



*Acting responsibly
and sustainably*





In this year's report...

Vanquis Banking Group is a leading specialist bank providing credit products which offer financial inclusion to the one in five adults in the UK who are not well served by mainstream banks or building societies. The Group currently serves 1.7 million customers by offering credit cards as Vanquis, vehicle finance as Moneybarn and personal loans with our Vanquis Loans product.

This Sustainability Report is designed to provide the reader with a balanced account of how Vanquis Banking Group's Purpose, Mission and Strategic Priorities are aligned to the Group's sustainability strategy, as well as further details of the progress that has been made during 2022 in delivering against this strategy.

The report relates to the non-financial aspects of Vanquis Banking Group plc and its key stakeholders: customers, colleagues, shareholders and debt investors, regulators, communities, suppliers and the environment. It provides information and updates on our sustainability activities, performance and achievements from 1 January to 31 December 2022 unless otherwise stated.

Further information on Vanquis Banking Group can be found in its Annual Report and Financial Statements 2022.

As in previous years, this report has been independently assured by Corporate Citizenship in accordance with the ISAE 3000 Assurance Standard. Corporate Citizenship's assurance statement can be found at: <https://www.vanquisbankinggroup.com/sustainability/>.

Read Lee's story in our Annual Report and Financial Statements 2022



Moneybarn were just brilliant from the off. They put us at ease, they told us how much we'd be paying out in total. They were very thorough in their approach to make sure everything was affordable for us.

Lee
Customer service manager



To view our past Sustainability Reports and the Annual Report and Financial Statements 2022, go to www.vanquisbankinggroup.com

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Our highlights for 2022

Here are some key highlights from the Group for 2022. You will find more highlights like these throughout the report, and specifically at the beginning of each chapter.

During 2022, as we took a number of important decisions regarding Vanquis Banking Group's future strategy, we continued to ensure our Purpose is strategically aligned with the approaches we take to operating our business of lending to our customers in a responsible manner, and acting responsibly and sustainably in all our stakeholder relationships. We did this by continuing to focus on creating a fair, inclusive and diverse workplace culture for our colleagues, investing in the communities we serve, taking positive action on climate change, and engaging with our stakeholders on the environmental, social and governance (ESG) agenda.

This ensures that we continue to deliver on our Purpose and provide our customers with the responsible credit products and services that meet their particular needs, as well as playing our role in addressing the key social, environmental and ethical challenges that are relevant to our business activities and stakeholders.

1,014

hours volunteered by colleagues during work hours

⌆ 139% (2021: 425)

[+ Read more on pages 69 and 75](#)

29

average hours of L&D per colleague

⌆ 21% (2021: 24)

[+ Read more on page 36](#)

18%

reduction in our scope 1 and 2 (and associated scope 3) emissions

⌆ 64% (2021: 11%)

[+ Read more on page 18](#)

£1.4m

invested in the community

⌆ 2% (2021: £1.4m)

[+ Read more on page 46](#)

26%

of directors are female

⌆ 24% (2021: 21%)

[+ Read more on page 37](#)

£10,228

donated to colleague fundraising efforts

⌆ 3% (2021: £9,938)

[+ Read more on page 64](#)

Group snapshot

Vanquis Banking Group's Purpose is to help put people on a path to a better everyday life. We do this by providing customers with opportunities to borrow in a transparent, responsible and sustainable way, so they can live their lives with access to finance.

On this page you will find some key information about Vanquis Banking Group and how we meet the needs of our customers by offering credit cards as Vanquis, vehicle finance as Moneybarn, and through our growing personal loans business with our Vanquis loans product.

£2.5bn

credit issued to customers

⬆️ 4% (2021: £2.4bn)

1.7m

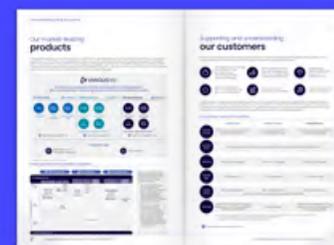
customers served from all across the UK

⬆️ 6% (2021: 1.6m)

2,005

colleagues in the UK

⬇️ 21% (2021: 2,535)



To read more about the Group's businesses, see our [Annual Report and Financial Statements 2022](#)



Our Mission is to become the first-choice bank for the UK population who are excluded from accessing financial services from traditional lenders

Credit cards



Vanquis offers credit card products across a broad range of price points.



Vehicle finance



Moneybarn offers secured motor finance on a range of asset classes, including cars, motorbikes and light commercial vehicles.



Personal loans



We offer personal loan products through our Vanquis Loans brand.



Funded through:



Retail deposits (fixed-term deposits)



Securitisation

* Customer numbers as at 2021 year end.

Group Chief Executive Officer's welcome and review



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Taken together, our **Purpose, Mission, Strategic Priorities** and **Values** bring clarity to why Vanquis Banking Group exists and the role we play in the lives of our customers. They also underline our commitment to responding to the needs of our key stakeholders and managing and reporting our environmental, social and governance performance.

Malcolm Le May
Chief Executive Officer

Welcome to our 2022 Sustainability Report

2022 was another important year for the Group as we built on the work we started in 2021 and delivered a number of significant and transformative projects which have, amongst other things, seen our Company's name change to Vanquis Banking Group to reflect how our business has evolved into a bank that will focus on the mid-cost and near-prime credit market. We also continued to make changes to the way that the Group is governed and managed so that, in delivering responsible products and services to our valued customers, we operate in a more collaborative and efficient manner. By looking forward in this way and making these key changes, we will strengthen our brand position and secure our place as the first-choice bank for people excluded from accessing financial services from traditional lenders. During this year of change, I would like to thank every Group colleague for their ongoing commitment and for never losing sight of our **Purpose** of helping to put people on a path to a better everyday life.

Having such a clear and strong **Purpose** is key to the long-term success of our business; it guides our decision making processes and ensures that our customers get the great services and good value products which are designed to meet their needs. It also underlines our commitment to working with our partner community organisations to improve financial inclusion, which supports social mobility.

An example of how our **Purpose** has guided us to take decisive action over the past 12 months is how our colleagues responded to the tragic war in Ukraine.

From the very beginning, we responded quickly as a business and made donations to the Ukrainian Humanitarian Appeal. We donated much needed IT equipment to Ukrainian families who had relocated to the UK so that they could stay in touch with family members and friends, and apply for visas and other forms of support. We also gave funding to a Ukrainian national who is resident in Odessa so that she could provide a translation service to families seeking refuge in the UK as part of the UK Government's 'Homes for Ukraine' scheme.

But it has been the personal responses to the crisis from our colleagues that have been truly humbling. From the many colleagues who have taken families into their homes or who have given generously to schemes in their local communities, to those in our vehicle finance business who have cycled a route which was equivalent to the distance between the UK and Ukraine to raise money, or who travelled to Ukraine, not once, but twice, to deliver donations of food, clothing and medical supplies to support orphans affected by the war, their dedication and commitment have been an inspiration.

Given the importance of our **Purpose**, and to ensure that we all continue to play a role in helping to put people, whether they are our customers, colleagues or communities, on a path to a better everyday life, we have, during the course of 2022, redefined our **Mission** and **Strategic Priorities**. We have also initiated work that will see us create a common set of **Values** that will help to further shape our culture and represent the colleagues who collectively make up our business.

Group Chief Executive Officer's welcome and review continued

Over the next three to five years we will work towards our **Mission** of being **the first-choice bank for people excluded from accessing financial services from traditional lenders** by focusing on the three **Strategic Priorities** of **People and Culture, Customers and Community, and Growth and Sustainability**.

Taken together, our **Purpose, Mission and Strategic Priorities** and the **Values** we articulate bring clarity to why Vanquis Banking Group exists, the role we play in the lives of our customers, and the culture that drives our business to continue to innovate and grow in a sustainable way so that we can responsibly provide them with the products and services they need now and in the future. They also very much underline our commitment to continue responding to the needs of our key stakeholders and managing and reporting our environmental, social and governance (ESG) performance. By doing this, we will also be able to continue to: champion equality, diversity and inclusion, and provide our colleagues with a working environment that is healthy, safe and meritocratic; collaborate with and treat our suppliers fairly; support the communities we serve to be financially and socially included so that they can thrive; and support the UK to transition to a cleaner, net zero economy.

The culture we have created within our business by virtue of having taken the time to work with our colleagues to affirm our **Purpose, Mission, Strategic Priorities** and **Values** means that the decisions we have made to support our customers and colleagues through the current cost of living challenges have been straightforward. By listening to our customers throughout the year, we have been able to ensure that they receive support and guidance should they experience a period of financial difficulty. We also worked with longstanding partner IncomeMax to launch a new online platform which provides customers with digital access to one-to-one, expert advice to help maximise their income, launched a free school uniform scheme to support families struggling in the current economic climate, and we have made an additional, one-off payment to those colleagues impacted most by rising living costs.

Finally, one of the areas of support I'm personally proud that we got behind during 2022 is Bradford being the UK City of Culture in 2025. I'm delighted that Vanquis Banking Group was named as the first official delivery partner for Bradford 2025 which will see us support the development of the cultural programme and ensure that it leaves a legacy for years to come. The impact that this designation will have on the Bradford district cannot be underestimated, in terms of driving inward investment, boosting local economic growth and delivering a lasting social and cultural legacy, particularly for young people, and that's something we're really proud to be part of.

I invite you to read more about the progress we have made during 2022 in delivering on the ESG agenda in the pages of report that follow. This agenda is not an add-on to our strategy; it's very much an important part of it. We are therefore committed to being transparent and accountable about our ESG performance. This will enable us to deliver for our customers, respond to key societal challenges and, ultimately, demonstrate how Vanquis Banking Group is truly a bank that helps put people on a path to a better everyday life.

Malcolm Le May
Chief Executive Officer



Q&A with our Head of Sustainability

Our Head of Sustainability, Rob Lawson, who oversees the delivery of Vanquis Banking Group's sustainability programme, answers questions on the Group's achievements during 2022 and the ESG priorities for the future.

Making sure that children and young people get opportunities to help them access education opportunities and become socially mobile is central to our Company's **Purpose**. This is why we set up a fund with School-Home Support and the Dixons Academies Trust to distribute free school uniforms to some of the pupils who need them most.

Rob Lawson
Head of Sustainability

What are your sustainability highlights from 2022?

Throughout the year, I've been pleased with the work that has been delivered by the team which will underpin the new community investment programme – the Vanquis Banking Group Foundation – that we're launching later in 2023. The mission of our Foundation is to improve the lives of children and young people by providing them with access to education, social and financial inclusion, and economic development opportunities. Through our Foundation, we will work with community partners to address root causes of financial exclusion through education programmes, raising awareness of financial wellbeing and facilitating social mobility. In 2022, we started work on a new project that will become a key Foundation activity and launched a free school uniform scheme to help families with the cost of living crisis in Bradford, Liverpool, Manchester and Blackpool. We did this because we recognised that as families deal with rising household bills in a tough economic climate, it's more important than ever to make sure that children don't miss out on lessons because there is no spare money for uniforms. Not having a uniform at all, or one that fits properly, can be a major barrier to education and it is simply unacceptable that a child could be lost to education for want of the right school clothes. Working with longstanding community partner School-Home Support and the Dixons Academies Trust, we provided £100,000 to ensure that over 1,000 school pupils got access to items of uniform including blazers, shoes, coats, underwear and PE kits. By ensuring a child has everything they need to wear for school, we know children are much more likely to be in school, and ready to learn. This work is aligned with the Group's Purpose and supports the UN Sustainable Development Goals relating to No Poverty and Quality Education that we're committed to supporting the achievement of.

Vanquis Banking Group is committed to taking immediate action on climate change. What progress has been made during 2022 in this regard?

We have already set a target to be net zero by 2040. To support this net zero ambition, we have successfully accounted for all the scope 3 greenhouse gas (GHG) emissions that are material to our operations and business activities during 2022 (see pages 18 and 19 for more information), and are in the final stages of agreeing carbon reduction targets across all three emission scopes which we will get verified by the Science Based Targets initiative (SBTi) by our agreed deadline of summer 2023. We have also ensured that there has been continual improvement in the TCFD disclosures that we publish so that we can undertake a quantitative scenario analysis to better understand the financial impacts of the climate-related risks and opportunities that are material to our operations and stakeholders. This includes using the following metrics: the application of a carbon price to Vanquis Banking Group's business activities; customer default rates due to increased costs (e.g. as a result of energy cost increases); shifts in customer demand due to changes in customer circumstances or preferences; operational impacts caused by severe weather events; and Vanquis Banking Group's impact on the environment by monitoring progress towards achieving its net zero target (the Group's 2022 TCFD Report can be found on pages 40 to 49 of our Annual Report and Financial Statements 2022).

Q&A with our Head of Sustainability continued



How is Vanquis Banking Group responding to the cost of living challenges being faced by customers, colleagues and communities?

We know that the costs associated with living our everyday lives are increasing at their fastest rate in 40 years, largely as a result of rising energy and food prices, which is putting a squeeze on the finances of our customers, colleagues and communities. We also know that by taking practical action to support the financial wellbeing of our customers, colleagues and communities, we can help alleviate the impacts of this cost of living challenge.

For our customers, we're proud to be able to provide them with the responsible products and services that are tailored to meet their specific needs. Beyond this, we're constantly engaging with them via surveys and focus groups to understand the reality of their lives in the current circumstances. The feedback that is generated through this engagement is informing the forbearance measures and the other forms of support we make available to customers should they experience a period of financial difficulty. Our customers have been provided with tools, such as a cost of living calculator, so that they can understand how price increases might impact them and plan ahead, as well as a range of money saving tips so that they can reduce bills and make cost savings. We have also worked with our longstanding partner IncomeMax to launch a new online platform which provides customers with digital access to one-to-one, expert advice to help maximise their income and made an additional one-off payment to those colleagues impacted most by rising living costs.

For our colleagues, as mentioned above, we made a one-off salary payment to those likely to be impacted most by rising costs. In addition, we ensured that colleagues could access guidance and support from external sources, for example,

through the Government's 'Help for Households' initiative, as well as via the Employee Assistance Programme (EAP) we have in place across the Group. Through our EAP, colleagues had access to a financial advisor. We also delivered a range of financial wellbeing webinars and worked with the Bank Workers Charity to set up a financial resilience check to help colleagues understand how they adapt to a financial shock.

Finally, for our community partners we continued to work with some of them to derestrict our funding so that it could be repurposed for use in areas of immediate need that were linked to the cost of living challenge. We also ensured that the funding we gave to them went to supporting disadvantaged children and young people, and their families, who were being impacted by rising energy and food costs.



What is Vanquis Banking Group's ESG priority for the year ahead?

Now that we have refreshed the Group's **Purpose, Mission, Strategic Priorities** and **Values**, our priority for the next 12 months is to ensure that we focus on continuing to deliver responsible products and services which help put our customers on a path to a better everyday life, thus enabling us to work towards securing our place as the first-choice bank for people excluded from accessing financial services by traditional lenders. In doing so, we will ensure that our Strategic Priorities of People and Culture, Growth and Sustainability, and Customer and Community align with the work we deliver to support the **UN Sustainable Development Goals** that relate to No Poverty, Quality Education, Gender Equality, Decent Work and Economic Growth, Reduced Inequalities and Climate Action.

