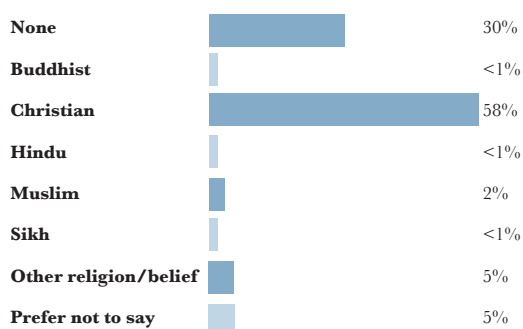
Age of staff



Staff from black and minority ethnic (BME) groups



Proportion of Consumer Credit Division and corporate office staff identifying a religion or belief*



* This figure is based on a 65% response rate to a diversity survey that was carried out across the Consumer Credit Division and corporate office in 2010.

† Office for National Statistics Annual Population Survey (July 2009 to June 2010).



Training and developing our people

A key role we have as an employer is to ensure that our people are trained and developed. This enables our employees to develop personally while contributing to the success of the business. We provide all kinds of training to help our employees understand our businesses, do their jobs and develop, including induction, role specific and compliance training.

Compliance is vital to protect our customers and our licence to operate. All relevant staff are required to complete compliance training so that they understand and operate within the legal requirements affecting our business.

To help develop our people we have formal career development and appraisal processes within our operating divisions to discuss and identify training and development needs. This is supported by accredited leadership and management programmes in both operating divisions. The Consumer Credit Division delivers programmes that are accredited by the Chartered Management Institute (CMI), and Vanquis Bank runs programmes approved by the Institute of Leadership and Management.

The Consumer Credit Division gained accredited status from the CMI in 2010. As a result, we are able to offer bespoke in-house management training courses which give our employees nationally recognised qualifications. We trained a team of nine employees to be CMI lecturers and assessors so they can now deliver unique training programmes designed around our business operations. In addition, 175 of Consumer Credit Division's branch staff received or are working towards a Clerical NVQ.

During 2010, employees received a total of 8,360 (2009: 10,511) training days. This equates to 2.4 days (2009: 3.0 days) of training per employee. This is below the UK median figure for the private sector which, according to the Chartered Institute of Personnel and Development (CIPD), stands at 4.27 training days per employee. The decrease in the amount of training during

2010 was, in part, due to requests for 'non-business-critical' training being turned down during the organisational changes that took place within the Consumer Credit Division during early 2010 which resulted in 190 redundancies.

Salary and benefits

Job grade	Description	Average salary paid
1	Director and senior executive	£199,309
2	Senior managers	£78,433
3	Other managers	£39,010
4	Other employees	£19,219
5	All employees	£25,018

Salary, benefits and rewards, both financial and non-financial, are great motivators and help us attract and retain the right people for our company. We provide our employees with a range of benefits, including: childcare vouchers, holidays (over the statutory requirement), and bonus and incentive schemes. These benefits are available to all full-time and part-time employees.

We operate a savings-related share option scheme which encourages employees to save money to buy shares in the company. There are currently 1,398 (2009: 1,419) employees saving money through this scheme.

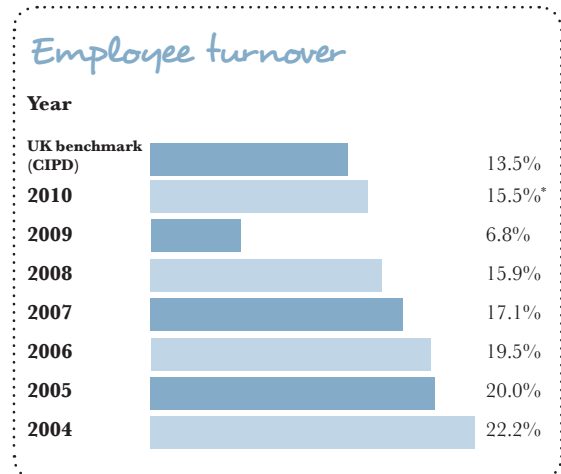
Two pension schemes are in operation across the Provident Financial group. These are the final salary and cash balance sections of the Provident Financial Staff Pension Scheme, and the PFG Retirement Plan. The final salary section of the Provident Financial Staff Pension Scheme was closed to new members in 2003, and in 2006 existing members had to either make higher contributions or transfer to the cash balance section of the scheme.

In 2010, we replaced the Provident Financial Stakeholder Pension Plan with the PFG Retirement Plan which is managed by Standard Life and is open to all new employees. Under this plan, employees can choose to invest their pension contributions in an ethical fund which incorporates social, ethical and environmental as well as economic considerations.

Both divisions operate non-financial reward and recognition schemes. In the Consumer Credit Division, 'Simply Say Thank You' and 'Going the Xtra Mile' recognise the achievements of staff in our home credit business, while a 'Top Performer' award recognises contributions that have had a positive impact on the business.

Employee turnover

Managing employee turnover is an important business issue. High levels of turnover can highlight or cause problems and is costly, resulting in a loss of skills and knowledge as well as increasing recruitment costs. Our employee turnover rose in 2010 to 15.5% from 6.8% the previous year. One of the reasons for this increase was the organisational change which resulted in 190 redundancies.



Health, safety and well-being of our people

We are committed to operating our businesses in accordance with health and safety legislation and maintaining a healthy and safe working environment for our employees.

The health and safety steering groups in both divisions oversee the management of health and safety in our business. They generate regular reports on our health and safety performance, which is then reported to the Provident Financial board. Health and safety representatives across our businesses ensure that initiatives are implemented and that health and safety activities are carried out. During 2010, there were no fatalities or major injuries across the Provident Financial group.

Provident Financial accident rates 2010	
Total number of reportable accidents*	7
Number of reportable accidents per 100,000 employees	205
Total number of non-reportable accidents	141
Number of non-reportable accidents per 100,000 employees*	4,128.7

* A reportable accident is defined under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 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; or major injuries or fatalities.

A range of activities is delivered throughout the course of any year to raise awareness of health and safety. These include personal safety weeks, the inclusion of health and safety in our induction processes and employee handbooks, and health and safety training. We also have a range of policies and processes to promote the health and well-being of employees and reduce absence.

To support and promote our employees' well-being we run an Employee Assistance Programme. The programme is operated by an external company and is open to all employees and their family members. It provides support on issues like bereavement, legal matters, medical information and stress.

Managing absence

During 2010, both the Consumer Credit Division and Vanquis Bank worked to address workplace absence. This included continuing to train line managers on how to manage employees' performance and guidance on collecting, collating and reporting absence data. This enabled both of our operating divisions to reduce the average number of days lost to absence per employee.

Business unit	Average number of days lost to absence per employee
Consumer Credit Division and corporate office	7.1 (2009: 7.6)
Vanquis Bank	7.5 (2009: 9.2)
Average for financial services organisations (CIPD)	5.1

Whistleblowing

Safecall is our business-wide whistleblowing policy and procedure. It includes a 24-hour whistleblowing helpline which is operated by an independent third party to ensure impartiality and confidentiality. Information about Safecall is available on our intranet and on notice boards. In 2010, eight calls (2009: 17 calls) were received all of which have been investigated and resolved internally, and reported to the board's audit committee.

