

ESG Committee Report



Sally-Ann Hibberd
Chair of the
ESG Committee



Substantial progress has been made to embed ESG considerations in everything we do, in line with our purpose, culture and values.”

Members and attendance

Where Directors were unable to attend meetings, they gave the Chair their views in advance on the matters to be discussed.

● Meeting attended ○ Did not attend



Sally-Ann Hibberd
Chair of the Committee



Helen Stevenson²
Committee member



Malcolm Le May¹
Committee member



Rakesh Bhasin
Committee member



¹ Unable to attend one Committee meeting due to illness.

² Unable to attend one Committee meeting due to a prior commitment.

FY22 key focus areas

- Commissioned a review of our products to better understand their ESG impacts. This project is ongoing and will be progressed throughout FY23
- Commissioned a project to develop a data science driven process for identifying and supporting vulnerable clients. This project is ongoing and will be progressed throughout FY23
- Recommended to the Board our Financial Education strategy
- Recommended to the Board our Equality, Diversity and Inclusion strategy
- Oversaw ESG-related disclosures including those under the TCFD recommendations
- Sought and received insights and feedback from key stakeholders including shareholders to better understand their ESG priorities
- Recommended that we pledge 1% of our prior-year post-tax profits to charitable causes through the Brighter Future Fund

Sally-Ann Hibberd, Chair of the ESG Committee, highlights some of the Committee’s key activities during the year.

Chair’s overview

The ESG Committee has an important role in providing oversight on behalf of, and advice to, the Board in relation to our ESG strategy and activities. The Board established the Committee in 2020 and, in the Spencer Stuart 2021 UK Board Index, was recognised as one of six FTSE 150 companies with such a Committee. During its second year of operation it has taken significant steps to ensure principles of responsible and sustainable business are formally embedded across the business. We are particularly proud to have started a review of the ESG impacts of our entire suite of products, and a project developing new tools to identify and support vulnerable clients. These link to what we recognise as two of the most material ESG risks posed by our business. We are also proud to have recommended a new Financial Education Strategy, an expression of our value to learn fast together, and a significant step towards ensuring that we truly exist for every ambitious person.

The Committee has worked closely with our COO, the executive accountable for ESG, as well as our Group Head of ESG. At each meeting, the Committee reviews progress against agreed metrics under each of the four pillars of the ESG strategy – Products, People, Partnerships and Best Practice. The Committee has continued to consider the ability of our ESG strategy to reflect our purpose and values.

Furthermore, the Committee has also continued to focus on challenging and supporting us in relation to our charitable outreach through Brighter Future initiatives (see page 32 for more information). In this area, we are particularly proud to have overseen a significant increase in the number of young people benefiting from our Brighter Future Fund initiatives, from 22,284 in FY21, to 94,751 in FY22 (see page 26 for more information).

Role of the ESG Committee

The principal roles and responsibilities of the Committee include:

- Oversight of our ESG strategy
- Monitoring and reviewing how the ESG strategy is received and regarded by our stakeholders
- Overseeing how all elements of the ESG strategy are reported externally
- Ensuring that there are appropriate policies in place to effectively support the ESG framework
- Assisting on other matters related to ESG as may be referred to it by the Board

The Terms of Reference of the Committee, which were last reviewed in May 2022, are available on our website.

Membership and attendance

The Committee consists entirely of independent Non-Executive Directors and meets on a quarterly basis. The Committee met four times during the year.

The Board Chair, CEO, COO, ESG Manager, Chief People Officer and Chief Risk Officer are standing attendees of the Committee. Representatives from other areas of the business attend the Committee meetings by invitation, as required.

How the Committee operates

To ensure the Committee discharges its responsibilities appropriately, an annual forward calendar, linked to the Committee's Terms of Reference is approved by the Committee. The Company Secretary, COO and ESG Manager assist the Chair of the Committee in drafting the agenda for each Committee meeting.

Following each Committee meeting, a formal report is made to the Board in which the Chair of the Committee describes the discussions and challenges from the Committee meeting, and has the opportunity to escalate any items and make recommendations to the Board as appropriate.

Work undertaken during the financial year

During the year, the Committee undertook a number of significant activities.

It has reviewed and monitored the implementation of our ESG strategy, as well as targets, key performance indicators, its budget and third-party partnerships. It has also considered whether the Group maintains appropriate policies in order to effectively support its ESG framework.

The first Internal Audit review of ESG was undertaken during the year at the Committee's request. The review concluded that the Committee was operating effectively. Unsurprisingly, given the Committee's recent formation, there are a number of areas to work on. Continued focus will remain on ensuring Committee members are kept up to date with best practice, acknowledging the area of ESG is rapidly evolving across the world. All Directors have received TCFD training during the year.

As we embed principles of ESG across all business activities, the Committee recognised the importance of ensuring ESG risks are fully integrated into the Risk Management Frameworks. To fully understand these risks, the Committee sought input from third-party providers.

Committee evaluation

During the year, an evaluation of the performance of the Committee was undertaken in line with the Committee's Terms of Reference. Further information of the evaluation of the Board and its Committees is given on page 70.



Sally-Ann Hibberd
Chair of the ESG Committee
20 July 2022