Rob Lawson
Head of Sustainability



For our customers, we're proud to be able to provide them with the responsible products and services that are tailored to meet their specific needs. Beyond this, we're constantly engaging with them via surveys and focus groups to understand the reality of their lives in the current circumstances.

Rob Lawson
Head of Sustainability

Our Purpose, Mission and Strategic Priorities

In our 2021 Sustainability Report we disclosed that the Purpose, Strategic Objectives and Behaviours – our Blueprint – which have, since 2018, helped us to respond to the operational and regulatory challenges we encountered in 2017, as well as the impacts of the Covid-19 pandemic, would be reviewed and refreshed.

Having addressed these challenges and made fundamental changes to the Group’s structure so that we can focus on being the leading specialist bank for the millions of people in the UK who are not well served by mainstream lenders we engaged with our colleagues and other stakeholders so that we can be clear about:

- why Vanquis Banking Group exists: our **Purpose**;
- what we have set out to do: our **Mission**; and
- what will we aim to achieve over the next three to five years: our **Strategic Priorities**.

While there have been many changes within our business and the market we serve, we know that one in five adults in the UK are not well served by the mainstream banks. This is why our **Purpose of helping to put people on a path to a better everyday life** is as relevant and meaningful today as it was when we articulated it back in 2018. We act on this for our customers by providing them with responsible and affordable products and services which are designed with them in mind, and enable them to access the credit they need to live their lives.

To ensure that our **Purpose** stays strong and credible, we need to work towards our **Mission** to become **the first-choice bank for people excluded from accessing financial services from traditional lenders**. To achieve our **Mission**, we will focus on three **Strategic Priorities** which will enable us to grow and sustain our business in a responsible way.

1

People and Culture

We will create a positive, inclusive and rewarding culture, closely connected to our Purpose, where everyone feels empowered and supported to learn, grow and succeed.

3

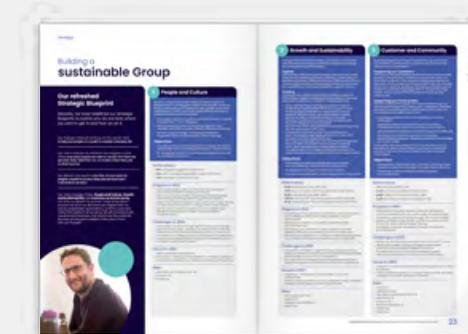
Customer and Community

We will put the customer at the heart of everything we do, whether we’re growing our range of products, reaching new audiences or interacting with everyday people at every stage of their journey with us. This is also about the important work we do in our communities with our partners to help address financial exclusion and support social mobility.

2

Growth and Sustainability

We will make our business as efficient and effective as possible. We will develop steadily and responsibly, so we can continue to grow, change and deliver outstanding customer service no matter what the future brings.



To read more about the progress made by the Group against these wider strategic objectives, see our [Annual Report and Financial Statements 2022](#)

Aligning with the UN Sustainable Development Goals



Our sustainability strategy is aligned with our **Purpose, Mission** and **Strategic Priorities**, and centres on the following two areas: operating our business of lending to our customers in a responsible manner; and acting responsibly and sustainably in all our stakeholder relationships.

This strategy continues to be aligned with the UN Sustainable Development Goals, with our efforts focused on the Goals where our contribution can

have the most impact. These are: Goal 1 – No Poverty, Goal 4 – Quality Education, Goal 5 – Gender Equality, Goal 8 – Decent Work and Economic Growth, Goal 10 – Reduced Inequalities and Goal 13 – Climate Action.

Our Purpose

To help put people on a path to a better everyday life

Our Mission

To become the first-choice bank for people excluded from accessing financial services from traditional lenders

People and Culture

Growth and Sustainability

Customers and Community

Our sustainability strategy

Lending responsibly



- Provide our customers with the credit products that meet their particular needs
- Deliver fair customer outcomes throughout their journey with us

Acting sustainably



- Create an inclusive and engaging workplace
- Support our Purpose through the Vanquis Banking Group Foundation
- Take action on climate change
- Ensure that we treat our suppliers fairly
- Engage with the investment community on sustainability matters
- Remain a responsible taxpayer

How we have contributed to the SDGs in 2022

In the tables below, we have highlighted the SDGs we have prioritised as being relevant to the Group's business activities and stakeholders, and the contributions we have made in supporting them in 2022.



No Poverty

Aim

To end poverty in all its forms everywhere.

Vanquis Banking Group objective

By 2030, to contribute to ending poverty in all its forms everywhere, by ensuring our customers have access to cost-effective and appropriate products for their needs and supporting them through financial difficulty.

FY 2022 highlights and achievements

We primarily contribute to this Goal by delivering on our Purpose of helping put people on a path to a better everyday life and responsibly providing our 1.7 million customers with credit cards and loans through our Vanquis business and vehicle finance through Moneybarn. We also support the financial inclusion agenda through our Foundation by providing grants to charities and specialist partners to address issues like customer vulnerability, product accessibility and financial difficulties. In 2022, we also contributed to the achievement of this SDG by working with longstanding partner IncomeMax to launch a new online platform which provides customers with digital access to one-to-one, expert advice to help maximise their income. We also continued to fund the Money Charity to provide information, advice and guidance to people of all ages so that they develop money management skills and increase their financial wellbeing. In 2022, this enabled the charity to deliver: 209 hours' worth of financial education workshops to 4,948 young people; and 78 hours' worth of financial wellbeing workshops to 954 adults. In providing this much needed support, the Money Charity prioritises supporting the most disadvantaged students and hard to reach groups. In 2022, 83% of participants came from disadvantaged groups.



Quality Education

Aim

To ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Vanquis Banking Group objective

By 2030, to contribute to ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all by partnering with organisations that will help to equip children and adults with essential skills and knowledge that will allow them to excel in many different directions.

FY 2022 highlights and achievements

We continue to contribute to this SDG through the work we support with our education partners. Through our longstanding partnerships with National Numeracy, the National Literacy Trust and Leading Children we have supported a number of programmes which aim to boost the literacy and numeracy skills of children and young people. We are also committed to ensuring that children do not lose out on their education because of the current cost of living challenges that many families are dealing with. This is why we set up funds with School-Home Support and the Dixons Academies Trust which have to supplied essential items of school uniform to more than 1,000 students across Bradford, Liverpool, Manchester and Blackpool in time for the start of the autumn 2022 term.



Gender Equality

Aim

To achieve gender equality and empower all women and girls.

Vanquis Banking Group objective

By 2024, to have 40% female representation in the Group's senior management population.

FY 2022 highlights and achievements

The Group's senior management population currently has 33% female representation. The key actions we undertook throughout 2022 to support this SDG include: ensuring gender balanced shortlists when recruiting for all senior leadership roles across the Group; and hosting events to challenge and change behaviour/mindsets around, equality, diversity and inclusion. This has included delivering 'Menopause in the Workplace' sessions, helping colleagues benefit from increased menopause awareness, guidance and support; continuing to adopt hybrid working models and enabling colleagues to work with greater flexibility, ensuring they have the support they need and which has also provided a wider talent pool with less geographical barriers; and continuing to support a Company-wide a gender affinity group as part of our inclusion community which is sponsored by an executive.

Through our community investment funding, we also support projects which aim to empower women and girls. For example, in 2022, through our partnership with the London Community Foundation we provided funding to the female-led charity, Believe, that will enable it to deliver a leadership programme to disadvantaged young women in Lewisham, South London, so that they can improve their social and economic outcomes, whilst taking control of their lives. In addition, through our partnership with the Hampshire and Isle of Wight Community Foundation, we are funding the Avenue Centre in Southampton to deliver a programme that will support socially deprived young mums to overcome a range of challenges from domestic and financial abuse to asylum and mental health issues.

How we have contributed to the SDGs in 2022 continued



Decent Work and Economic Growth

Aim

To promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Vanquis Banking Group objective

By 2030, to contribute to promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all by creating opportunities for all generations and protecting and promoting labour rights in both our business and supply chains.

FY 2022 highlights and achievements

We continue to support this Goal, which is aligned with our Purpose, by funding the delivery of activities and initiatives in the communities we serve via our community investment programme. In 2022, this involved providing funding to Bradford Community Broadcasting (BCB) to engage with and support children and young people to increase their oracy and digital skills, confidence and self-esteem, and widen their life chances, aspirations and educational outcomes through becoming radio broadcasters and producers for BCB Radio. We also provided funding to the Portsmouth Sail Training Trust, which is close to where our vehicle finance business is based, to deliver maritime industry training and skills development for disadvantaged young people from its local community. Finally, we continued to support and participate in the Social Mobility Business Partnership which delivers a programme which aims to remove barriers, develop skills and provide experiences to sixth form and college students from disadvantaged backgrounds so that they pursue careers in the legal and professional services sectors. In 2022, the overall programme supported over 500 16 to 18-year-old students, with Vanquis Banking Group hosting 11 students from schools and colleges next to its Bradford head office.



Reduced Inequalities

Aim

To reduce inequality within and among countries.

Vanquis Banking Group objective

By 2030, to contribute to reducing inequality by building our capabilities to better identify, support and empower our stakeholders who may face inequality and exclusion whether it is because of their age, sex, gender identity, race, ethnicity, origin, disability, ability, where they live or what their economic status is.

FY 2022 highlights and achievements

We also support this Goal, by providing funding to a range of projects through our community investment programme which seek to reduce inequalities. For example, in 2022, we provided funding to Horn Stars in Brent, North West London, to deliver its Youth Zone project, which is a twice weekly safe space for 9-19 year olds comprising youth club sports activities and monthly trips reaching 100 young people experiencing deprivation. We also supported the Free2B Alliance, a London-based community organisation, which supports LGBTQ+ young people and their parents by increasing their wellbeing, resilience and social connections, and by reducing isolation and improving family connections. Our funding also supports the delivery of LGBTQ+ awareness training in schools and other organisations to promote inclusivity. In terms of seeking to maintain an inclusive and diverse workplace at Vanquis Banking Group, we continue to do this via our Group-wide inclusion community, which comprises five aligned Affinity Groups focused on Disability, LGBTQ+, Gender Balance, Ethnicity and Social Mobility. These groups currently have approximately 70 active and representative members, as well as an extensive network of Affinity Group allies, and help to coordinate work across the Group to celebrate, learn and increase awareness around an extensive range of inclusive and diversity-related events.



Climate Action

Aim

Take urgent action to combat climate change and its impacts.

Vanquis Banking Group target

To achieve net zero carbon dioxide emissions by 2040, support the UK's transition to a net zero economy and take urgent action to tackle climate change and its impacts.

FY 2022 highlights and achievements

During 2022, we have continued to reduce our impact on the environment by improving the energy and resource efficiency of our operations and understanding and reporting the actual and potential impacts of climate-related risks and opportunities on the Group. We have also taken a number of important steps that support our net zero target. These include: accounting for all the scope 3 GHG emissions that are material to our business activities so that we can report accurately, set accurate science-based targets and support the delivery of our overall net zero by 2040 target; progressing the work that enables us to set a science-based carbon reduction target; publishing a second report which meets the TCFD recommendations; and evolving our approach to carbon offsetting so that we achieve carbon reduction from the planting/preservation of natural habitats.



Our response to climate change

Playing our part in tackling climate change is very much aligned to our Purpose of helping people in their everyday lives which is why we are committed to supporting the UK's transition to a low-carbon economy and ensuring that we understand the risks and opportunities that climate change presents to our business and key stakeholders.

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Understanding and disclosing how climate change may impact our business

We recognise that the growth and sustainability of our business depend on the resilience of our operations, supply chains, and the communities where our customers and colleagues live and work.

It is essential that we minimise our environmental impacts and work with others to take action on the globally important issue of climate change. This means embracing the Paris Agreement and keeping global warming to no more than 1.5°C above the temperature set before the beginning of the Industrial Revolution. This will require us to transition to a low-carbon economy where we are able to contribute to building a resilient future, and creating new businesses and jobs. Our commitment to do this is underpinned by our ambition to achieve net zero carbon dioxide emissions by 2040.

As we progress towards our 2040 target, we have, during the course of 2022, continued to identify, analyse and report material climate change-related risks and opportunities and their financial impact on the Group, in line with the TCFD recommendations and recommended disclosures.

Reporting in line with the TCFD recommendations

We have continued to make progress on reporting in line with the TCFD recommendations and enhanced our disclosures since the publication of our Annual Report and Financial Statements 2021. In publishing a climate-related financial report in our Annual Report and Financial Statements 2022, the Group has made a disclosure that is fully consistent with the following TCFD recommendations and recommended disclosures: governance (disclosures (a) and (b)), strategy (disclosures (a), (b) and (c)), risk management (disclosures (a), (b) and (c)), and metrics and targets (disclosure (b)). We will be fully consistent with metrics and targets disclosures (a) and (c) following the conclusion of the work we are currently undertaking to set targets that will be approved by the Science Based Targets initiative (SBTi). The work required to ensure that the Group is fully consistent with these outstanding recommended disclosures will be undertaken throughout 2023. In publishing a compliance statement which makes clear which recommended disclosures we are fully consistent with, and which we continue to work towards, Vanquis Banking Group complies with the FCA's Listing Rule 9.8.6R(8). We will continue to ensure that we work towards applying all the TCFD general and supplemental guidance to the approach we take to understanding, managing and reporting climate-related risks and opportunities, as well as in our future TCFD Reports. Our 2022 TCFD Report is set out on pages 40 to 49 of our Annual Report and Financial Statements 2022.



100%

Operational carbon footprint offset*

2023

is the deadline by which we will set a science-based target

* Not including scope 3 emissions associated with suppliers' and financed vehicle emissions.





Our approach to environmental and climate risk management

Vanquis Banking Group has a target to achieve net zero carbon emissions by 2040, as well as meeting its climate risk objectives. Set out below are further details of the commitments we have made and the measures we have put in place to support us to deliver these objectives.



CDP

We made our annual submission of climate change data to CDP in July 2022. CDP requests information on the risks and opportunities of climate change from the world's largest companies, on behalf of over 746 institutional investor signatories with a combined US\$136tn of assets under management and 280 plus major purchasers with over US\$6.4tn in procurement spend. Through our CDP submissions, we inform investors and other interested parties of any material climate change-related risks and opportunities, and how we manage them. Our 2022 CDP submission was rated 'B-' which is the same rating that was achieved in 2021 and demonstrates the Group's commitment to sustainability and environmental issues. Our most recent and previous CDP submissions are published at www.cdp.net.



Read more:
The Group's commitment to sustainability recognised | Vanquis Banking Group plc (LSE: VANQ)



Business Ambition for 1.5°C

As a Group, we have signed up to the Business Ambition for 1.5°C pledge which is a campaign organised in partnership with the UN Global Compact. In doing so, we have committed to setting science-based targets which are aligned with limiting the global temperature rise to 1.5°C above pre-industrial levels. Joining the campaign means the Group has agreed to emissions reduction goals and pledged to take action, setting an overall target to achieve net zero emissions by 2040 and putting processes in place to help us do this.