Effective communication plays an important role in ensuring our employees are engaged and informed about what our business is doing. We use a range of channels to communicate across our businesses.

Trade union recognition

Two trade unions are recognised by the Consumer Credit Division - Unite and USDAW. The trade union representatives are consulted and negotiated with by the company where applicable, for example, during the organisational changes in the Consumer Credit Division during early 2010. Details about trade union membership and rights are provided to employees during the induction process, in a clause in their contracts of employment, and in employee handbooks.

Communicating with our people

Effective communication plays an important role in ensuring our employees are engaged and informed about what our business is doing. We use a range of channels to communicate across our businesses including an intranet, employee newsletter and e-bulletins directed at particular groups of employees.

But communication is a two-way process and we are keen to listen and act on our employees' thoughts and suggestions. Both divisions have a formal employee representation group to ensure employees' views are provided to management and included in the decision-making processes. These are:

- The Consumer Credit Division's Business Consultation Group (BCG) which is made up of 25 elected representatives from across the Division.
- Vanquis Bank's Employee Forum, which is made up of seven representatives who are elected every two years.

We also consult with our employees about specific issues. For example, we set up a forum during 2010 to gather feedback on the development of our new head office and carried out an employee survey to help develop a travel plan for the new site.





{ £89.7m our total procurement spend }

our suppliers

Our supply chain is a significant part of our CR footprint. We aim to purchase products and services that are ethically sound and have good sustainability credentials. When selecting suppliers we consider their social, environmental and economic performance alongside cost and other factors.

Targets

2010

Continue to build corporate responsibility requirements into invitation to tender documents and new/renewed supplier contracts.

Achieved – See page 34 for more information.

Undertake corporate responsibility spot-checks of selected existing suppliers.

Partial progress. During 2010, a corporate responsibility spot check was undertaken of one of our waste management suppliers.

2011

Gather information on the CR performance of the Consumer Credit Division's top 100 suppliers.

Identify opportunities to help suppliers local to our head office improve their environmental performance.

Continue to ensure that our suppliers are paid within their agreed terms.

Review courier arrangements in the Consumer Credit Division to identify opportunities to improve our environmental performance.



In 2010, the procurement spend of the Provident Financial group was £89.7million (2008: £87.7 million).

Prompt payment

We are committed to treating our suppliers fairly and with respect. We specifically focus on paying for goods and services promptly as late payment can cause serious cash flow problems, especially for small businesses.



Embedding CR within our supply chain

Our commitment to embed CR within our procurement processes is set out in a corporate policy on procurement and outsourcing which was published in June 2010.

Among other things, the policy states that the procurement process must consider the supplier's ethical management processes, environmental policies and other corporate responsibility practices to ensure there are no conflicts with our culture, policies and core values.

Our subsidiary businesses have a range of complementary procedures which set out how our procurement teams should ensure that their activities take account of these policy requirements.

New head office

The CR assessment process played a key role during the design and development of our new head office. It enabled us to ensure that the premises were designed with sustainability in mind. But it helped us to go beyond that and ensure the facilities inside the building, for example waste management arrangements, also took account of the environment. While the CR assessments were a useful tool we also went a step further and conducted site visits to assess potential suppliers' processes and procedures.

Assessing supplier CR performance

To support procurement decisions, we include a self-assessment CR questionnaire at the pre-qualification and invitation to tender stages of our procurement process. The questionnaire covers issues such as business integrity, governance, environmental performance, equality and diversity, and health and safety. If issues of non compliance are identified they are referred to the group CR manager.

Next year we intend to conduct a CR assessment of the Consumer Credit Division's top 100 suppliers using our self-assessment questionnaire. The assessment will focus on raising supplier awareness of our CR commitments and gaining social and environmental information on the products and services we buy.

We will also review the courier arrangements, which are used within the Consumer Credit Division to transfer business documents across the Division's branch network, to determine whether we can make environmental improvements by eliminating unnecessary courier journeys.



Supporting local businesses

In 2010, we entered into a three-year partnership with the Bradford Chamber's Better Business Environment Forum (BBEF) to promote environmental awareness and good practice among businesses local to our head office. The aim of the partnership is to help businesses work more efficiently and make cost savings.

Through this partnership we will be able to provide support to our local suppliers, many of whom are small to medium-sized enterprises. In addition to providing information on environmental legislation and best practice, our support will help connect local businesses to organisations that provide energy efficiency and waste minimisation solutions. The partnership will also encourage local businesses to learn from each other through regular networking and training sessions.

We are committed to treating our suppliers fairly and with respect. We specifically focus on paying for goods and services promptly as late payment can cause serious cash flow problems, especially for small businesses.





{ 2,728

people have benefitted from
the services provided by the
community partners that are
supported by Good Neighbour }

community

We have a long history of investing in the many communities we serve. This is built into both our mission statement and into the strategy that guides how our business operates. It is not an add-on or afterthought but an integral part of our business strategy and our overall CR programme. Our community investment applies to all areas of our business and takes the form of funding, sponsorship, charitable giving and employee volunteering activities.

Targets

2010

Introduce an independent researcher to monitor the outcomes and impacts achieved from our principal community programmes.

Achieved – An independent researcher monitored the impacts of our community programmes, see page 41 for more detail.

Identify locally-based managers to develop the relationships with each of our principal community projects within the Good Neighbour programme.

Partial progress – Locally-based managers are managing relationships with partners in 80% of our principal community projects.

Work with locally-based managers and the principal community partners within the Good Neighbour programme to identify areas where we can add value in addition to our technical support.

Partial progress – Added value support has been provided to approximately 60% of our principal community projects.

Introduce one new major project in each of our operating divisions in 2010, with an overall aim of having established support for at least 18 projects by the end of 2010.

Achieved – We have 22 projects including one new project in each of our operating divisions. See page 39 for more detail.

2011

Increase the number of three-year funded projects from 22 to 30.

Publish output and impact data for the Good Neighbour programme.

Implement the LBG measurement and evaluation standard on the Vanquis Bank community programme.

Monitor the impact of national and local government cuts on our community partners.

Review all one-off employee volunteering projects carried out in 2009 and 2010 and investigate the potential of providing further support.

.....



Rich
from *The Joshua Project*

"The demand for the project is ever expanding and with Provident's help we have been able to reach more young people in the area. Our hope is to see the aspirations of a rising generation lifted beyond hopeless circumstances, thus enabling the young people we work with to have a positive impact on their community, city and nation."



Our approach to community involvement

The strategy behind our community involvement activities is simple and has stood the test of time for the past ten years or so. It comprises two strands:

- Helping to address the social inclusion needs of people who live in deprived communities.
- Working with the money advice sector on issues such as financial education (see page 24 of the 'Our Customers' section).

The vast majority of our community involvement activities are delivered through our Good Neighbour programme. Good Neighbour was established in 2009 as our flagship community programme, and delivers activities in three ways:

Local community project support We identify and support projects for one or three years through our offices and employees across the country, which address issues that are relevant to the needs of the community.

Employee volunteering We encourage our employees to take part in a range of company-led volunteering initiatives.

