The Provident Financial plc statement on the Modern Slavery Act 2015

This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by Provident Financial plc and its operating companies during the year ending 31st December 2018, to prevent the possibility of modern slavery and human trafficking occurring within its direct operations and supply chains. All information and data provided below is based on the 2018 financial year unless otherwise stated.

Our business

Provident financial plc and its operating companies ("the Group") is a specialist non-standard lending group which operates across the United Kingdom (UK) and Republic of Ireland (ROI).

The average number of people employed by the Group across its three divisions as at 31 December 2018 stood at 5,708. Collectively, these people serve 2.4 million customers in the UK and ROI. Vanquis Bank is a supplier of credit cards in the non-standard credit market and has operations in Bradford, London and Chatham, Kent. The Consumer Credit Division (CCD), which operates under the Provident home credit and Satsuma brands, is headquartered in Bradford, with 139 branches across the UK and ROI. The third division, Moneybarn, is a non-standard vehicle finance company and has operations in Petersfield, Hampshire.

The Group is opposed to slavery and human trafficking in both its direct operations and in the indirect operations of its supply chains. As such, the Group will not knowingly support or do business with any organisation involved in slavery or human trafficking. This commitment is underpinned by the Group’s corporate policy on procurement and outsourcing and the Group’s corporate diversity, equality and inclusion policy which endorses the United Nation’s Universal Declaration of Human Rights and International Labour Organisation’s core standards. Other corporate policies, which support this commitment include the Health and Safety Policy, Whistleblowing Policy, Bribery Policy and Human Resources Policy.

Our supply chains

Following the appointment of a Group Chief Procurement Officer in 2018, there has been a strong focus on implementing a group-wide procurement model and system solution to deliver a step-change transformation of the Group’s procurement processes. Prior to this, Provident Financial plc, along with its subsidiary businesses had individual procurement teams and processes unique to their own function, meaning the Group had multiple contracts with the same businesses as well as differing due diligence processes. The Group now has a clear vision of creating a group-wide procurement model which will bring efficiency to the supplier onboarding processes, as well as change in the wider business culture.

In 2018, the Group’s revenue was £1.1bn and its annual procurement spend was £192m. The majority of the Group’s tier one suppliers are based predominantly within the UK and ROI. These suppliers range in size and scale from small to medium-sized enterprises, to large multinational corporations. The highest area of spend for the Group is on professional services such as consultancy and legal fees as well as credit checking services. Other areas of high spend include IT licenses, advertising, and property rent and service charges.

Each of the Group’s operating companies have established due diligence processes and procedures to manage supply chain-based risks, and engage with suppliers to ensure that they comply with the Group’s policy requirements and meet legislative requirements. Prior to 2018, CCD introduced the
OneTrust platform within its operations to help automate its data privacy, information security and third-party risk management processes. The OneTrust platform allows CCD to demonstrate compliance with regulations (for example, the EU GDPR) and other policy commitments. Through the OneTrust platform, new suppliers are required to complete a corporate responsibility (CR) questionnaire as part of the due diligence process for the onboarding of new suppliers. Suppliers that CCD had contracts with prior to implementing OneTrust will also go through this due diligence process to ensure all suppliers of the company complete a CR questionnaire. This questionnaire covers the broader CR agenda and includes questions on topics such as community investment, environment and diversity inclusion. However, the core focus remains on understanding suppliers’ commitments to ensuring its supply chain is free from modern slavery and human trafficking. In order to do this, suppliers are firstly asked whether their turnover is over £36m. If they answer ‘yes’, they are required to simply provide the link to their modern slavery statement. If they answer ‘no’, they are required to outline the processes they have in place to prevent instances of modern slavery and human trafficking from arising in their supply chain and their direct operations.

The OneTrust platform will be implemented within both Vanquis Bank and Moneybarn during 2019, enabling the Group to introduce harmonised due diligence processes and procedures to manage supply chain-based risks, including those that relate to the Modern Slavery Act 2015.

**The Group’s direct operations**

In order to minimise the risk of modern slavery or human trafficking occurring within the direct operations of the Group (i.e. through the staff that are employed by the group’s operating companies), a range of HR processes and procedures are in place. Each of the Group’s operating companies is required to collect evidence which shows that: the person being hired is the person they claim to be; the prospective employee has the right to work legally in the UK; the person has permission to do the type of work that is being offered to them and that they are not a criminal. The evidence described above is assured by conducting checks using information held on the National Fraud Database and credit reference agency databases, as well as through the carrying out of criminal record and driving licence checks. Prospective employees are also required to provide proof of ‘right to work’ documents in line with the Immigration, Asylum and Nationality Act 2006 and original photographic documents, for example, a valid passport.

The Group is also committed to the highest standards of equality, honesty, openness and accountability. Staff are encouraged to raise concerns relating to potential breaches of regulations, policy requirements and/or other grievances, either by contacting a line manager or by telephoning a dedicated external helpline in confidence. The Group’s whistleblowing helpline ‘Safecall’ is a 24-hour whistleblowing helpline operated by an independent third party to ensure impartiality and confidentiality.

**Our plans for the future**

Following the publication of the Group’s first and second statements on the Modern Slavery Act 2015, the Group has developed a broad understanding of the areas within its businesses that require further focus to identify potential risks which relate to modern slavery and human trafficking. To ensure that there is a high level of staff awareness of issues relating to modern slavery and human trafficking, particularly within the Group’s procurement and partnerships teams, the Group will seek to harmonise the due diligence processes and procedures used by the Group’s operating companies to manage supply chain-based risks, and develop metrics to measure the effectiveness of Group’s approach to ensuring that its supply chains are free from modern slavery and human trafficking.
This statement is made pursuant to section 54(1) of the Modern Slavery Act and has been approved by the Provident Financial plc board of directors and will be reviewed and updated at least annually.

Malcolm Le May
Chief Executive Officer
Provident Financial plc

March 2019