By committing to this pledge, we will, by Q2 in 2023, develop carbon reduction targets for scope 1, 2 and 3 emissions that align with climate science; submit these targets to the SBTi for validation; and publish them on the SBTi website and in our own corporate disclosures, providing regular progress updates.



UN Global Compact

We became a participant in the UN Global Compact Network UK in 2021, which provides a universal language for corporate responsibility and framework to guide all businesses to turn global momentum on sustainability into practical local action. Our support of this initiative helps us advance our six long-term UN Sustainable Development Goal commitments which we prioritised in 2020, as well as supporting the work we will deliver to reach net zero.



We're proud to have been awarded a CDP score of B- for a second year. This reflects the progress we've continued to make in understanding how climate change could impact our business, and the actions we'll need to take to manage them. This has seen us, in 2022, start to quantify the Group's exposure to climate-related risks under TCFD and align our carbon reduction targets with the SBTi. We know that many investors recognise and take companies' CDP scores seriously, so this result is great news for both the Group and the climate.

Muhrah Al Sultan
Corporate Responsibility Manager



Our approach to environmental and climate risk management continued



Europe's Climate Leaders 2022

An independent study carried out by the Financial Times and Statista named Vanquis Banking Group in a 'Climate Leaders' list of companies across Europe that have shown the highest reduction of their carbon emissions intensity between 2016 and 2021. The study identified that our scope 1 and 2 emissions have reduced by 14.6%, and our total core carbon emissions have reduced by 67% over the same period, putting us in the top 70 companies in Europe for having reduced our overall carbon emissions over the past five years.



Read more:
[Europe's Climate Leaders 2022:
interactive listing | Financial Times
\(ft.com\)](https://www.ft.com/content/2022-09-22/vanquis-banking-group-named-climate-leaders-2022)



FSC® certified paper

Forest Stewardship Council (FSC®) certified paper is paper that has been harvested in a socially and environmentally responsible manner. This certified paper is used across Vanquis Banking Group, which means the resources required to produce it have been harvested in a responsible way and at least some of those will be recycled paper.

Greening our business

Through our company-wide Environmental Working Group, which is made up of colleagues from across our business, we have in place a forum that not only enables oversight to be provided of the way we systematically seek to minimise our impact on the environment, but also identifies the areas where there is scope for us to be more sustainable.



ISO 14001:2015

A key tool that helps us to manage and reduce our impact on the environment is our environmental management system (EMS), which we have had in place for almost 20 years. Our EMS helps us to identify, assess and reduce key environmental risks and impacts; set and deliver against environmental targets; and ensure our legal compliance. This EMS is independently audited each year against the requirements of the international management standard ISO 14001:2015. Following the third-party audits carried out in 2022, all our main premises in Bradford, London, Chatham in Kent and Petersfield in Hampshire continued to be certified to ISO 14001:2015. The ongoing functioning of this EMS is overseen by the Environmental Working Group which is in place across our business.



By proactively managing our impacts on the environment, we can contribute to reducing the Group's operating costs, ensure we comply with legislation and meet the expectations of many of our key stakeholders.

Muhrah Al Sultan
Corporate Responsibility Manager



I'm delighted that the work we've delivered to manage our climate responsibilities over the past five years has been recognised in this independent study by the FT. At Vanquis Banking Group, we know that climate change is one of the most pressing issues facing society today and that it will take leadership from business, investors, government and others to support the UK's transition to a low-carbon economy.

Malcolm Le May
Chief Executive Officer



Reducing our carbon footprint

Set out below are key reductions in our carbon footprint which occurred throughout 2022, when compared to the same period in 2021. Our commitment to minimising our impact on the environment and our pledge to set our science-based targets in Q2 2023 have led to a reduction in our carbon footprint in different aspects of the business. We will continue to monitor our carbon footprint this year and continue to identify areas where it can be reduced further.

90%

of waste was recycled or sent for energy recovery

92%

reduction in the number of miles colleagues drive their own cars on business

16%

reduction in our reported waste sent to landfill

29%

reduction in our total gas usage

7%

reduction in our suppliers' emissions

29%

reduction in our paper usage

18%

reduction in our total scope 1 and 2 (and associated scope 3) emissions



[Read more](#)

- 13 Reporting in line with the TCFD recommendations
- 17 Our carbon footprint
- 18 Details of our scope 1, 2 and 3 emissions



Our carbon footprint

In reporting our carbon emissions (in tonnes of CO₂e) we follow the GHG Protocol Corporate Accounting and Reporting Standard to calculate scope 1, 2 and 3 emissions that are material to our UK operations. We use a financial control approach to account for our GHG emissions and use the emission conversion factors from BEIS/Defra's GHG Conversion Factors for Company Reporting 2022. Our reported scope 1 emissions are those generated from gas and oil used in buildings, and emissions from fuels used in the small number of Company-owned vehicles. Our reported scope 2 emissions are those that arise from the use of electricity and are calculated using both market and location-based methodologies. Where electricity suppliers can provide us with the relevant conversion factor, we have used the market based method; otherwise, we use the location based method. We also report the GHG emissions (scope 3 – category 3) associated with the production, transportation and distribution of fuels used by transport and utilities providers. In addition, we also report the following categories of scope 3 emissions which are material to our business activities: fuel and energy-related activities (category 3); waste generated in operations (category 5); business travel (category 6); and employee commuting (category 7).

In terms of reporting our supply chain GHG emissions, we have reported the scope 3 category associated with the purchased goods and services (category 1) we use across the Group. To calculate these emissions, we have applied a spend-based method, using BEIS guidance.

Finally, there are two (out of seven) downstream scope 3 emissions categories that are considered to be material to the Group's operations and stakeholders. These are: downstream leased assets (category 13) which account for the emissions that arise from the subletting of No.5 Godwin Street in Bradford; and investments (category 15) which relate to the financed GHG emissions associated with the vehicle finance we provide to our customers. In terms of the latter category, these emissions were calculated using data that is held by our vehicle finance business.

As mentioned above, the Group is currently in the process of setting carbon reduction targets that will be approved by the SBTi. These targets will be set in respect of our scope 1 and 2 emissions, and scope 3, category 1 emissions which are associated with the goods and services that we purchase. The Group is required to set a target in relation to its scope 3 category 1 emissions because of the contribution they make to our overall carbon footprint. This is despite the contribution made to the Group's overall carbon footprint by our scope 3 category 15 emissions being larger. However, the SBTi's most recent guidance for the financial services sector indicates that there is currently no methodology that would enable a carbon reduction target to be set for these emissions. Setting a target in relation to these emissions is also dependent on all consumers, including those on lower incomes, being able to afford electric vehicles as well as an effective charging infrastructure being developed and implemented across the UK. We continue to identify opportunities to set additional climate-related targets as more data becomes available, methodologies get developed, and we gain more experience in target setting.

Vanquis Banking Group has measured and reported its GHG emissions since 2007 and currently reports this information in accordance with the UK Government's Streamlined Energy and Carbon Reporting (SECR) policy that has been implemented through the Companies (Directors' Report) and Limited Liability Partnership (Energy and Carbon Report) Regulations 2018. Details of our scope 1 and 2 GHG emissions in tonnes of CO₂e, along with a relevant intensity ratio (i.e., kilogrammes of CO₂e per customer) and information on underlying energy use for 2022, are set out below:

	2022	2021
Scope 1 (tonnes CO₂e)		
Gas use	142	200
Diesel and petrol	13	111
Scope 2 (tonnes CO₂e)		
Electricity use (market-based emissions) ¹	453	125
Electricity use (location-based emissions)	862	928
Scope 3 (tonnes CO₂e)		
Category 1: Purchased goods and services ²	16,420	17,579
Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2) ³	332	409
Category 5: Waste generated in operations	16	17
Category 6: Business travel	214	269
Category 7: Employee commuting	2,389	–
Scope 3 associated 'well-to-tank' emissions	287	74
Category 13: Downstream leased assets ⁴	0	0
Category 15: Investments ⁵	227,524	–

¹ When calculating electricity emissions, we have applied both market and location-based methods. Where electricity suppliers can provide us with the relevant conversion factor, we implemented the market-based method; otherwise, we used the location-based method. We also calculated the average electricity and gas consumption in December 2022 for one of the Vanquis Bank offices as the invoices for that period are still outstanding at the time of reporting. The market-based emissions from two suppliers are in CO₂ and not CO₂e (i.e. do not include non-CO₂ emissions); however, the variance between CO₂ and CO₂e is considered to not be material.

² When calculating the suppliers' carbon emissions using the spend-based method, we used the UK Government Department for Business, Energy & Industrial Strategy conversion factors which were published in June 2022 and are based on data from 2019. We have therefore applied an inflation rate of £1.19 to ensure accuracy and transparency.

³ This year, we included the WTT emissions for UK electricity (generation) as part of Category 3 reporting.

⁴ We used the market-based method to calculate the electricity emissions related to an operating lease that the Group runs.

⁵ The emissions from the vehicles that are financed by the Group are based the number of vehicles that are on a contract that is active as at 31 December 2022. In addition, these emissions do not include the non-CO₂e emissions which are considered to be not material to the business.





A closer look at scope emissions

1 Scope 1



Direct emissions from sources owned or controlled by us, e.g. gas used in our boilers or fuel in Company-owned cars.

2 Scope 2



Indirect emissions from the generation of purchased energy in our business, specifically from electricity.

3 Scope 3



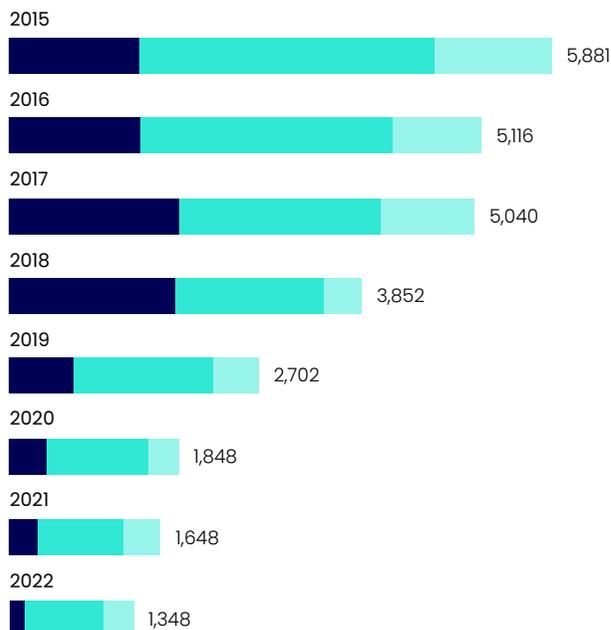
All other indirect emissions, or emissions created on our behalf. The scope 3 emissions we calculate cover the following upstream activities that are material to the Group's operations: category 1: purchased goods and services; category 2: capital goods; category 3: fuel and energy-related activities; category 5: waste generated in operations; category 6: business travel; and category 7: employee commuting. In addition, emissions associated to downstream activities that are material to the Group are: category 13: downstream leased assets; and category 15: investments which are the financed GHG emissions associated with the vehicle finance we provide to our customers.

1 2

Scope 1 and 2 emissions – gas, Company vehicles and electricity (location-based)

During 2022, our scope 1 and 2 (and associated scope 3) emissions accounted for 1,348 tonnes of CO₂e.

Scope 1 and 2 (and associated scope 3) (tonnes CO₂e)



● Scope 1 emissions

● Scope 2 emissions (location-based)

● Scope 1 and 2 associated 'well-to-tank' emissions (location-based)

Intensity ratio

0.79

scope 1 and 2 (and associated scope 3)
kg of CO₂e per customer

(2021: 1.02)

7%

reduction in electricity emissions

18%

reduction in scope 1 and 2

90%

of waste was recycled or
sent for energy recovery

(2021: 92%)



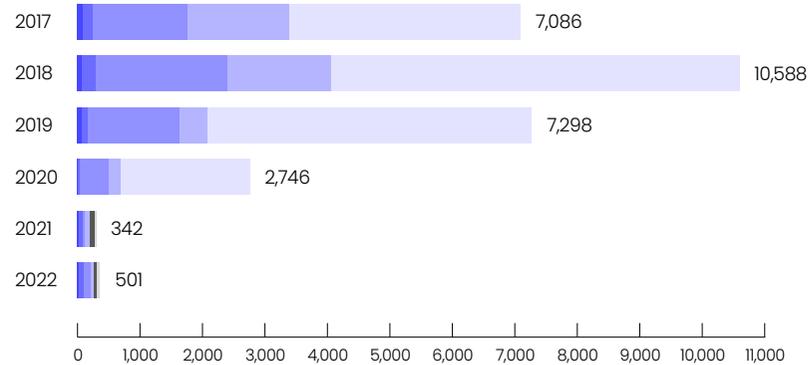
A closer look at scope emissions continued

3

Scope 3 emissions and business travel

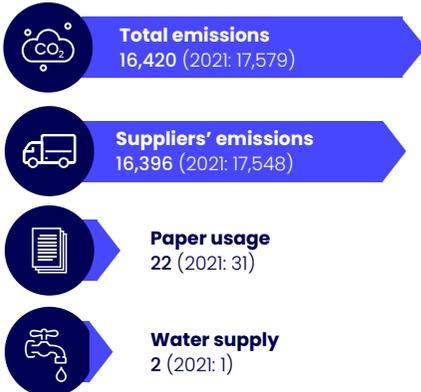
The scope 3 emissions we calculate in relation to our business travel cover the journeys made by colleagues by train, plane, taxi as well as travel by colleagues in their own vehicles for business-related matters. It also includes colleagues' hotel stays and commuting, and the 'well-to-tank' emissions associated with the production of fuel and business travel.