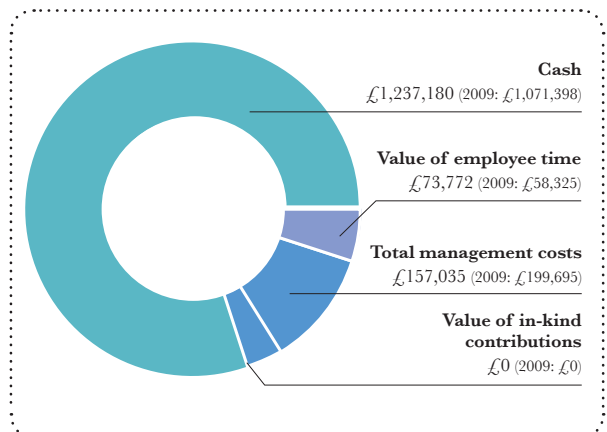
Employee matched-giving Employees can apply for funding and volunteering grants to match the fundraising and volunteering activities they undertake outside work.

In addition, Vanquis Bank runs its 'Active Community Programme' which delivers activities at a local, national, and international level. The local and national elements of the programme mirror the approach taken by Good Neighbour – supporting local communities and encouraging employees to take part in volunteering initiatives.

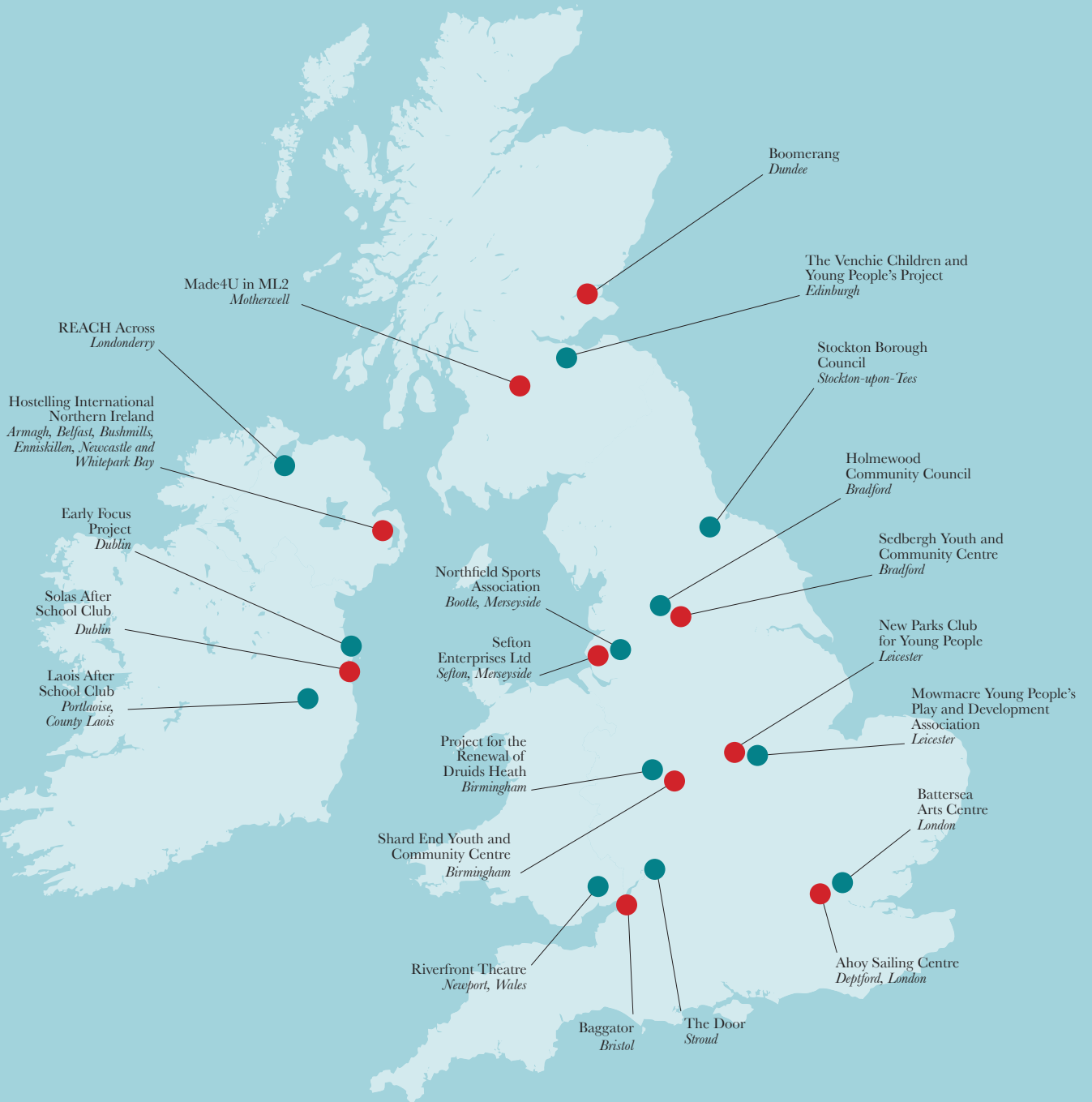
At the international level, Vanquis works with the charity 'Teach Africa', which provides poor children in Nairobi, Kenya with an opportunity to attend secondary school. Each year five employees are selected through an interview process to travel to Nairobi along with employees selected in previous years to help administer the scholarship programme.

Investing in our communities

In 2010, we donated £1,467,987 to charities and community programmes (2009: £1,329,417). £1,190,619 (2009: £1,046,841) went to charities and £277,368 (2009: £282,576) supported community programmes (based on the London Benchmarking Group's guidelines).



Our approach to community involvement



- 2009 three-year projects
- 2010 three-year projects



During 2010, we established twelve new, three-year projects across our operating divisions. This brings the total number of three-year projects to 22, addressing a wide range of social inclusion issues. The new three-year projects are:

The Venchie Children and Young People's Project serves the Craigmillar area of Edinburgh and runs activities based around play, recreation and issue-based youth work. Our funding will support the continued delivery of their breakfast club. The club provides schoolchildren, who have been referred to the programme by school home liaison workers, with a pick up service, a healthy meal to start the day and last minute help with homework. The programme will help improve attendance records and levels of educational attainment of children from hard to reach families.

REACH Across aims to create cross-community contact between young people aged 14-17 from Londonderry, Tyrone, and Fermanagh through personal development training, residential camps, weekly group meetings and international exchanges. Our funding will support a contact programme that will include courses on first aid, art and drama; a personal development programme; and an international exchange project.

The Door is a Christian-based youth project working with young people aged 11-25. In 2009, we provided one-off funding to support the 'Light at The Door' mentoring programme which supported young people through difficult times by helping them with anger management and self-esteem issues, and giving them practical help to find employment. Our funding will support a programme of family mentoring, parenting courses and counselling.

The Holmewood Community Council is a resident-led community group which works on behalf of all the residents of the Holmewood estate in Bradford. We are providing funding for the organisation's administrator role and a range of healthy living initiatives for local schools and community groups, including 'Walking for Health' sessions and a 'Grow Your Own' project.

Mowmacre Young People's Play and Development Association aims to reduce crime and anti-social behaviour and increase community cohesion by promoting the personal development of young people through sports, arts and crafts activities. Our funding will support the refurbishment of the Association's building and facilities and enable it to continue to develop and deliver arts-based initiatives.