Business travel GHG emissions (tonnes CO₂e)

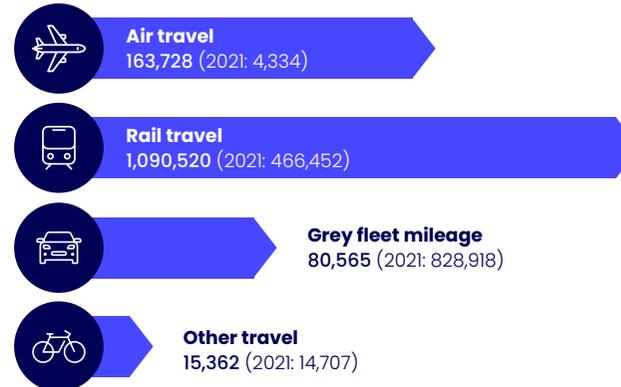


- Rail travel: 62 (2021: 26)
- Air travel: 96 (2021: 2)
- Travel-associated 'well-to-tank' emissions: 287 (2021: 74)
- Grey fleet (colleague own vehicle travel): 22 (2021: 228)
- Other travel (taxi, chauffeur, etc.):* 13 (2021: 4)
- Hotel stays: 29 (2021: 8)

Purchased goods and service (tonnes CO₂e)



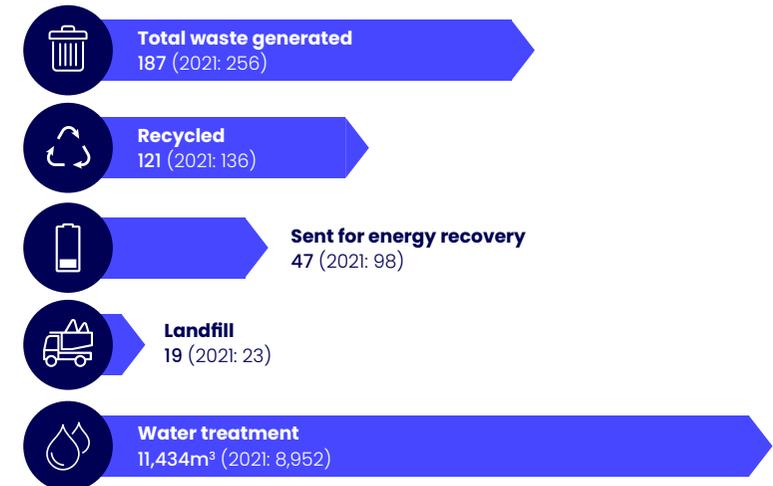
Business travel distance (miles)



Employee commuting (tonnes CO₂e)



Waste (tonnes)



* We calculated the emissions from expense claims of business travel using the average price per mile from public sources.



Carbon offsetting

100%
Operational carbon
footprint offset*

* Not including scope 3 emissions associated with suppliers' and financed vehicle emissions.

8,000
tonnes of CO₂e offset

Offsetting continues to play an important role in our carbon reduction strategy. However, we recognise that certain approaches to offsetting have been criticised because they can be used to burnish environmental credentials without solving the root cause of the climate problem and reducing the amount of carbon that is emitted into the atmosphere. We have therefore shifted our approach to carbon offsetting in 2022. This year, we have financed two projects which are considered carbon capture projects; one local and one international. By doing this, our approach to offsetting supports the removal of carbon from the atmosphere on an almost permanent basis.

The Scottish ReGrow project

The Scottish ReGrow project aims to restore a diversity of woodland types to Scotland, prioritising the pinewood and riparian woodland habitats. Financing this project protects over 200,000 hectares of critical Scottish Highland forestry and natural wildlife habitat and provides carbon neutralisation across the furthest lands of the Scottish peninsula. Its aim is not only to preserve the environment but to build upon the peat landscape and allow for the natural development of organic and diverse habitat.

These woodlands are important for stabilising the riverbanks, preventing soil erosion and reducing flooding. They also improve the health of the river by adding nutrients to the water in the form of leaf litter and invertebrates and creating shelter and shade for wildlife. This is vitally important for Scotland's fish species, particularly salmon and brown trout, which are threatened by the rising water temperatures brought on by climate change. By financing this project, we offset 3,000 CO₂e tonnes which more than compensate for our scope 1 and 2 GHG emissions.

Planting biodiverse forests in Panama

The Forests Planting in Panama project aims to mitigate the impact of sourcing timber from rainforests which has resulted in the depletion of tropical rainforests. This project supports the production of sustainable sources of timber while reforesting degraded pastureland with a mix of native tree species and teak. By financing this project, we have offset 5,000 tonnes of CO₂e. This fully compensates for the GHG emissions from our fuel- and energy-related activities, upstream transportation and distribution, waste generated in our operations, business travel and colleague commuting and some of the emissions that result from the goods and services we purchase.

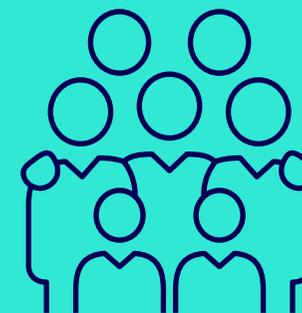
In addition, by supporting this project:

- more than 7.5 million trees from 20 different native species have been planted;
- 25% has been declared a nature reserve, protecting the forest and the animals and plants living there;
- the reforested areas serve as bridges for wandering animals seeking new habitats; and
- long-term employment has been provided for the local population.



Supporting our society

Our Purpose, Mission and Strategic Priorities ensure that we focus on continuing to deliver responsible products and services which help put our customers on a path to a better everyday life. They also underline our commitment to responding to the needs of our other key stakeholders including our colleagues, suppliers and communities.



Customers

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Customers

Vanquis Banking Group supports financial inclusion by lending responsibly to customers in the mid-cost and near-prime parts of the credit market whose needs are not well met by traditional lenders. We do this by providing tailored products and service propositions to 1.7 million customers throughout the UK.

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The customers we serve

Supporting and understanding our customers

The Group is a leading specialist banking group focused on the mid-cost and near-prime parts of the market in the UK. Our customers may not be well served by mainstream lenders for a multitude of reasons:



Experienced a significant life event (e.g. job loss, ill health, divorce).



Managing on below-average incomes with limited savings, meaning unforeseen expenses can be challenging.



New to credit or new to the UK and therefore have little or no credit history.



Have variable incomes (e.g. self-employed, on a zero-hours contract, have multiple part-time jobs).



Looking to build or rebuild their credit rating.



Value a more tailored product and service.

Our customers sit across a broad range of risk profiles. It is therefore important that products across a number of price points can be offered to them, increasing financial inclusion. Vanquis Banking Group meets the needs of its customers through three products which are delivered across multiple distribution channels: credit cards, unsecured personal loans and vehicle finance products through our Vanquis and Moneybarn brands.

Our customers' typical characteristics

	Credit cards	Vehicle finance	Personal loans
Income source	Full or part-time salaried (66%) or self-employed (16%)	Full-time salaried (77%) or self-employed (15%)	Full or part-time salaried (77%) or self-employed (6%)
Income levels	Earning around the national average (£30k) with core spread between £20k and £50k		
Housing	20% hold a mortgage ¹	10% hold a mortgage ¹	16% hold a mortgage ¹
Typical age	46–65 years old	36–55 years old	26–45 years old
Credit score	Mid-cost/near-prime Typical customer credit scores sit between 500 and 600 ²		
Savings	Circa half have material savings (enough to cover emergencies or anything unexpected)	Limited savings	Circa half have material savings (enough to cover emergencies or anything unexpected)

Source: BoxClever survey of 3,510 non-prime consumers and 2,929 of the Group customers, December 2019.

¹ The mortgage holders' data was sourced from internal customer data.

² Customer credit scores based on TransUnion Gauge 2 score.



Serving our customers in a responsible manner

Vanquis Banking Group's focus is to deliver responsible products and services which help put our customers on a path to a better everyday life. We meet the needs of our customers through three products: credit cards, vehicle finance and unsecured personal loans. We also work collaboratively with money advice partners to help address financial inclusion issues and to improve the experience for our own customers.

Read more

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- 30 How we manage arrears
- 31 Providing money advice support in local communities



Case study

Helping customers – new Vanquis blog

The Vanquis website features the Vanquis blog: a series of regular articles which aim to help customers with everyday money matters, while providing updates on Vanquis Banking Group, and driving traffic to the Vanquis site.

The blog features customer-based content on the theme of 'everyday money': a series of relatable lifestyle guides to help our customers manage their money better. In time, it will also include articles on product development and innovation, as well as our community investment activities. Adding a blog to our existing site allows us to do one key thing: provide a home for the PR and brand activity we produce. Typically, with digital PR, a link is needed to get the most out of the coverage we might receive for a 'trending' or topical piece. To amplify this further, it helps if we can offer bespoke content that sits deeper in our websites, rather than linking to a homepage or generic landing page; and it helps more people land on the website through search engine optimisation (SEO). A blog gives us an additional part of our site where we can house SEO-friendly content covering topics we know prospective customers use when they search. All this means we'll attract more traffic and for much less than it costs to directly advertise our products.

Case study

Cost of Living Calculator

We understand that lots of people are starting to look at the rise in prices and the impact it could have on their finances. From the increase in the cost of filling your car up, to rising energy bills and the price of everyday goods, many of us are worried about how to cope. To help better understand the cost increase, we provide our customers with our cost of living calculator. This easy-to-use tool allows customers to enter their own costs for housing, energy, fuel and other bills. Our calculator shows how much extra they might need to pay, based on the increase in prices for specific items. We've also provided some helpful tips on how to save money on things like energy bills, travel and household expenses.



Serving our customers in a responsible manner continued

Case study

Understanding our customers and their needs during the rising cost of living in Q4 2022

Using our regular Moneybarn Customer Research Panel, we asked existing in-life customers how they felt about the rising cost of living in September 2022. To what extent was it affecting their daily lives? What were they doing to manage their finances? And how did they feel about the future?

Almost 100 detailed surveys were completed and told us that they were definitely concerned by the rising cost of living but not to an extreme level. They were managing money more carefully and trying to reduce their energy consumption, and they were pessimistic about their finances for the rest of the year and going into 2023. We shared these results with our management committee, our macrofactors project team which was developing new support measures for our customers and the wider business with a detailed walkthrough video on the intranet.

We also sought to understand more about our customers in a detailed survey in October 2022, particularly looking for differences between those in the sub-prime market and those in the near-prime market. We found little difference between the two sets of customers, with near-prime customers slightly more likely to know their credit score and be equipped to handle a financial shock for example, whilst sub-prime customers were less cautious in their approach to risk and described themselves more as spenders than savers. Wider issues were highlighted though, such as a higher number of customers than we would like who were unaware of the APR that applied to their agreement, and that customers preferred communicating via email over phone. Lessons were shared with Marketing and more actions are planned based on this research moving into 2023, including verifying these issues/results with a larger scale sample.

Finally we rounded off our work on better understanding our customers by conducting a detailed analysis into the results of our bi-annual Net Promoter Score (NPS) survey in November 2022. We scored a positive +48.3, although this was a decline on our previous result, and thanks to the insight of our NPS survey provider we have now identified eight key negative themes that customers highlighted to us as areas of improvement, which will form the backbone of our insight actions for the year ahead.

“

Gathering feedback from our customers and better understanding the demands and expectations they face is always key, but not least in the final quarter of 2022 when the cost of living was at a 30-year high.

As we look ahead to 2023, we have a strong body of research to help us drive change and ensure we deliver the best possible service for our vehicle finance agreement holders, acting on their feedback to ensure we're delivering on the priorities they care about most in these challenging financial times.

Mark Allaway

Vehicle Finance Customer Insight Specialist





Maintaining customer satisfaction rates

It is vital that we know that our customers are happy with the products and services we provide to them. This is why customer satisfaction is a key metric for Vanquis Banking Group. Monitoring rates of customer satisfaction helps us to determine whether we are providing our customers with products, services and partnerships that meet their particular needs and help put them on a path to a better everyday life. Tracking customer satisfaction also gives us some insight into where we can make improvements to our offerings so that we can continually meet or surpass customers' expectations. Information on customer satisfaction is collected through a variety of methods such as online forums, and phone and face-to-face surveys, as well as focus groups.

We also engage with our existing customers and those in the open market so that they can help us to evolve our product offering, which will ultimately enable us to support more consumers on their credit journey. By doing this, we are able to get customer input into product proposition matters such as loan size and terms, and APRs. It also provides us with vital intelligence to help improve aspects of the customer journey (e.g. the onboarding process) as well as meeting their digital expectations through the use of mobile banking applications and self-service capabilities.

“

The Board's Customer, Culture and Ethics (CCE) Committee continues to review and discuss key performance measures such as customer satisfaction and customer complaints that are included within the Group's Culture and Customer Dashboards. This enables the Committee to continue to focus on the Group's responsibilities towards its customers.

Rob Lawson

Head of Sustainability

Credit cards

Customer satisfaction rates for 2022

4.6/5

(2021: 4.7/5)

Customer complaints received in 2022

19,468

(2021: 19,517)

Vehicle finance

Customer satisfaction rates for 2022

4.3/5 Feefo rating

(2021: 4.4/5)

Customer complaints received in 2022

9,720

(2021: 8,717)



Handling our customer complaints responsibly

Keeping customer complaints to an absolute minimum, gives us confidence that we are treating our customers fairly and that our products, services and partnerships meet their specific needs. Understanding the root causes of complaints also gives us valuable insight which we can use to improve the service we provide to customers. Across Vanquis Banking Group, we have well-established complaint-handling service-level agreements to guide our customer service teams in resolving issues in a professional and timely way. To support these processes, we continue to ensure that our colleagues are trained well enough to deliver excellent customer service whether face-to-face, on the telephone or via email. The total amount of hours colleagues spent on customer-focused training in 2022 was 41,665 (2021: 39,509).

835

(2021: 8,581)
complaints were upheld in
favour of the customer in 2022

During 2022, the total number of
complaints referred to the FOS was

3,154

(2021: 13,313)

“

Vanquis have been great. It was a really easy process to follow to get the card, a decent interest rate for me and I've never had any issues. I'd recommend them for sure.

Ollie
Teacher



Read Ollie's
story in our
**Annual Report
and Financial
Statements 2022**



The Financial Ombudsman Service

We continue to provide the contact details of the Financial Ombudsman Service (FOS) to all our customers, so they have another option if they feel we have not been able to resolve their complaint to their satisfaction. This is a free and independent service that helps to resolve complaints between consumers and financial services companies.

During 2022, there was a significant reduction in the total number of complaints referred to the FOS and also in terms of the number of complaints that were upheld in favour of the customer when compared to 2021. This is because a high number of the complaints that were referred to the FOS in 2021 came from CCD customers. The CCD was closed on 31 December 2021 in response to changing customer dynamics. The total number of Vanquis Banking Group customer complaints referred to the FOS in 2022 was 3,154 (2021: 13,313). During the year, 835 (2021: 8,581) of the complaints that were referred to the FOS were upheld in favour of the customer. Details relating to the percentage of complaints that are upheld in favour of the customer by our individual business units are made publicly available twice a year on the FOS website. The most recent figures for 2022 are as follows: credit card business – 24% (2021: 23%) and vehicle finance business – 30% (2021: 26%).



[Read more](#)

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Supporting customers in vulnerable situations

As we continue ensuring that everyday people can access the financial services they need, no matter where they are on their journey, we know that we have a duty to support customers if they experience financial difficulties. This is why a pillar of our community investment programme focuses on providing grants to charities and specialist partners to address issues such as customer vulnerability and financial difficulties. These organisations also guide and advise our colleagues to support our customers when addressing these kinds of issues.

We understand that our customers can find themselves, at times, in financially challenging situations due to unforeseen circumstances such as ill health, loss of income, family bereavement or other significant life events. Therefore, we ensure that our call centre colleagues are trained in recognising signs that might indicate a customer could be classified as 'vulnerable', or may be facing financial difficulty, whether in the short or long term.

As well as our ongoing commitment to offer suitable products and have colleagues with the right skill set to respond to the needs of customers who are not well served by mainstream lenders, we also recognise that the increased volatility of

current macroeconomic conditions has presented challenges to many more individuals and households as energy, fuel and food prices have increased throughout the year.