Project for the Renewal of Druids Heath contributes to the regeneration of Druids Heath housing estate on the outskirts of Birmingham. We are part-funding the Project's regeneration worker who will develop an initiative to increase the training and skills opportunities that are available to residents on the estate.

Laois Partnership delivers three after-school programmes in County Laois. The Partnership aims to increase levels of attendance from school children in disadvantaged communities by providing homework assistance, educational and sporting activities, and supporting the development of social and group skills. Our funding will help the Partnership to

deliver the services it offers and support a dance project aimed at residents of all ages, including those with disabilities.

Stockton Borough Council is currently delivering an initiative to improve the park and open spaces in a number of residential areas. Our funding will support improvements to the park such as making entrances more welcoming, creating wildflower meadows, providing picnic and seating areas and interpretation boards, as well as creating wildlife and heritage trails. The first year's funding will support the development of a much-needed play area on a currently underused open playing field.

Northfield Sports Association provides sport coaching for young people aged 6-18 in Sefton, Liverpool. Our funding will support the introduction of a Community Development Officer who will represent various groups in the community and assist in areas such as health and welfare as well as introduce new programmes such as CV-writing, IT and drop in centres.

The Early Focus Project is based in the Mater Dei school and works with vulnerable children from the Basin Lane area of Dublin to ensure that they are included in the education process. Through our support, the project will provide nutritious food to the schoolchildren and help them participate in school activities. It will also engage with parents to help them play an active role in the development of the children.

Battersea Arts Centre (BAC) and Provident have worked together for many years under Spark, our previous community involvement programme. Our funding will support 'Open Thursdays', free creative workshops aimed at young people aged 12-25 years. The initiative will work with partner secondary schools and youth offending teams. BAC will also deliver outreach sessions in local youth clubs and community centres. The initiative will provide an environment where young people can develop skills, make new friends, and build self-confidence and self-esteem. This will help them to feel a part of their local community and be less likely to commit anti-social behaviour.

Riverfront Theatre and Provident worked together under our previous flagship community programme, Spark. We are supporting the Theatre's 'Aspire' project, which will deliver arts education activities to eight primary schools, a special needs school and a number of community groups across Newport. The activities will provide children from disadvantaged communities with opportunities to develop new skills which will improve their self-confidence, self-esteem and transferable skills and contribute to improving their experience of school.

In 2010, we also provided one-off funding to a range of projects across the UK and Ireland, including:

- the African Caribbean Leadership Council to support its 'Post Code Wars' project which is designed to give young people from Tottenham, Wood Green and Hornsey skills in film-making
- Keighley and Ilkley Voluntary and Community Action initiative to fund the purchase of new office equipment and furniture
- the Veronica House Project to support its 'Breaking The Cycle' initiative which will deliver therapeutic sessions to children who have been seriously affected by domestic abuse.

The results of being a Good Neighbour

As we were in the second year of Good Neighbour, we took the opportunity to evaluate the community involvement activities that were started in 2009. This is an important part of managing our community involvement programme. We want our funding to have real and meaningful impacts and by evaluating the work of the charities and projects we support we can measure those impacts. This helps us to ensure we are 'playing a positive role in the communities we serve.' The evaluation is undertaken by an independent researcher.

In 2009, 10 community partners benefited from a three-year grant under the Good Neighbour programme. As a result of our support:

2,728

people benefitted from our community partner's services.

2,278

people experienced a positive change in their behaviour or attitude.

706

people developed new skills or an increase in their personal effectiveness.

1,617

people experienced a direct positive impact on their quality of life.

£140,260

of additional matched-funding and donations were secured by community partners as a result of Good Neighbour support and decisions are pending on a further £139,000 of funding.

Nine

community partners rated their relationship with Provident as 'Excellent'. One rated it as 'Good'.



Employee volunteer insight

Rani, contact centre operative

"I led my team in a challenge to create a flower bed, paint fences and tidy the grounds of a local residential home. It was a refreshing change from our usual work routine and a great way of improving team skills and team morale whilst making a worthwhile contribution to our community. It was really satisfying to see what we had achieved and we eagerly await our next challenge!"

In the first year of working with Good Neighbour our community partners reported the following results which have been delivered through, or helped by, our funding:

Boomerang

- 40 adults have undertaken courses to improve their IT skills. Some are gaining qualifications and it is expanding their social life.
- The No. 1 youth café was launched in February 2010 and is open two evenings a week.
- Boomerang has attracted more funding, introduced new activities and raised its profile locally.
- Boomerang is observing the beginnings of integration between young and older people in the area.

Baggator

- Two summer residential camps to Exmoor have been organised.
- A vegetable garden has been set up and is being used by local people.
- The bike maintenance club has been able to continue.
- More people have visited Baggator as a result of its Family Fun Days.
- A Friday night music club night has been introduced.
- Floodlights have been installed at the sports premises.



Shard End Youth and Community Centre

- The youth workers have detected fewer incidences of illegal motorcycle riding in the community.
- The youth workers have been approached by young people interested in gaining accredited qualifications and learning to ride legally.



The Ahoy Centre

- The 'Shipmates' programme has continued.
- Volunteers can now get a new level of award – The Platinum Award.
- The local Provident team raised more than £4,000 sponsorship for Ahoy.

New Parks Club for Young People

- The youth club is open for an increased number of hours.
- The programme of activities has been extended and skills development opportunities are being provided.
- The club has improved its facilities and raised its profile in the community.
- The club has attracted an additional £6,000 of funding from other sources.

Made4u in ML2

- The existing programme of activities has been maintained and a range of new projects has been developed to support different groups in the local community.
- Family summer outings have been organised.
- Extended funding from Provident Financial has enabled Made4U in ML2 to move to improved premises.

Sefton Enterprises Ltd

- 20 young people were taken on a five-day outward bound trip to Snowdonia in September 2009.
- Nine young people and two employees crewed and sailed a ship from Alicante, Spain.
- Some of the funding has been used to employ a part-time community engagement officer.
- A technician has been employed who has since gained his first qualification towards a career in learning and teaching.

Solas After School Club

- The club plans to expand its services and reach more 8–12 year old children over the next three years, because of the more secure funding.
- The club has secured more Government funding and has raised its profile locally.

Hostelling International Northern Ireland

- HINI has developed a relationship with six of the seven groups who took part in the year one programme.
- 145 people took part in an outdoor activity break and feedback from the groups highlighted a range of benefits achieved.
- Some of the groups from different backgrounds were integrated to facilitate cross-community contact.

Sedbergh Youth and Community Centre

- A wide range of new activities and groups aimed primarily at young people and senior adults were introduced.
- A group of nine young people of sixth-form age has volunteered to help.
- A project coordinator has been employed.
- More people are using the facility because of the increase in activities and the raised profile of the centre.



We want our funding to have real and meaningful impacts and by evaluating the work of the charities and projects we support we can measure those impacts. This helps us to ensure we are 'playing a positive role in the communities we serve'.



Employee volunteering

Through Good Neighbour and Vanquis' Active Community Programme, we encourage our employees to participate in their communities and offer them volunteering opportunities and matched funding.

Employees are able to participate in team challenges which seek to address local community needs, a reading scheme to provide one-to-one support to children in need of additional reading assistance, and other volunteering initiatives in their community. During 2010, 615 (2009: 604) employees from across the group got involved in volunteering initiatives.

Our employees' contributions

In 2010, we evaluated our reading scheme and team challenges to understand the impact of our volunteering activities:

59

children at seven schools benefited from the reading scheme

20

employees volunteered to read with local schoolchildren

447

hours were volunteered by Provident employees during work hours

30

children experienced a positive change in their behaviour or attitude

42

children developed new skills or increased their personal effectiveness

33

children experienced a direct positive impact on their quality of life

100%

of Provident readers enjoyed their experience, rating it either four or five out of five

80%

of Provident readers said their experience improved their sense of well-being and satisfaction

69%

of Provident readers felt that the children had a greater interest in reading/books

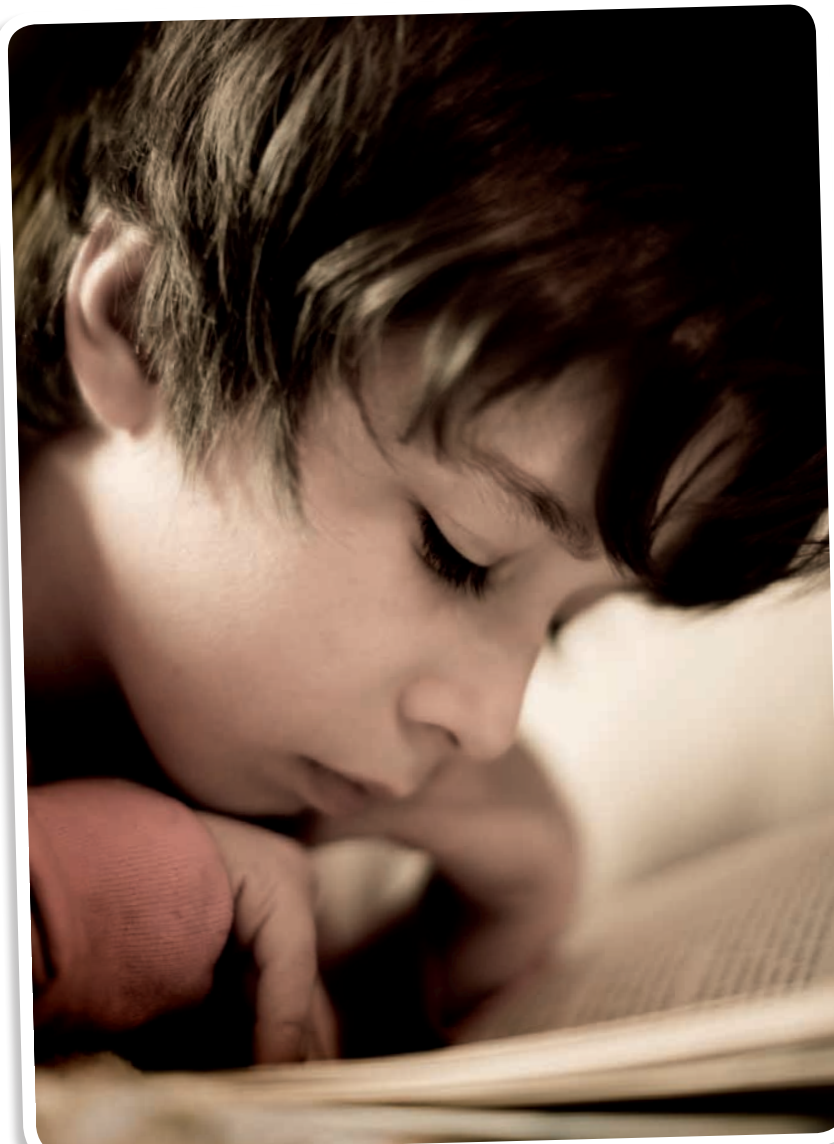
Every school

rated their relationship with Provident as 'excellent' or 'good'. Teachers commented positively about contact they have with Provident employees



One child, due to very poor attendance, had very little confidence with reading. He felt very uncomfortable reading in a group. After a few one-to-one reading sessions with the volunteer his confidence increased. He became more interested in reading and looked forward to his weekly sessions.

Swain House Primary School



Team challenges

19

Provident team challenges took place in 2010

3484

people in the local community will benefit directly from the improvements made by the Provident teams

258

Provident employees took part in the challenges

3,202

hours were volunteered by Provident employees

71

Provident employees improved their job related skills

109

Provident employees increased their sense of well-being, satisfaction and/or understanding of community issues

85%

(220) of volunteers and 87% (34) of team leaders felt they had made a positive contribution to the community

73%

of community partners rated the Provident teams as 'excellent'. The remaining organisations rated the teams as 'good'

The team challenges will benefit a wide range of people in the community from children and young adults through to families and older people

.....



{ 13% reduction in energy use across the group based on 2008 levels }

environment

The impact our business has on the environment is low compared with businesses in other sectors. Despite this we are committed to managing our environmental performance to keep our impact to a minimum. We do this by managing our CO₂ emissions from our energy use and travel, and reducing our waste to landfill, paper consumption and water use. We also encourage our employees, suppliers and customers to reduce their environmental footprint.

Targets

2010

Energy

Reduce energy consumption by 10% by 2011 and 15% by 2013 based on 2008 levels.

Achieved – During 2010, group energy use reduced by 13.2% based on 2008 levels (see page 49 for more information).

Continue to roll out automatic meter reading ('smart meter') systems to the Consumer Credit Division's branch offices.

Achieved – See page 49 for more information.

Re-launch the Provident Financial low carbon strategy to encourage further energy efficiency and carbon offsetting.

Partial progress – While a number of low carbon strategy activities were undertaken during 2010, the strategy itself was not formally re-launched.

Transport

Develop a travel plan for Provident's new head office in Bradford.

Achieved – A travel plan has been developed (see page 50 for more information).

Include advice on 'green' driving in Provident's fleet policy guidance.

Achieved – This advice was included in the fleet policy guidance that was published during 2010.

Implement a car-sharing scheme at Vanquis Bank's offices in Chatham, Kent.

Not achieved – This target was not pursued during 2010 as the informal car-sharing arrangements that were introduced during 2009 proved to be effective.

.....

Paper

Increase the amount of paper recycled across the Provident Financial group by 20% by 2011 based on 2008 levels.

Achieved – During 2010, the percentage of paper we recycled as a proportion of the paper we used during the year increased 61% based on 2008 levels (see page 51 for more information).

Water

Ensure that water efficiency measures are integrated within Provident's new head office in Bradford.

Achieved - See page 49 for more information.

Waste

Establish a baseline for the amount of confidential waste recycled across the Provident Financial group.

Achieved - See page 51 for more information.

Measure the carbon footprint associated with our waste management activities.

Not achieved – This target will be pursued during 2011.

Communications and stewardship

Encourage individual employees to reduce their environmental impacts via continuing use of an awareness-raising intranet, poster campaign and internal bulletins with particular emphasis on recycling, energy efficiency and waste reduction.

Achieved – During 2010, we continued to use a range of communication mechanisms to engage our employees on environmental matters.

Continue to engage with customers on relevant environmental issues (eg energy efficiency).

Partial progress – During 2010, we continued to provide our customers with energy efficiency advice via our customer-facing websites.