We have taken two additional courses of actions to support customers, potential customers, and those we would not be able to offer credit to, in light of the contemporary pressures they may be experiencing due to macroeconomic changes.

We have developed a range of easy to source and use support tools for customers on the website of our credit card business. These include a cost of living calculator and a self-guided, online resource developed for us by IncomeMax, which provides free help and assistance on topics ranging from benefits to debt advice. In 2022, we also engaged with our customers to understand their experiences and concerns about the cost of living agenda via existing customer feedback panels and other sources, to ensure that how we serve customers continues to align to their situations.

We have also sought to highlight to our stakeholders that there is a real and growing gap in the supply of credit to non-prime customers, to explain why this has come about and to propose what practical actions could be taken to counter this. Clearly we no longer provide high-cost, short-term credit and now serve a different profile of customers. However, we have added our voice, our past experience, and the insights of our third sector partners, to that of organisations such as Fair4All Finance, whose purpose is to boost access at scale to financial services for those who are, or who are at risk of being, financially excluded.



No Poverty

We will contribute to ending poverty in all its forms everywhere, by ensuring our customers have access to cost-effective and appropriate products for their needs and supporting them through financial difficulty.

In addition to having skilled and engaged colleagues to support our customers throughout their journeys with us, we are able to draw on the longstanding relationships we have developed over the years with organisations in the money advice sector. By supporting these organisations, our customers can also access independent and personal financial advice and support if they encounter financial challenges.

INCOMEMAX

Our credit card division continues to support customers who are experiencing financial difficulties. IncomeMax is a community interest company that helps people to maximise their household income by providing them with independent advice and support to navigate the complex welfare system, allowing individuals to take control of their finances. The advice provided by IncomeMax helps individuals and households to increase their income, reduce household bills, apply for white goods, switch utility tariffs and access specialist support services such as debt advice should this be required.

IncomeMax can find tens of thousands of pounds of back dated income that clients are entitled to and eligible for in some cases. During 2022, the credit card division launched a small-scale pilot of IncomeMax Messenger, the digital proposition which we have invested in to support development

over the last couple of years. Recognising that customers' digital capacity is evolving and that a growing number may now prefer to engage digitally, this will provide even better access to specialist advice. By providing funding to cover core costs, the new platform will benefit Vanquis and non-Vanquis customers, improving access for a wider community of individuals who may be facing financial difficulties. A full-scale roll-out is planned for 2023 to offer customers the option of engaging with IncomeMax either via a telephone or digital referral.

Additional resources were also developed by IncomeMax to enable us to provide branded self-help toolkits for Vanquis and Moneybarn customers. The toolkits provide access to valuable, comprehensive signposting and self-serve support for a wider audience, where a referral isn't necessary.



Through our IncomeMax Messenger digital service, we hope to be able to help more consumers and the funding we received from Vanquis Banking Group will not only support its customers but will enable us to offer this platform to other partners to support their own financially vulnerable customers at this critical time.

Lee Healey
Founder
IncomeMax



Supporting customers in vulnerable situations continued



While our businesses work to collect outstanding debt from customers, they sometimes enter debt agreement plans with leading debt charities such as StepChange (a similar arrangement is in place with Christians Against Poverty (CAP)). We continue to accept the offers of payment when customers have sought advice from these charities and a financial assessment has been made of their circumstances. Through the fair share agreements we have with these charities, we contribute almost 12% of any payment we receive from a customer who has entered a debt agreement plan with the charities. The fair share contributions mean our operating businesses pay for the debt advice received by the customer. They provide the charities with financial support so that they can continue to provide free, independent advice. During 2022, the Group's operating companies paid £451,247 (2021: £477,251) to StepChange and CAP in fair share contributions.



We support National Debtline, a debt charity run by the Money Advice Trust, which offers free and impartial debt advice by phone, webchat and online. Its specialist advisors help callers to understand their debt options and confidently manage their money.

Throughout 2022, the Money Advice Trust continued to provide life-changing debt advice, helping to support people and small business owners as they dealt with the consequences of the Covid-19 pandemic and saw their personal finances impacted by the cost of living crisis. In addition to the Money

Advice Trust's telephone-based, specialist advice services, National Debtline's website provides consumers with a wealth of free, online support materials – this website received 1.5 million visits in 2022.



Advice UK is a registered charity which supports a membership comprising the UK's largest network of independent advice service providers. The funding we provided to Advice UK in 2022 was used to support the work of its Policy and Campaigns Coordinator.

The Policy and Campaigns Coordinator is responsible for a range of key functions within Advice UK. In 2022, these included:

- supporting members of Advice UK to provide professional and authorised assistance to their clients, including acting as Approved Intermediaries for Debt Relief Orders; and
- representing the interests of members and clients in policy development and regulatory processes, particularly those relating to the provision of advice and the overall support framework for vulnerable customers within formal insolvency processes, the courts and enforcement procedures.



Money Advice Scotland (MAS) is a membership organisation providing support to people in debt who are based in Scotland. It also provides information resources and guidance to consumers seeking free, regulated debt advice and works to enhance financial wellbeing. The funding we provided to MAS in 2022 was used to support the organisation's capacity to communicate and collaborate: areas in which effective working is essential, given the post-Covid-19 and cost of living pressures being

experienced by consumers, and, in turn, the additional pressure such challenges exert on the organisation's membership network.

Our funding supported the role of communications officer, and thus the capacity for an effective communication strategy with MAS's clients, to ensure they knew how and where to source regulated money advice, and its money advisor membership.

Specifically, in 2022 our funding enabled MAS to invest in Basecamp, a project management and team collaboration tool. This enabled it to create a virtual forum for money advisors across the whole of Scotland. This is of particular value, given that many advisors in Scotland have always been geographically isolated, and, post Covid-19, many more now work remotely.

MAS's members have responded positively to this new facility, in particular, having enhanced capacity to interact with one another and to source guidance from more experienced colleagues in order to resolve clients' financial challenges. MAS reports that its membership base has grown to just under 500 in 2022, and attributes this in part to the functionality offered by Basecamp. In its ongoing membership wellbeing research, access to this new virtual collaboration platform is also cited by members as contributing positively to their wellbeing and effective working, as it facilitates drawing on the knowledge, expertise and support of colleagues.



The Money Charity (TMC) specialises in improving financial capability. It does this by providing information, advice and guidance to people of all ages, so that they can manage their money well and increase their financial wellbeing.

In 2022, the support we provided to TMC enabled it to deliver:

- 209 hours' worth of financial education workshops to 4,948 young people; and
- 78 hours' worth of financial wellbeing workshops to 954 adults.

At our request TMC prioritises supporting the most disadvantaged students and hard to reach groups. In 2022, 83% of those in the young people workshops came from disadvantaged groups. Likewise, the adult workshops supported service users, staff and volunteers in charities assisting carers, vulnerable young adults, people experiencing homelessness, women fleeing domestic violence and those with a refugee background.

Of the 55 sessions TMC delivered to adults in 2022, 45 were virtual workshops or webinars and 10 were delivered face-to-face. This was possible because in 2021 we provided funding so that TMC could convert, and refresh its learning resources to be delivered online. The rationale at that time was to ensure that schools and adult groups impacted by the Covid-19 restrictions could continue to access this support. We also supported the production of four promotional videos by the charity to ensure awareness of this assistance amongst those who could benefit from it. We are pleased that this new promotional tool has helped maintain the profile of TMC's workshops and ensured that individuals right across the UK have participated in and benefited from taking part in workshops.



Supporting customers in vulnerable situations continued

How we manage arrears

An important aspect of supporting the financial inclusion of our customers is about responsibly managing arrears and dealing with customers when they experience challenges making repayments.

We do this by establishing early contact and ensuring an ongoing dialogue with customers, and adopting a sympathetic approach to understand their circumstances, offering forbearance where appropriate.

In unfortunate scenarios, some of our customers will fall behind on their repayments, meaning we have to make contact with them and rearrange their repayment schedule. It is of utmost importance to us that we are empathetic and understanding in these circumstances, and offer forbearance measures where possible, so we can protect their credit score. However, there are cases where customers, in spite of all efforts to assist them, either cannot or will not cooperate with our efforts to rearrange their repayment schedule. Our divisions therefore have systems and processes in place to deal with these situations; however, these processes differ slightly, due to regulatory requirements and the products we have on offer.

Our credit card business has internal recovery procedures in place which are aimed at reconnecting with customers via letter, telephone or SMS text message. These procedures enable us to determine whether customers are experiencing any personal difficulties which are preventing them from making repayments. If they are experiencing difficulties, we can agree with them for any appropriate forbearance options (e.g. a reduced payment arrangement). If, having used these internal processes to reconnect with a customer, who we believe has the capacity to repay, it is still not possible to secure payments from them, we may appoint a debt collection agency (DCA) to pursue the debt. When this occurs, we retain the title and responsibility for the actions of the DCA and they will only receive commission on the payments they collect. We only use DCAs whose track record is known to us and who are members of the DCA trade body, the Credit Services Association. Debt purchase also forms part of the arrears process that is used by this business.

The Group's debt sale team is responsible for the continued oversight of all external supplier collections for all Group products and works collaboratively with First Line Risk and Control to give assurances on

customer experience and overall performances through the following mechanisms: weekly and monthly performance packs that include both performance (right party contact, collections, etc.) and conduct (complaints, quality, etc.) metrics provided by the debt purchasers/DCAs; quality control performed by the debt sale team with quality teams performing independent 'check the checker' for DCAs; quality calibration sessions with our suppliers to ensure standards/expectations are being met for both the debt purchaser/DCA for call quality; a minimum of annual audits on all suppliers; six-monthly performance review sessions in addition to the standard monthly governance sessions; and monthly submissions of key risk indicators by all the debt purchasers that are engaged.

The management of customer accounts in arrears in our vehicle finance business is different due to the nature of the product. Moneybarn's policy is to try to keep as many customers as possible in 'live' agreements where they still have use of the vehicle. They do this through a series of forbearance strategies, including payment plans based on detailed income and expenditure assessments, providing breathing space and debt management agency referrals, as well as, in some circumstances, debt reduction or write-off. Particular emphasis is placed on higher-risk, vulnerable customers, again, applying a case-by-case approach. Despite having these forbearance strategies available, some customer agreements will prove to be unsustainable, or the customer will not engage with attempts to find a solution to deal with their arrears. In these situations, the agreement will be ended and the vehicle recovered and sold. The sale value of the vehicle is offset against any shortfall debt the customer might have on their agreement. Prior to termination of the agreement, affected customers receive written confirmation of their termination rights and the likely financial implications of the options available to them. Any remaining shortfall debt is then recovered through payment arrangements with the customer. These payment arrangements are only entered into once a full income and expenditure assessment has been carried out to determine whether they are affordable for the customer.





Providing money advice support in local communities

Through the funds that are managed on our behalf by our community foundation partners (see pages 59 to 65), we provide support to small voluntary organisations which are working directly in their communities to help tackle the barriers which prevent social and financial inclusion.

These Funds enable us to award grants to voluntary money advice organisations and projects which offer support with money worries for their broad range of service users. We have awarded core costs to a number of organisations where money advice or signposting to money advice may form part of their service provision as outlined in our fund criteria. Where this advice is provided by organisations that are firmly rooted in their local communities, they are able to provide it in a way that is accessible, specialist and culturally appropriate.



Case study



Safe New Futures

We have provided three-year funding for core costs to this Southampton-based organisation. Our funding will help it to deliver a programme of three cognitive behavioural therapy courses for 16–25 year olds who are NEET or at risk of being NEET. Safe New Futures creates opportunities for people with shared experiences to talk and be heard in a safe environment with experienced facilitators. As many participants struggle with social isolation, the courses are a way to break out of their shell and to engage in education or find meaningful employment. Participants set health and wellbeing goals and explore education, employment, or training opportunities so they can move forward with their lives. An important element of this will be the provision of advice on setting and developing personal finance budgets and controlling spending.

Each five-week course is delivered by experienced facilitators and supported by volunteers. They are designed to be multi-media online delivery (to help reach more individuals, who may find in-person attendance more challenging) and will include a range of stimulating whole group and small team activities and challenges, as well as quiet reflective exercises and one-to-one personal coaching. Peer to peer follow-up support is also provided.

This three-year funding will enable Safe New Futures to invest in the Pathways programme to extend the post-course pastoral support and embed the CBT learning amongst young people who are struggling with issues such as poor mental health, addiction problems, physical health issues, family breakdown, and isolation.



Our people

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

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Our people

Be Open – sharing our brand story and building our communication capabilities

Articulating a clear brand story that clarifies who we are, what we do and what we want to achieve together has been an important focus.

During 2022 we focused on developing our brand story and strategic narrative to confirm why we exist as an organisation (Purpose), what we intend to do (Mission) and how we plan to deliver on our Mission via our Strategic Priorities. We also began work to refresh the Values and behaviours that will help us to deliver those priorities, to guide decision making, deliver consistency and bring people and teams closer together. We focused on finding new ways to share that story with our colleagues through improving how we communicate and engage with each other in a hybrid working world. This includes a better cadence of communication activities, making links between group and functional messaging, and better use of digital channels so that communication is integrated into the working day. We also began doing more to empower leaders to lead communication and involve their people where possible.



At Vanquis Banking Group we care about people, and we know that investing in our colleague experience and culture is key to everyone's success. If we can create, support and sustain engaged and motivated teams we will be in the best position to deliver on our Mission and ultimately our Purpose – to help put people on a path to better everyday life. This Purpose also applies to our colleagues and their career journey with us.

Our People function plays a key role in driving and making our business a great place to work, from the moment people join us to the day they leave.

During 2022 we made significant progress in strengthening our approach to nurturing and growing the people-centric culture and colleague experience we need – here is a summary of some of our key achievements, all paving the way for what we plan to do next in 2023.

Nicola Lipson
Chief People Officer



Be Open – listening to our colleagues

Actively listening to our colleagues is fundamental to nurturing and growing the people-centric culture. We have been working hard to create safe spaces for colleagues to speak up and share their views, and solutions and give feedback through our Colleague Forum, Colleague Survey and inclusion community.

Our Colleague Forum

During 2022, we established a Group approach to our Colleague Forum to reflect the unified business structure, and to better align discussions, actions, and outcomes. We have 42 elected members in our Colleague Forum, representing all areas of our business, who provide a colleague voice and feedback to help us adapt and respond so we can be a better business.

Throughout 2022 our Colleague Forum has been actively involved in key activities such as the implementation of the Reward Framework, aligned people policies, developing the hybrid working model, our continued response to Covid-19, organisational change and supporting functional colleague engagement.



I am very proud of how well the forum supported colleagues during the organisational restructure in Q3 of 2022; this was a very stressful time for colleagues and to see the forum step up and support everyone they did was inspiring. The Colleague Forum is immensely important for ensuring the things that matter to everyone get a platform and leadership is aware of what's important to people; it's a great role that helps you feel as though you are making change for the better.