2011**Energy**

Reduce energy consumption by 15% by 2013 based on 2008 levels.

Continue to roll out automatic meter reading ('smart meter') systems to the Consumer Credit Division's branch offices.

Greenhouse gas emissions

Continue to offset the carbon dioxide emissions associated with business travel.

Continue to disclose information to stakeholders on the carbon intensity of our business activities.

Measure the carbon footprint of our waste management activities to establish a baseline.

Measure the carbon footprint of our use of couriers to establish a baseline.

Transport

Make more fuel-efficient and hybrid vehicles available to company car drivers.

Establish a steering group to manage the travel plan at our new head office.

Paper

Develop proposals to reduce the amount of paper used in our back office functions.

Waste

Review the waste management arrangements in place within the Consumer Credit Division's network of branch offices to identify opportunities to minimise the amount of waste that is sent to landfill and maximise the amount that is recycled/reused.

Communications and stewardship

Attain ISO 14001 accreditation for our new head office.

Continue to encourage employees to reduce their environmental impacts with a particular emphasis on recycling, energy efficiency and waste reduction.

During 2010, the percentage of paper we recycled as a proportion of the paper we used during the year increased by 61% based on 2008 levels.

Managing our impacts on the environment

The impact our business has on the environment is low compared to businesses in other sectors. Despite this we are committed to managing our environmental performance to keep our impact to a minimum.

Our corporate policy states that we will seek to reduce the adverse impacts and maximise the positive impacts our operations have on the environment. Our environmental working groups (EWGs) ensure we deliver these commitments. These groups are made up of representatives from across our businesses, including employees from facilities management, HR and procurement. The groups oversee the management of our environmental impacts, help to set environmental objectives and targets, and ensure we continually improve our environmental performance.

To help us keep our environmental impacts to a minimum we have an environmental management system (EMS) in place across our business. This system is audited by a third party every year against environmental legislation and the environmental management standard ISO 14001. Although we have used ISO 14001 as a framework for many years we have never sought formal certification before. However, in 2011 we will seek formal certification for our new head office.

Managing our carbon

We continue to monitor and measure the greenhouse gas emissions associated with our business activities. While this information is vital to managing our impact on climate change, it is also used by the investment community to inform their decisions.

As such, we include this information in our annual CR report and disclose it to institutional investors and analysts via initiatives such as the Dow Jones Sustainability Indices. We also make annual submissions to the Carbon Disclosure Project (www.cdproject.net).

Our new head office

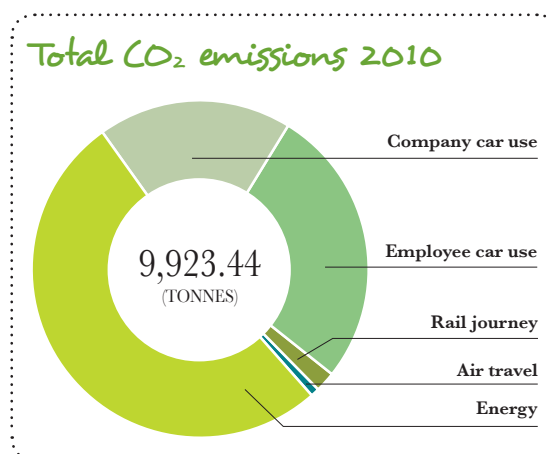
In September 2010, we moved into our new head office in Bradford's city centre. The building has been designed with sustainability in mind. We used the Building Research Establishment Environmental Assessment Methodology (BREEAM) for Offices to improve and assess its environmental performance and it has received a 'Very Good' rating.

We have incorporated a range of innovations to reduce the environmental impact of the office. These include rainwater harvesting, solar water heating and a range of energy efficiency measures. As a result the building received a rating of 'C' on its Energy Performance Certificate.

Energy use

Improving the energy efficiency of our business activities is one of the main areas where we can reduce our environmental impact and generate business benefits such as cost savings. During 2010, energy use across the group decreased to 12,134 MWh (2009: 14,903 MWh). This enabled us to reduce the energy used across our group of businesses by 13.2% based on 2008 levels. This reduction has in part been achieved as a result of the relocation of our head office into premises that are more energy efficient than our previous office and the ongoing delivery of a communication programme to encourage employees to reduce their environmental impacts.

We have significantly reduced the energy used in our 440 branch offices. In 2010, these offices consumed 6,725 MWh of energy; over 20% less than in 2009 (8,572 MWh in 420 offices). This reduction is due to



improved levels of awareness among staff on energy efficiency matters. To continue this improvement and improve the accuracy of the data we collect on energy use, we have started to install 'smart' meters in the branch offices of the Consumer Credit Division. These meters will provide us with near real-time information about energy use, and enable us to monitor and manage energy use in our branch offices.

To reduce the carbon intensity of the energy we buy, we continue to purchase a significant proportion of our electricity from 'Good Quality Combined Heat and Power' (GQCHP) schemes. GQCHP schemes generate both electricity and heat from a single fuel source. The heat generated via these schemes is captured and used again to provide steam or hot water to large buildings close to the scheme, saving them from burning more fossil fuel to produce the heat they require.

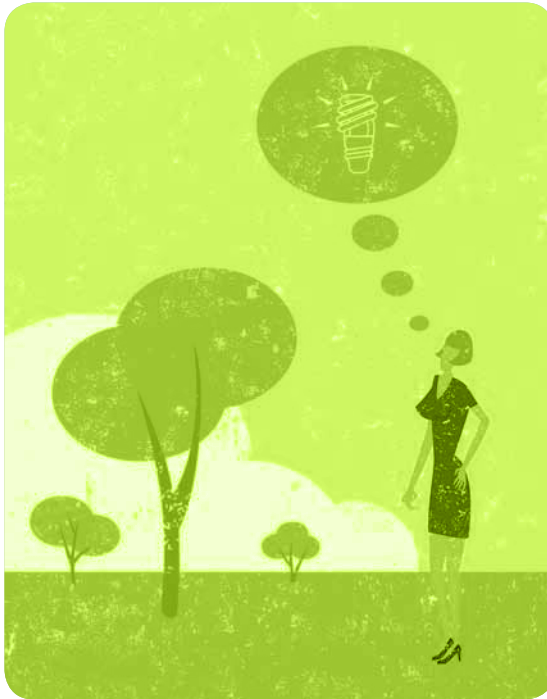
Energy consumption

Year	Head office and Vanquis Bank energy consumption (MWh)	CCD branch energy consumption (MWh)
2010	5,410	6,725
2009	6,331	8,572
2008	6,677	7,309
2007	6,627	Not available
2006	5,244	Not available
2005	3,844	Not available
2004	3,572	Not available

Total CO₂ emissions associated with energy consumption

Year	CO ₂ emissions associated with energy consumption (tonnes)
2010	5,236
2009	6,236
2008	5,279
2007	3,095*
2006	5,244*
2005	3,844*
2004	3,572*

* Relates only to CO₂ emissions associated head office and Vanquis Bank energy use data



Travel and transport

We have significantly reduced travel by air and car during 2010. This was accompanied by an increase in journeys by train. We have achieved this by increasing employees' awareness of the alternatives to single-occupancy car journeys, increasing headcount in the Consumer Credit Division field operations to reduce spans of control and therefore reduce the travelling required between business locations, and introducing teleconference facilities in Vanquis Bank's London and Chatham business premises.