Daniel Medcalf
Colleague Forum Lead

Our colleague survey

Our Colleague Survey provides valuable insight into how our people are feeling about working life in our business. We had 1,520 responses in total, representing a 79% response rate, up 8% from the previous year.

Engagement across our business has held steady at 68%, down just 1% from 2021, a positive outcome given the challenging year of change and transformation experienced throughout 2022.



Our people continued

Our strengths and areas we are proud of

- Colleagues feel confident in our Purpose and are committed to helping put people on a path to a better every day.
- Colleagues understand how their work and their wider function helps our business achieve its Purpose.
- Colleagues feel that they can access help when needed and support each other, and importantly that they can be themselves at work.

Opportunities and areas to improve for 2023

- Colleagues feel the business needs to be better at improving the way change is managed and communicated across the business.
- Colleagues would like us to be better at keeping them informed on a regular basis of the business priorities and plans and how we are progressing so they know how to help.

Through the 2023 people strategy and focus on clearer communication, empowered leaders, and better use of channels to engage people, we are committed to improving on these areas and look forward to seeing how we do in our next pulse survey.

Colleague Engagement Champions

As a response to the survey results and to amplify the voice of our colleagues, we created a network of colleague engagement champions. We have worked with senior leadership and the People team to analyse the results of the colleague survey in detail and hosted focus group sessions to gain further insights, to generate ideas and solutions for action plans and to review progress. The Engagement Champions are collaborating with the existing colleague networks, the Colleague Forum, and Affinity Groups to create positive change and to hold the business accountable for delivering against the commitments made.



I'm most proud of the openness and honesty that we can share in the network sessions, and how those who host the sessions respond; there are some great positives and hard truths shared. I'm proud we can create an environment where both of these are equally heard.

Rachel Maglicoo

Future Skills and Apprenticeship Lead

Vanquis Banking Group Board visits

We hosted a site visit by our Board to our Bradford office to spend time with our front-line colleagues. The Board participated in call listening, and took part in a question and answers session and a panel discussion, exploring a variety of topics, especially surrounding culture, inclusion and wellbeing.



The day was a great way to meet so many colleagues in a short period of time. As a Board member, I get to hear about all the great things that you are delivering, and it's fantastic to meet just a few of you that are actually making it all happen.

Margot James

Independent Non-Executive Director (NED)

High-performance organisation

Our people make our business a great place to work and a successful one, so it's our aim to recruit and retain the best talent we can. Through initiatives delivered by our talent development team, we are dedicated to providing and nurturing the skills, knowledge and behaviours needed to develop our people, our business and our culture.

How do we do this?

- The ILM accredited Management Blueprint Programme has been running for the past year with 160 people managers across the business attending the full programme. 50 further people managers are already signed up for the next cohort and will have the opportunity to become ILM accredited managers. Here's what one of the delegates had to say:



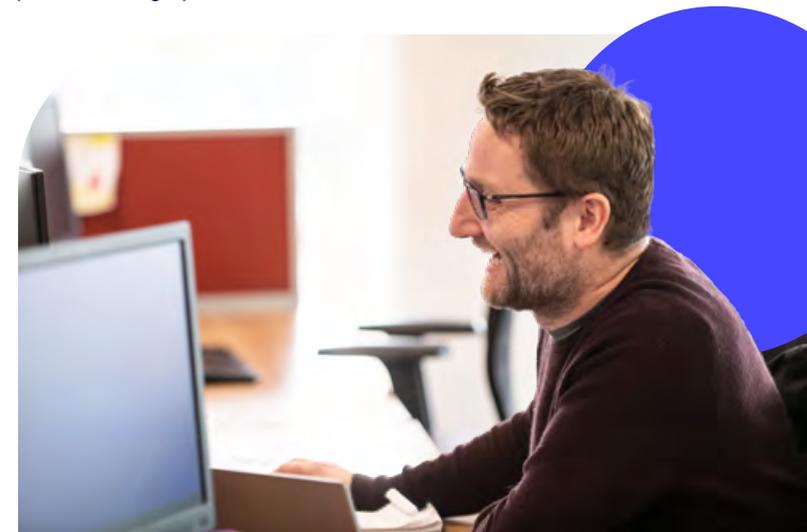
Joining the programme, I thought what can you teach me? I've been here 20 years! I soon embraced the style, content and delivery of the sessions, enjoyed remembering old known things and picking up some great new things too! I would recommend everyone goes along with an open and positive approach. There really is something in it for everyone! Thoroughly worth the investment.

Adrian Dorey

Tech Ops Lead

- We continue to support and fund professional studies alongside offering apprenticeships to our people. This is in addition to the mandatory learning content everyone is required to complete to make sure we have a competent workforce and that we are delivering the right outcomes. Our current completion figures across the Group are 93.4% within the agreed deadline for our new starter population.
- For our customer-facing colleagues, our Operations Trainers ran Customer Service/ Collections Inductions and Welcome Webinars for all new colleagues who joined in 2022.
- We also designed and facilitated a wide range of courses tailored for those teams including: Train the Trainer, Enhanced My Customer and Me, Digital Excellence, Customer Champions, Team Building Post Consultation, Persistent Debt, Absence Awareness, Anti-money Laundering, Front-line Fraud.

We are constantly striving to create an environment of increasing development for our people. With new offerings, initiatives, and opportunities within our learning space, we are committed to underpinning the success of our business.



Reward and recognition

Group Reward Framework

Since 2021 we have been implementing our new Reward Framework. Initially, this involved standardised job levelling across the Group. This has provided our colleagues with greater visibility of their current role and also future potential career progression.

With the standardised levels in place, we were then able to introduce a consistent Reward Framework for all employees by level, for pay and benefit opportunities. This includes:

- standardised maximum bonus percentages, performance management and target setting thereby enabling a consistent formulaic process for annual bonus calculation(s);
- consistency in eligibility for private medical insurance, private health insurance and life assurance; and
- standard annual leave allowance.

Additional work to align pensions across all legal entities will occur during 2023.

Cost of living payment

While the cost of living crisis has impacted all colleagues, we acknowledge that it has impacted our lower-level colleagues to a greater extent. Therefore, to assist with this, a one-off payment was made to all lower-level colleagues across the Group of £750 in September 2022.

Gender pay gap reporting

The gender pay gap reporting regulations require all companies that employ 250 or more colleagues to undertake a gender pay gap analysis and publish their findings. Set out below is the gender pay gap information for the legal entities of the Group that employ more than 250 colleagues and are required to disclose (i.e. Vanquis Bank Limited (VBL), Moneybarn and Vanquis Banking Group).

Pay and bonus gender gap as at 5 April 2022

Gender representation by pay quartiles (%)

- **Vanquis Banking Group** – proportion of males and females receiving a bonus in 2022: male – 80.8%; female – 85.4%.
- **Moneybarn** – proportion of males and females receiving a bonus in 2022: male – 81.8%; female – 82.0%.
- **Vanquis Bank** – proportion of males and females receiving a bonus in 2022: male – 83.3%; female – 86.6%.

The introduction of job levelling and the aligned Reward Framework means we are better able to demonstrate that across the Group, male and female colleagues are paid fairly and consistently. The mean gender pay gap continues to be driven by the structure of our workforce, where there is a much greater representation of men in senior roles, earning higher salaries, rather than being an equal pay issue. So although we are pleased that the mean gender pay gap reported has decreased across all three companies, we acknowledge that there is still a long way to go and our key focus is increasing female representation in senior roles.



	Hourly pay				Bonus pay			
	Mean		Median		Mean		Median	
	2022	2021	2022	2021	2022	2021	2022	2021
VBL	29.3%	31.4%	35.0%	31.7%	49.2%	(0.4%)	47.0%	0%
Moneybarn	19.1%	20.7%	16.0%	7.8%	40.3%	(1.1%)	17.4%	0%
Vanquis Banking Group	43.5%	46.3%	38.5%	25.6%	63.0%	87.4%	79.9%	0%



Be Yourself – our inclusion and diversity programme

Our ambition is to build and sustain an inclusive culture where everyone can be themselves. Having a diverse workforce gives our business its unique character and culture and sets us up to better deliver for the diverse customer base we serve.

What we have delivered

- Affinity Groups: Our five aligned Affinity Groups, Disability, LGBTQ+, Gender Balance, Ethnicity and Social Mobility, continue to provide a space for colleagues to openly share and discuss their experiences, explore barriers that prevent an inclusive workplace and recommend solutions to overcome these.
- Time to Talk: We recognise that we have so much to learn from each other; in 2022 our Affinity Groups launched a series of events called 'Time to Talk'. These are live virtual events that create opportunities to engage with colleagues in a more meaningful way, and introduce different perspectives by facing into difficult topics and issues facing colleagues and wider society through conversation, such as the impact of racial microaggressions, menopause in the workplace and men's health issues.
- Peer Circles: Our Peer Circles, which are run exclusively by colleagues to encourage peer support, continue to evolve to focus on topics that matter the most to our colleagues. In 2022 we saw the creation of the Men's Peer Circle and the Menopause Support Circle. Membership increased following the Time to Talk conversations.
- Governance: We carried out a review of the governance framework to support the ongoing success and evolution of our Be Yourself programme. This included introducing two newly aligned sponsors to champion and advocate social mobility through our business.
- People Policies: We've undertaken significant activity to harmonise a number of our People Policies, including creating new policies where we may not have had any, such as, Inclusion and Diversity; Mental Health and Wellbeing; Menopause Guide; and Transgender and Non-binary Support Guide.





Focus on gender balance

Throughout 2022 we have continued to drive actions to support delivering a better gender balance in senior leadership and the achievement of our 40% target by December 2024.

This includes:

- Our CEO (and Accountable Executive for gender diversity at Vanquis Banking Group), being a strong, visible champion of our WIFC target and commitments.
- Ensuring our recruitment agencies work with us to deliver gender balanced shortlists. We are pleased that this resulted in welcoming a woman onto the Group ExCo as Cards MD in April 2022. Female representation on the ExCo is now at 33%.
- All internal and external vacancies are run through a gender decoder to remove gender bias from our adverts and encourage a wider array of applicants to each role.
- Having succession plans in place that recognise our internal female talent pipeline. Again, we are pleased that this resulted in the promotion of two women onto the Group ExCo as General Counsel and Company Secretary and Chief People Officer.
- Introduction of job levelling with all job roles now evaluated against a consistent framework. Having this clear structure has allowed us to better identify and define our senior leadership population and improve gender balance reporting in this population.
- Our Gender Balance Affinity Group, as part of our Be Yourself programme, has continued to be a key support to help us to work towards our inclusion and diversity goals and ambitions. With a dedicated Group ExCo sponsor, it has created and established Peer Circles on relevant women's topics such as menopause, along with taking positive action to drive change through influencing policies and developing manager guides and resources.
- We invest in education and building awareness through events such as International Woman's Day, and Menopause in the Workplace sessions and we ran an interactive workshop with the Board to build awareness of the key principles of organisational inclusion and diversity, together with an overview of the science and psychology of unconscious bias and 'groupthink'.
- We continue to adopt hybrid working models to enable working women to work with greater flexibility, ensuring they have the support they need.

“

Ensuring that there is gender balance across Vanquis Banking Group is an important part of our inclusion and diversity agenda, which supports the Group's People and Culture strategic priority. In working towards this, our goals are to create and sustain a diverse and inclusive workplace culture where everyone can thrive, ensure we are representative of our customer base and achieve better commercial outcomes.

Carley Eaton

Chief Internal Auditor and Gender Balance Affinity Group Sponsor





Be Well - health, safety and wellbeing

We are committed to achieving high standards of health and safety through the provision of healthy working environments, safe working practices and safe people working therein.

Looking after the health, safety, and wellbeing of all our people, whether they are colleagues, contractors, suppliers, or customers, working from home or in our offices, is always a high priority for us. The Group demonstrates its commitment by defining roles, allocating responsibilities, and delegating authorities, to facilitate effective H&S management.

During 2022, the People function health and safety team was restructured and re-aligned across the Group ensuring a greater alignment of Strategic Priorities and an emphasis on driving better colleague health, safety, wellbeing, and engagement.

New business-wide health and safety policies and plans were developed to provide a consistent approach to safety leadership, organisation, planning, risk management, and governance, and to ensure work activities and hazards are suitably controlled. All policies are made available to colleagues via our intranet, colleague handbooks and induction programmes.

What we have delivered

- Our induction programme enables colleagues to understand health and safety risks in the workplace (office and hybrid), and how to implement relevant strategies to mitigate those risks.
- We continued to prioritise the safety and wellbeing of colleagues in our response to the Covid-19 pandemic, and the Government and UK Health Security Agency (UKHSA) guidance has been continually reviewed and implemented throughout the business.

During 2022, there were declining numbers of accidents and incidents, with no RIDDOR reportable events, mainly attributable to hybrid working, reduced travel and organisational changes. We take a robust approach to any accidents and incidents, with protocols in place to report and respond rapidly.





Be Well – supporting colleague mental health and wellbeing

At Vanquis Banking Group, we recognise the importance of supporting colleague mental health and wellbeing, in terms of individual welfare and the impact this can have on our business.

Our Be Well activity throughout 2022 has been focused on exploring intersectionality across all areas of wellbeing and inclusion and focusing on building financial wellbeing. Activities have driven awareness of the tools and resources available to colleagues to help them make positive improvements to their mental wellbeing and to ease financial stress. Now, more than ever, financial wellbeing is a key contributor to our colleagues' overall mental and physical health.

Working with our strategic partners, we have explored topics through webinars and internal communication, with colleagues sharing their experiences and experts offering guidance and advice, or sign posting for further support.

With the Bank Workers Charity we held sessions on:

- Social Wellbeing and Loneliness;
- Wellbeing Through the Lens of Inclusion and Diversity; and
- What Is Good Financial Wellbeing?

We participated in the Money and Pension Service's Talk Money Week, to encourage colleagues to open up about their finances and helping to remove the stigma of seeking financial and debt support.

Partnering with other business areas we held events with:

- IncomeMax – delivered a session on the cost of living, and the impacts it is seeing in wider society.
- Dedicated Card and Payment Crime Unit (DCPCU) – exploring the relationship between digital wellbeing and fraud prevention.
- Sessions with our Employee Assistance Programme provider to spread awareness of this free confidential mental health and wellbeing support, that is available to them and their families 24/7.

In our latest colleague engagement survey, 64% of colleagues said Vanquis Banking Group does enough to support their health and wellbeing at work, with 10.2% of colleagues sharing that they have a mental health condition, such as depression or anxiety.

Furthermore, we have undertaken significant activity to ensure our Employee Assistance Programme (EAP) is embedded into our business, making colleagues aware that of this free, confidential mental health and wellbeing support, is available to them and their families 24/7.

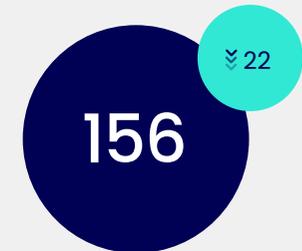
EAP features include:

- a dedicated helpline with calls answered by experienced in-house counsellors, and legal and financial specialists;
- a smartphone app and personalised online wellbeing content, including videos, webinars, mini health checks and health coaching; and
- social media engagement through Instagram, a monthly podcast and Spotify playlists.