To help our staff adopt more sustainable forms of transport to get to work we have developed a travel plan for our new city centre head office. The plan's aim is to encourage our staff to use alternatives to single-occupancy car journeys, such as public transport, cycling and car sharing. To aid this we have introduced a car-sharing scheme and are offering subsidised season tickets for public transport. We have also developed an intranet site called travelSMART to raise employee awareness of more sustainable forms of travel.

Air travel

Year	Number of air miles travelled by employees	CO ₂ emissions associated with flights (tonnes)
2010	250,633	58
2009	358,950	80
2008	338,410	73

Rail journeys

Year	Number of miles travelled by employees on rail journeys	CO ₂ emissions associated with rail journeys
2010	352,942	32
2009	312,340	29
2008	255,984	24
2007	150,998*	14

Car mileage

Year	Number of miles travelled by employees using their own cars	CO ₂ emissions associated with employee car use (tonnes)
2010	8,363,142	2,730
2009	8,512,014	2,780
2008	7,802,046	2,548
2007	6,842,345	2,234

Fuel consumption

Year	Amount (litres) of diesel and petrol used by employees with company cars	CO ₂ emissions associated with energy consumption (tonnes)
2010	735,794	1,867
2009	1,097,218	2,746
2008	1,035,872	2,601
2007	840,356	2,134

Offsetting CO₂ emissions

We offset all the CO₂ emissions related to our business travel for the first time in 2010. We purchased 4,709 tonnes of CO₂ offsets, a 30% increase on that purchased in 2009 (2009: 2,889).

Our CO₂ offsetting activities

To offset the CO₂ emissions from our business travel, we purchased Voluntary Carbon Standard (VCS) offset credits in a small wind farm project in the rural Tamil Nadu region of India.

The region is rich in lignite, which is one of the most carbon intensive and polluting commonly-used-fossil fuels. This has caused Tamil Nadu to suffer from incidents of air and water pollution. The wind turbines will generate clean electricity which can be fed into the regional grid and will contribute to a reduction in India's greenhouse gas emissions.

Our investment in this project will also contribute to sustainable development in Tamil Nadu; stimulating rural economic development and reducing local air and water pollution and the associated health impacts.

Waste management and paper use

Waste minimisation is another area where we can reduce our impact on the environment and find cost savings. Our aim is to reduce the amount of waste we send to landfill by reducing our use of materials, such as paper, that end up as waste, and by recycling as much as possible.

We have introduced a range of initiatives to improve resource efficiency and minimise waste. These include a zero waste to landfill waste management contract at our new head office and enhanced recycling facilities within our branch offices.

Paper is our biggest waste stream. It is used across our business for a range of office-based and marketing activities. To reduce the environmental impact of this resource we buy paper with a high recycled content or made from sustainably sourced timber. During 2010, group paper use increased by 11% compared with the previous year. This was due to an increase in marketing activity, which occurred as a result of a growth in customer numbers. Despite this increase, the amount of paper we recycled compared to the paper we bought increased by 61% based on 2008 levels.

Absolute waste production (tonnes)

Year	Head office	CCD branch network	Vanquis Bank
2010	227	1,222	39
2009	201	1,562	28
2008	294	923	
2007	379		
2006	261		
2005	262		
2004	263		

Absolute waste recycled (tonnes)

Year	Waste recycled
2010	1,258
2009	1,308
2008	1,055
2007	147*
2006	148*
2005	109*
2004	117*

Group paper use

Year	Group paper use (tonnes)
2010	1,138
2009	1,022
2008	2,412
2007	1,663
2006	566*
2005	579*
2004	600*

* Relates only to CO₂ emissions associated head office and Vanquis Bank energy use data



We have introduced a range of initiatives to improve resource efficiency and minimise waste. These include a zero waste to landfill waste management contract at our new head office and enhanced recycling facilities within our branch offices.



assurance }
statement }

assurance statement and commentary

Provident Financial has commissioned Corporate Citizenship to provide external assurance and a commentary on its Corporate Responsibility Report 2010.

The scope of our assurance

The assurance provides the reader with an independent, external assessment of the report and, in particular, with how it corresponds with the AA1000 standard. It is intended for the general reader and for more specialist audiences who have a professional interest in Provident Financial's corporate responsibility performance.

Provident Financial has chosen to use AA1000AS (2008) as the standard against which to assure the report. Our assurance is a Type 2 assurance as defined by the standard, in that it evaluates the nature and extent of adherence to the AA1000AS principles of inclusivity, materiality and responsiveness and assures the behaviour of the organisation as reported here. Our assurance used disclosed information as its starting point and then investigated the underlying systems, processes and sustainability performance information to arrive at its conclusions.

We have also assured the performance information in the report. The criteria used are the GRI G3 Principles for Defining Report Quality.

The level of assurance offered is moderate as defined by AA1000AS (2008). That is to say, our work obtained sufficient evidence to support the statement that the risk of our conclusion being in error is reduced.

Provident Financial is entirely and solely responsible for the contents of the report, Corporate Citizenship for its assurance. A detailed note of our assurance methodology appears at the end of this statement.

In our opinion the Provident Financial Corporate Responsibility Report 2010 reflects the principles of AA1000 (2008): inclusivity, materiality and responsiveness.

Opinion and conclusions

In our opinion the Provident Financial Corporate Responsibility Report 2010 reflects the principles of AA1000 (2008): inclusivity, materiality and responsiveness.

Based on the work we have done, nothing has come to our attention to suggest that the specified performance information is not in accordance with the GRI G3 Principles for Defining Report Quality.

In our commentary we review the report against each of these principles separately. We also provide feedback that can help the company and its stakeholders identify where Provident Financial's reporting can be strengthened in future.

Commentary

Provident Financial has reported externally on its corporate responsibility performance since 2003. This report shows further progress, with Provident Financial taking into account feedback received last year. Specific comments in relation to the three principles of AA1000 are as follows:

Inclusivity: Does the organisation accept a responsibility to those on whom it has an impact? Does it involve stakeholders in developing a strategic approach to corporate responsibility and sustainability?

In our view, the report displays Provident Financial's adherence to the AA1000 principle of inclusiveness.

- Provident Financial identifies and accepts its responsibilities to its key stakeholders. As in previous years, the report is structured around the company's stakeholders, reporting on the impact it has on these groups in a clear and logical way. Activities such as the annual stakeholder roundtable are evidence that Provident Financial uses stakeholder feedback to identify priorities and shape its corporate responsibility strategy.

- The information on agents is similar to that provided in 2009 and 2008, with the distinction between agents and employees well articulated. However, given the fundamental role agents play, we believe more information should be provided, particularly on training, safety and anti-fraud.
- Provident Financial recognises suppliers as a key stakeholder, having reported on responsible supply chain management in a dedicated section for the last three years. A step forward in 2010 was the introduction of a new policy on procurement and outsourcing, which requires corporate responsibility to be considered in the procurement process. No issues or concerns were raised during the reporting period, so we recommend that procurement processes be reviewed in light of the new policy and strengthened if necessary.

Materiality: What are the issues that really matter to the organisation's sustainability performance ("material issues")? How does the organisation identify these issues?

In our view, the report displays Provident Financial's adherence to the AA1000 principle of materiality.

- As a home credit business, agents and employees are involved in directly handling money. Fraud is therefore an issue for Provident Financial and incidents do occur. The assurance interviews and site visits revealed that there are robust systems in place to guard against fraud and that the level of fraud is comparatively low. We recommend that future reports address the issue of fraud and financial crime, covering areas such as anti-fraud systems and the frequency of incidents.
- Debt collection is an important issue for many of Provident Financial's stakeholders given the company operates in the non-standard credit market. There is scope for the report to tackle debt collection more fully. We recommend that future reports include an explanation of what happens if a customer does not repay loans, and information on how many customer accounts are handed over to debt collection agencies.
- Provident Financial's approach to risk management is clearly conveyed. The section could be strengthened further by setting out the main risks and opportunities facing the company over the last year and going forward. For instance, there could be more discussion on how customers may be affected by trends in the marketplace such as welfare reforms and the trend of debt management companies taking over loans from Provident Financial customers.

Responsiveness: Does the organisation respond to stakeholder issues that affect performance through its actions and communications?

In our view, the report displays Provident Financial's adherence to the AA1000 principle of responsiveness.

- The inclusion of the findings from the stakeholder roundtable, and Provident Financial's response, enhance the report. In future reports, there is scope for there to be even greater stakeholder voice throughout the body of the report. A challenging view from an outside issue expert in each core section would help the reader to get a better grasp of key issues.
- Responding to previous assurance recommendations, Provident Financial has made significant progress in relation to diversity in 2010. A new diversity policy, developed following consultation with staff, was introduced, and a diversity survey was conducted, enabling a more comprehensive set of data to be gathered and future diversity strategy shaped. Going forward, Provident Financial should explain how other new policies and practices are developed following stakeholder feedback.
- Responding to key issues in the sector, Provident Financial's proactive role in supporting research by organisations such as Social Market Foundation and Demos is a highlight of the report. The company should continue to explore opportunities to be a collaborator with peers and other relevant organisations to tackle more of the sector's key issues and challenges.

Future reporting

To become a fully sustainable business companies need to take a longer term approach to responsible behaviour and strategy. Increasingly, we are seeing companies setting longer term targets across economic, social and environmental impacts and issues, along their entire value chain. This forward looking approach helps drive improvements and performance. Provident Financial has set long term environmental targets, but in the main goals only look one year ahead. There may be scope for Provident Financial to set more long term stretch targets linked to what the business aims to achieve in the next 3-5 years, or look even further ahead to 2020.

Corporate Citizenship

London

21 June 2011

Methodological notes

The assurance work was commissioned in January 2011 and was completed on 21 June 2011. Detailed records were kept of meetings, assurance visits and correspondence relating to the inclusivity, materiality and responsiveness of the report, as well as to technical matters relating to the accuracy and presentation of data. A team of three, led by a Director, undertook the assurance and commentary process. An associate director acted as adviser to the group. The team has a variety of professional and technical competencies and experience. For further information please refer to our website www.corporate-citizenship.com.

Our external assurance and commentary process for Provident Financial's Corporate Responsibility report has involved, but not been limited to, the following elements:

- Understanding Provident Financial and its value chain, its own culture and the broader social contexts in which it operates; its approach to and understanding of corporate responsibility; how it identifies issues material to its operations.
- Benchmarking against peers, competitors, best practice and internationally recognised standards to identify the basis on which to judge Provident Financial's performance.
- Conducting a structured stakeholder roundtable involving representatives of key stakeholders groups, looking at how Provident Financial's reporting meets their needs.
- Analysis of Provident Financial's stakeholder engagement activity, including findings from employee and customer opinion research.
- Review of national and international published sources of information about the views and opinions of external stakeholders.
- Examination of the report at set stages in its development and testing of the assertions throughout, drawing from evidence and supporting documentation, reporting mechanisms, frameworks and processes.
- Examination of management and reporting systems, notably for environmental management and community investment.
- Interviews of members of staff including: Corporate Responsibility Manager, Head of Public Affairs, Community Affairs Manager, Community Affairs Executive, Value Management Director (CCD), Risk Director (CCD), HR Director (CCD), Market Research Executive

(CCD), HR Director (Vanquis), Head of HR (Vanquis), Head of Training and Competence (Vanquis) and Compliance Manager (Vanquis).

- Site visits to two of Provident Financial's main offices in Bradford and London, and four Consumer Credit Division branches in Otley, Leeds, Dewsbury and Wakefield.
- Accompanying an agent at work in Wakefield, observing interactions with customers and collection of money in homes.
- Checks on a sample basis of elements of the report's contents to underlying records, particularly of the numerical data within the report. Our focus was on the community and human resources data, as the environmental systems and data has been audited by SEQM.
- Assessed the report against the GRI G3 Principles for Defining Report Quality and Content.

Our work did not extend to a complete audit of the report's contents. We have not been responsible for the preparation of the 2010 report nor in devising the internal management and reporting systems that yielded the data contained therein.

The opinions expressed in this external assurance statement and commentary are intended to extend understanding of Provident Financial's non-financial performance and should not be used or relied upon to form any judgments, or take any decisions, of a financial nature.

Corporate Citizenship is a leading assessor of corporate responsibility reports. The company is a member of AccountAbility (Institute for Social and Ethical AccountAbility).

We have provided report assurance for Provident Financial since 2004. In addition to our work on assurance and stakeholder engagement, Provident Financial is a member of the LBG (www.lbg-online.net), an evaluation framework for corporate community involvement which we manage on behalf of its members and adherents.



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GRI Index

Corporate Citizenship has independently checked our 2010 CR Report and has determined that it is consistent with an application level of B+. Corporate Citizenship has assessed all additional indicators and has included in a table the indicators that are materially relevant to Provident Financial which can be found at www.providentfinancial.com.

Stakeholder Feedback

As part of our stakeholder engagement activities we once again held a roundtable to elicit feedback from our stakeholders on our CR activities and process. A summary of the key points and our response can be found at www.providentfinancial.com





Paper and print specification

This report is printed on Revive 100 offset, which is made from 100% recycled waste and the pulp used is bleached using a Totally Chlorine Free process (TCF). The printing process was waterless, alcohol and substitute free and used vegetable oil-based inks. The report has been printed by Seacourt, an award winning, FSC certified and ISO14001 accredited printer.

Seacourt are carbon neutral, use only renewable energy and send zero waste to landfill. They were awarded the Queen's Award for Excellence: Sustainable Development 2011; the Waste Reduction Award at the Environmental Pioneer Awards 2010; the UK Sustainable Business Award at the Environment and Energy Awards 2010; and were winners in the continuous improvement category at the BCE Environmental Leadership Awards 2010.

Feedback

Your feedback is important to us. If you have any questions about Provident Financial and corporate responsibility, do not hesitate to contact us at corporateresponsibility@providentfinancial.com and we will be happy to help.

You can also telephone us on +44(0)1274 351135 or write to the corporate responsibility manager at: Provident Financial, No.1 Godwin Street, Bradford BD1 2SU.

You can find out more about Provident Financial by visiting www.providentfinancial.com

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