EAP usage data for 2022 shows:



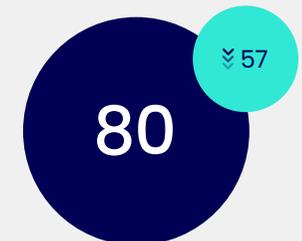
Number of calls to access services from our EAP



Calls relating to mental health



Online counselling sessions were held



Telephone counselling sessions were delivered



Face-to-face counselling sessions took place



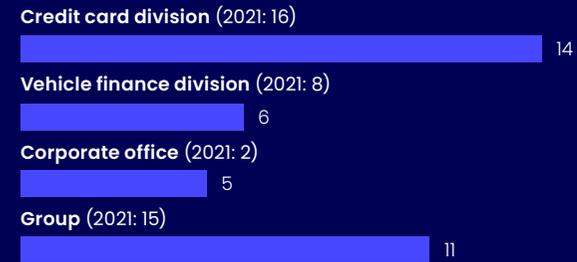
Online hits

Colleague turnover

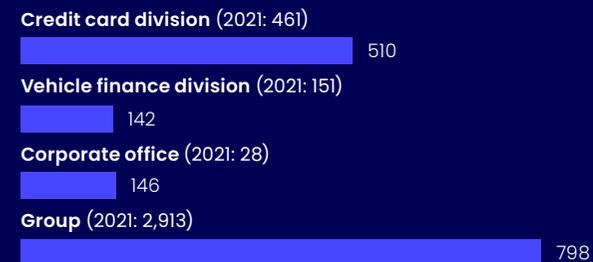
Throughout the year, we aimed to address the key findings that were identified by the colleague engagement survey we carried out in 2022 and, by doing this, we have improved engagement scores and reduced our overall colleague turnover rates in 2022 in comparison to the rates for 2021.



Average number of absence days per employee

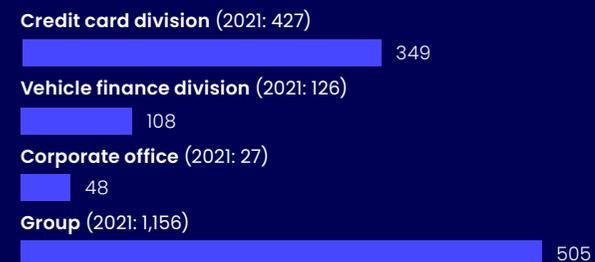


Number of employees who left the business*



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

Number of employees who left the business voluntarily





Encouraging colleagues to save for their future

Because of the industry we work in, we feel that it is just as important to ensure that our colleagues, as well as our customers, manage their money in a sustainable way. This is why we offer initiatives that allow colleagues to either invest in the Company through a 'share scheme' or save for their future through a workplace pension.

Pensions

There are two main pension schemes for colleagues across the Group. New colleagues are automatically enrolled into the Vanquis Banking Group Workplace Pension Scheme after two months' service, and after two years of membership they are invited to join the Vanquis Banking Group Retirement Plan; however, colleagues joining at a managerial level are invited to directly join the Group's Retirement Plan.

The Vanquis Banking Group Workplace Pension Scheme is provided through the National Employment Savings Trust (NEST), and requires colleagues to contribute 3% of their pensionable salary after tax relief. On top of this, we will also contribute 4% of their pensionable salary.

The Group's Retirement Plan allows colleagues to contribute between 3% and 8% of their pensionable salary and we will contribute between 5% and 10%.

All-colleague share schemes

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

675

colleagues participate
in our share schemes

The Group's two all-colleague schemes aim to encourage colleagues' involvement and interest in the financial performance and success of the Group through share ownership.

The current schemes for colleagues resident in the UK are the Group's Savings-Related Share Option Scheme 2013 and the Vanquis Banking Group Share Incentive Plan (SIP).

528 colleagues were participating in the Company's save as you earn schemes as at 31 December 2022 (2021: 864). The Group's SIP offers colleagues the opportunity to further invest in the Group and to benefit from the Group's offer to match that investment on the basis of one matching share for every four partnership shares purchased. 147 colleagues were participating in the SIP as at 31 December 2022 (2021: 139).





Our supply chain

Responding to the Modern Slavery Act 2015

The Group is committed to supporting and respecting human rights and, as such, is opposed to slavery and human trafficking in both its direct operations and in the indirect operations of its supply chains. We will therefore not knowingly support or do business with any organisation involved in slavery or human trafficking. This covers the suppliers of products and services that are engaged by the Group, as well as the charitable, community and civic society partners we support. This commitment is underpinned by the Group's corporate policy on Human Rights and Modern Slavery, which was refreshed in 2022, and which endorses the United Nation's Universal Declaration of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. The Group also acknowledges the United Nation's Guiding Principles on Business and Human Rights as the recognised framework for the Group and its divisions to respect human rights in their own operations and through their relationships with other key stakeholders (e.g. suppliers) and is a participant of the United Nations Global Compact.

As a business with a turnover of more than £36m, we are required to produce an annual statement which describes the steps that have been taken to prevent modern slavery and human trafficking from occurring in our supply chain and direct business activities. Our most recent statement, dated March 2023, sets out the actions that the Group is taking to ensure instances of modern slavery or human trafficking are not occurring directly in our businesses as well as indirectly in the supply chains that we use to procure goods and services. The statement also communicates the measures we have taken to improve internal understanding and awareness around modern slavery, human trafficking and other human rights issues.

Treating our suppliers fairly

Our suppliers play a vital role in our operations, so it is imperative that we encourage best practice within our supply chain by ensuring we are compliant with legislation such as the Modern Slavery Act 2015 and support supplier payment by being a signatory to the Prompt Payment Code.

We use a large number of suppliers that range from small and medium-sized enterprises (SMEs) to large multinational corporations, and we are always seeking to be forward thinking in our approach to supply chain management and develop strong supplier relationships to ensure we only procure products and services from those which operate in a responsible manner.

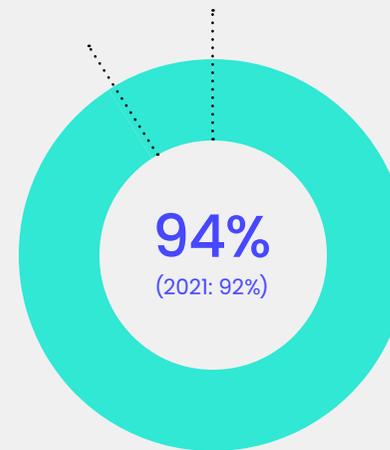
We also understand that many of our suppliers are SME businesses and if we do not pay them on time, this can cause cash flow challenges. Therefore, we have signed up to the Prompt Payment Code, which requires us to pay suppliers within 60 days of receiving an invoice, and aim to pay all suppliers within 30 days of receiving an invoice.

In 2022, 5% (2021: 4%) of the Group's invoices were paid within 60 days and 94% (2021: 96%) of them were paid within 30 days.

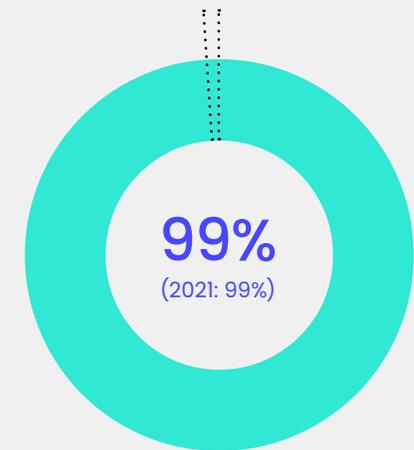
We will continue to aim to pay all our suppliers, in particular smaller businesses, within 30 days. As such, we support the reform of the Code which obliges signatories to pay all small businesses within 30 days – half the time outlined in the original Code.

You can view our statement on the homepage of our corporate website at www.vanquisbankinggroup.com

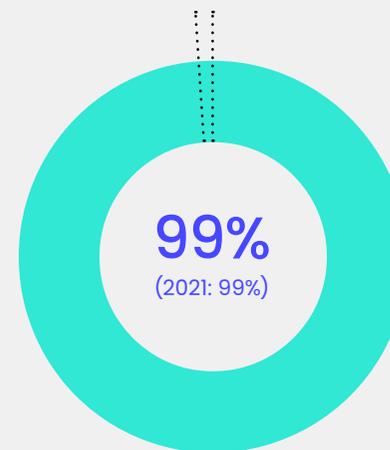
Percentage of companies paid in line with the Prompt Payment Code in 2022



Corporate office



Vehicle finance



Credit cards



Communities

Supporting our Purpose through our community investment activities

Our community investment strategy supports our Purpose by addressing key barriers to financial and social inclusion and helping people overcome them.

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Supporting our communities

Our Purpose of helping to put people on a path to a better everyday life underpins our reason for being and the role we play in the lives of our customers. It also informs the choices we make in our community investment activities, something that has been extremely important to us since we were founded back in 1880, and as we continue to work in consultation with our many partners and external experts to understand what our communities need.

Through our current Group-wide Social Impact Programme, our strategy is to invest in activities and initiatives which seek to address some of the key factors which, on their own or acting together, can reduce social and/or financial inclusion for children and young people (up to age 25). These factors include (although are not limited to) lack of literacy or numeracy skills; disabilities and/or mental health issues; unemployment or under-employment; low levels of educational attainment; and low, uncertain or fluctuating incomes.

The programme currently delivers community investment activities under the following three workstreams:

Customers and colleagues – working with charities and specialist partners to provide support that seeks to address key factors which affect customer and colleague wellbeing.

Education – supporting children and young people to boost their education, skills and aspirations in order to participate in society and secure a brighter financial future.

Community – supporting community foundations and other partners to address the wide range of social inclusion and social mobility issues that impact children and young people and are relevant to our customers and the communities where we operate.

“

The work we deliver and the community partners we support are specifically chosen to improve the lives of those who are disadvantaged, particularly children and young people. We look to fund projects which provide access to support which will improve a range of factors such as poor numeracy, literacy, mental health, and employability, all of which can reduce people's ability to lead fulfilling everyday lives. We're very proud of our programme, with its impact being rooted in addressing tangible need.

Sharon Orr

Social Impact Programme Manager



In 2022 we were delighted to win the award for Changing Lives in the Community at The Card & Payments Awards.



Our plans for the future

Through our charitable partnerships and colleagues, Vanquis Banking Group has always invested in its communities. More recently we have delivered projects via our Social Impact Programme which have positively impacted individuals and the communities where our customers live and work. In 2023, we plan to build on this programme and create and launch the Vanquis Banking Group Foundation, which will be targeted at children and young people in the main and will aid social and financial inclusion.

Our Vision for the Foundation is: To build a future where every child and young person in the UK is supported to achieve their full potential, contributing to a brighter future for all.

Our Mission for the Foundation is: To improve the lives of children and young people by providing educational and social development opportunities which support financial and social inclusion.

To achieve our aim, we are building on our community investment work and creating a Foundation which has three strategic pillars, which focus on:



Education

Education is key to making sense of the world. Access to better education can help us to make better decisions, explore new opportunities, participate in society and find our role in our communities. Education can also enable us to become more socially mobile and make positive financial choices. That's why we focus on areas of education where we believe we can make a lasting impact, by beginning working with children as young as two and three up to leaving school. The Group will therefore work with and support organisations such as School-Home Support, National Numeracy, the Social Mobility Business Partnership, Leading Children and others to:

- provide support for programmes to boost the literacy and numeracy of children, young people and other groups; and
- offer children and young people insights into the world of work and the skills that will help them secure opportunities, including employment.



Community

Having a welcoming and supportive community can be the difference between whether a person feels socially included either physically or emotionally. Social exclusion takes many forms, and people in need can risk becoming vulnerable, or more vulnerable, if they're not able to access support or feel able to fully participate in their community. Through our community foundation partners, we will help to address the wide range of social and financial inclusion issues that are relevant to our customers and the communities where we operate by:

- providing grants to grass roots organisations and charities through community foundations which will support local children and young people facing disadvantage;
- supporting colleagues to get involved as volunteers by: contributing to the grant-making process; and helping to improve and transform areas within our communities to provide positive spaces where key social and financial inclusion initiatives can be delivered; and
- exploring how the Group might invest in voluntary, charity and social enterprise sector organisations which deliver products and services in a range of interventions for the benefit of children and young people.



Financial inclusion advice

Having basic literacy and numeracy skills can help us to better understand the world and make sense of financial education when we get it, which in turn helps us make good choices when it comes to managing money. However, most debt problems occur when a borrower experiences a change of circumstance, such as redundancy, divorce or ill health. It's not always a choice. Forbearance has a key role to play in helping customers who are suffering problems, and we believe at Vanquis Banking Group we do this really well, as helping the customer get back on their feet is the best outcome for them and everyone else. However, no matter how responsible a lender is, there will always be some people who struggle with debt problems. That's why we're involved in supporting debt management and financial counselling organisations to:

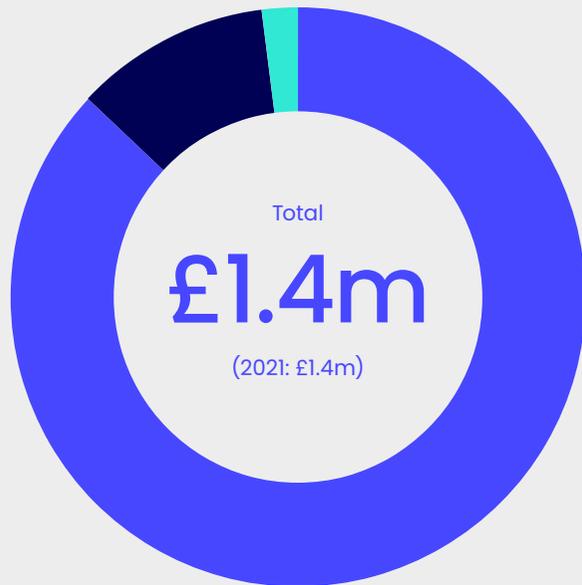
- ensure colleagues have the skills to deal with customers with additional needs;
- support the delivery of financial education to children and young people; and
- fund a range of debt advice organisations.



Our social impact in 2022

In the following sections, you will find some of the highlights of the positive social impacts we have delivered through our community investment programme in 2022.

2022 community investment figures



- **Cash: £1,221,822**
(2021: £1,230,677)
- **Management costs: £156,592**
(2021: £126,649)
- **Value of employee time: £21,132**
(2021: £12,116)

£1.4m

invested to support community programmes, money advice programmes and social research (2021: £1.4m)

£100k

donated to provide school uniforms for children whose parents/carers are unable to afford them

£10,228

donated to colleague fundraising efforts (2021: £9,938)

86,035

people took action on the National Numeracy Challenge in May 2022

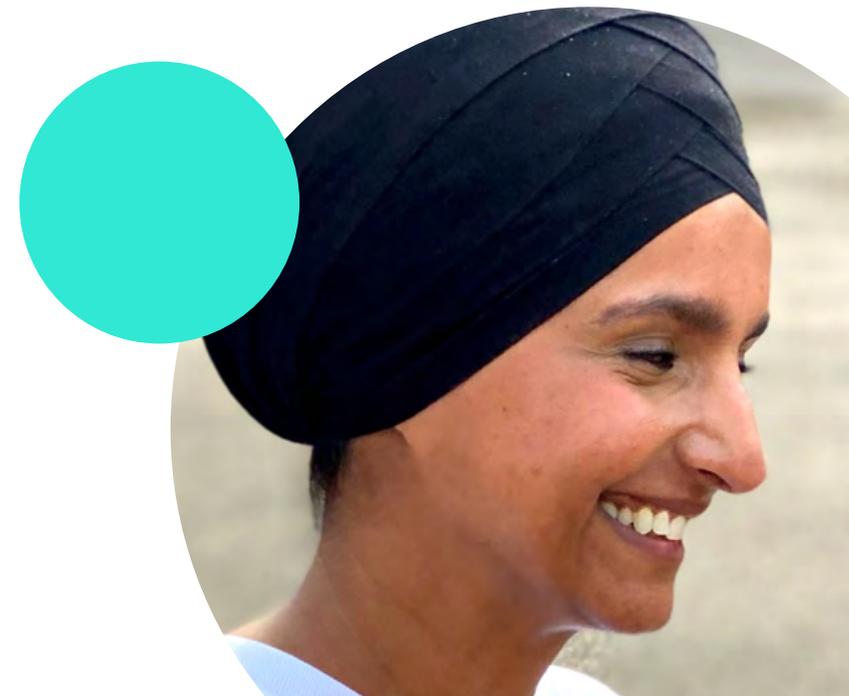
1,014

hours volunteered by colleagues during work hours (2021: 425)

£313k

distributed to grass roots voluntary organisations via community foundations (2021: £307k)

[+ Read more on pages 48 to 75](#)





Unlocking talent in our communities

Through our education programme we've continued to work hard with our partners to provide help with literacy and numeracy to children and young people in disadvantaged areas. We have also been providing insights into the world of work to help raise their aspirations and give them a chance of a future that sees them included in society. In addition we have been helping vulnerable families get the help they need.

Here's how helping our communities has supported the SDGs we have prioritised through the education programme in 2022:



Sustainable Development Goal	What we did	Who we worked with
4 QUALITY EDUCATION 	<ul style="list-style-type: none"> 25 Vanquis Banking Group volunteers supported 20 career readiness activities throughout the year. These included career talks, mock interview practice, employability boot camps and more. 	Ahead Partnership
	<ul style="list-style-type: none"> Through a new mentoring programme 11 young people were supported by three Vanquis Banking Group mentors. 	
	<ul style="list-style-type: none"> National Numeracy Day 2022 inspired 459,742 actions to improve numeracy – a more than five-fold increase on the previous year. 2,010 children in Greater Manchester have been provided with Family Maths Toolkit scrapbooks to support the development of their number confidence. 	National Numeracy
10 REDUCED INEQUALITIES 	<ul style="list-style-type: none"> During 2022, 24 Vanquis Banking Group volunteers supported 13 children through the Chapter One programme in Earlsmead Primary School in London, and Horton Park Primary School and Lapage Primary School in Bradford. 	Chapter One
	<ul style="list-style-type: none"> As a consequence, children have benefited from 107 hours of one-to-one reading time and (for those receiving support from Chapter One for the 2021/22 academic year) progressed by 3.3 levels in their reading. 	
	<ul style="list-style-type: none"> 19 teachers from 5 Bradford primary schools took part in Reciprocal Reading training. 	Leading Children
5 GENDER EQUALITY 	<ul style="list-style-type: none"> 427 students participated in Words for Work. This provided an opportunity for them to meet Vanquis Banking Group colleagues, engage in teacher-led sessions and receive tailored literacy, aspirations and employability support from the National Literacy Trust. 	National Literacy Trust
	<ul style="list-style-type: none"> 51 volunteers took part in the sessions demonstrating how they use their literacy skills at work and providing insights into their jobs. 68 pupils from Byron Primary School in Gillingham attended an Outward Bound course. 	Outward Bound Trust
5 GENDER EQUALITY 	<ul style="list-style-type: none"> Female colleagues volunteered for Vanquis Banking Group specific activity focusing on IT careers and discussing how young people can get into this type of work. 	



Education case studies



Case study

Working with National Numeracy

As a nation, we are witnessing a growing recognition of the fundamental importance of numeracy in helping individuals and communities better cope with increasing uncertainty and change. From adapting to new job markets to making the family budget stretch further in the face of the increased cost of living and energy bill hikes, never has there been a better time to support improving numeracy.

Vanquis Banking Group and National Numeracy have a shared purpose – we're both committed to improving people's numeracy skills for a better everyday life.

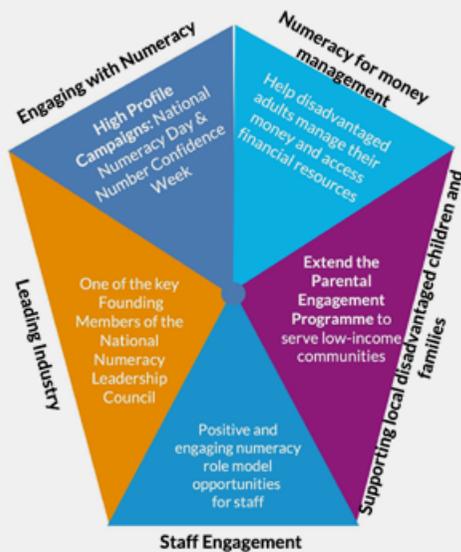


Supporting National Numeracy Day for a fifth year!

As a lead supporter of National Numeracy Day for a fifth year, Vanquis Banking Group was instrumental in making 2022 a breakthrough year for National Numeracy Day. Along with inspiring almost 460,000 actions to improve number confidence and skills in May alone, the campaign led to 16,854 downloads of National Numeracy resources, a 70% increase on 2021. The campaign also had significant impact across media with a 24% increase in social engagements on 2021 and a media reach of 201 million!

To support the day we:

- created a website blog post promoting National Numeracy Day and the National Numeracy Challenge;
- shared a powerful thought leadership article from Malcolm Le May, our CEO;
- encouraged colleagues to take part in the Big Number Natter campaign and discuss how they use numbers in everyday life; and
- encouraged colleagues to watch the rolling numbers live stream helping National Numeracy set a new Guinness World Record.



Case study

Numeracy for money management

In addition to National Numeracy Day, our investment has helped thousands of disadvantaged adults feel more equipped to manage their money and access financial resources:

- The National Numeracy Challenge recorded 70,149 registrations to improve numeracy.
- The Challenge also saw a 29% increase in traffic from those wanting to improve their numeracy in order to better manage their money in Q4 2022.
- Money management content, developed with our support, now flows through all National Numeracy's training.



Before I would've been more scared thinking about money because of numbers, and checking my bank account, and would maybe have avoided looking at how to budget and thinking about how to use a spreadsheet. I think the National Numeracy Challenge has helped me take a look at that and think about using numbers in a way that's beneficial to my everyday life.

National Numeracy Challenge user





Education case studies continued



Case study

Supporting local disadvantaged children and families

We share National Numeracy's belief that every child can develop the number confidence and numeracy skills they need, both at school and throughout their lives. Its work to support children's numeracy targets in disadvantaged communities, where the need is greatest and where improving numeracy can act to drive social mobility. The charity's mission is to empower children to get on with numbers so they can fulfil their potential.

At the very heart of this work is the Parental Engagement Programme. Working in close partnership with schools, the programme runs across the course of an academic year and comprises the following components:

- Family Maths Toolkit – a set of problem-solving activities for children to complete with their families;
- support for parents, carers, and teachers to gain number confidence to help children in their care: attitudinal workshops, the National Numeracy Challenge online tool, and a parental engagement communications toolkit; and
- ongoing support and expert advice throughout the school year via teacher workshops and school cluster meetings.



Following the training, I will be going back to my community to deliver the message that maths is relevant in our daily lives.

Teacher who took part in the training



With our support, National Numeracy was able to extend the Parental Engagement Programme to serve low-income communities with low levels of numeracy in Greater Manchester. By working with non-maths specialist teachers, support workers, parents, and families, it is building confidence, competence, and positive attitudes to numbers for all children. In the school year 2022/23 it is working with seven schools across the area.

- 100% of teachers who attended a parental engagement training session in Manchester agreed or strongly agreed that as a result of the training they feel more able to support children in developing positive attitudes towards numeracy.
- 2,010 children in Greater Manchester have been provided with Family Maths Toolkit scrapbooks to support the development of their number confidence.



My son does struggle a little with maths; however, I have watched his confidence grow from completing the challenges in the scrapbook and he even looks forward to receiving his new challenge each week.

Parent who took part in the training



Case study

The National Numeracy Leadership Council

As a founding member of the National Numeracy Leadership Council, Vanquis Banking Group is one of a small group of high-profile industry leaders and government officials actively addressing the issue of poor numeracy. This work is galvanising support, elevating understanding and encouraging change at the national level. There is a collective commitment to drive social mobility by improving numeracy. Vanquis Banking Group has played a central role in the council through amplifying the numeracy issue in the financial services sector and in the Vanquis Banking Group network.





Education case studies continued

Case study

Literacy

Shockingly, even before Covid-19, 36% of disadvantaged children left primary school in England with a reading level below the expected standard. Studies show that the socioeconomic attainment gap remains stubbornly wide after the pandemic and shows no sign of reducing. The reading skills of younger children have been particularly affected. For Year 2 pupils, the proportion of very low attainers in reading more than tripled from 2.6% before the pandemic to 9.1% in spring 2022.

This creates additional challenges for schools and teachers as they work to provide targeted support for struggling pupils, particularly those in disadvantaged areas, where there are higher proportions of lower attaining pupils.

To that end, we have continued to work with three education providers, supporting children and young people to develop their literacy skills.

Working with Chapter One

Chapter One believes that the ability to read is the fundamental skill that underpins every child's future educational attainment and helps them to fulfil their potential, to contribute to their community and ultimately to gain employment. Its core reading programme, which uses a unique, online platform to pair volunteers with children in need of reading support, has been proven to improve the reading enjoyment, ability and confidence of children from disadvantaged communities.

Chapter One volunteers use a bespoke internet platform and a voice connection to link – from their workplace or home – to a dedicated classroom laptop for 30 minutes a week, during the school day, over an entire academic year. The web-based platform offers a library of 250 stories organised according to ability and a range of fun, engaging activities that keep even the most reluctant readers engaged.



During 2022, 24 Vanquis Banking Group volunteers supported 13 children through the Chapter One programme in Earlsmead Primary School in London, and Horton Park Primary School and Lapage Primary School in Bradford. As a consequence, children have benefited from 107 hours of one-to-one reading time and (for those receiving support for the 2021/22 academic year) progressed by 3.3 levels in their reading.



Chapter One supports the children of Horton Park Primary School by helping them to feel confident about their reading. The tutors support the children by encouraging their prosody and fluency as well as the accurate reading of words and sounds. The children look forward to their session and building a fantastic relationship with their tutors. It enables the children to feel confident in their reading ability and their achievements in reading.

Laura Naylor

Deputy Head Teacher
Horton Park Primary School, Bradford

Case study

Working with National Literacy Trust

Bradford is the fifth largest local authority in England and continues to be an area of high disadvantage, with almost 40% of children living in poverty. In addition, it is a region of high ethnic diversity which results in a high proportion of households that do not have English as their first language. This exacerbates the literacy issues in the area. Working with National Literacy Trust we are supporting it to continue its place-based approach in this area engaging with the wider community through its Bradford Hub.

Bradford Stories Bus

The iconic Bradford Bus was used to go into schools and community areas to raise engagement levels around reading. Storytelling, author visits and other activities add excitement and interest for the children, and this has been shown to encourage a love of reading.

The initial bus tour went to three inner-city schools in less advantaged neighbourhoods in the Bradford area with local children's author, Harry Heape. The Bradford Stories Bus tour was part of Harry's new book launch tour in Bradford where children from the following schools got to meet and spend time with him:

- Academy at St James;
- All Saints C of E Primary School;
- Carrwood Primary School; and
- Girdlington Primary School.

During each visit, the author held some inspiring sessions where he read to the children from some of his books and then facilitated a themed activity around it. He encouraged the children to create their own characters and start thinking about writing their own stories.

In total the bus reached over 900 Year 3-6 pupils, gifting them each a signed copy of the author's book as well as other books to take home. This has been an enriching experience for the adults involved, from Headteachers who have had insights into new texts and materials which their children enjoy, to the authors and publishers who have been



so touched and witnessed a growing influence of their work on children in Bradford. However, the most enriching experience has been with the children and young people who have been able to delve into the fantasy and adventure of books. This has really helped them to learn about the joy that reading can bring to them, which will in turn lead to improvements in literacy.



The staff and children who visited the bus during the day were in awe; they loved the sessions with Harry Heape and they were all so inspired to read his book that they even chose to read it at playtime. Lots of gorgeous books were kindly gifted to the children, many of whom don't have any books of their own. The children in Reception couldn't wait to show their books and magazines to their families at the end of the day. We all just had the best day ever and we very much look forward to more visits in the future!

Laura Hughes

Assistant Headteacher
Carrwood Primary School





Education case studies continued



Case study

Early Words Together

The Early Words Together programme improves the speech, language and communication skills of disadvantaged three to five year olds, to achieve school readiness and long-term success. The programme empowers families who experience intergenerational low literacy to become actively involved in their child's early development. Together they undertake activities that include shared reading, songs and rhymes, mark making and talking that can be easily replicated at home. The programme is proven to improve a child's home learning environment through increased, positive interactions between parent and child.

In 2022, our funding enabled National Literacy Trust to continue its work in two focused areas, Birmingham and London. Early Words Together at Three has been delivered in three nursery schools in Birmingham and Early Words Together Sounds Fun has been delivered in four schools in London.

- Six out of eight practitioners felt that parents seemed more confident to share stories with their child.
- Seven out of eight practitioners felt that parents seemed more confident to support their child's language and communication skills at home.

Here's what some of the parents had to say:

“

Great sessions getting to know other parents and for children to spend time with each other.

“

It has changed how you can create fun and learning out of small things, making the most of free and natural resources for my child to learn with, using household objects, e.g. empty kitchen roll, to make things, and exploring outdoor surroundings.

“

It's very engaging and there's no judgement when people have different levels of comprehension.

“

I learned a lot and found it very beneficial in order to be able to help my son so I would recommend to other parents.

“

I learned so much about how to pronounce the different sounds and this helped me a lot to understand reading and speaking better and now I can help my child too.



Education case studies continued

Case study



Working with Leading Children

Through our partnership with education consultancy, Leading Children, we have supported the development and delivery of a Reciprocal Reading training programme to teachers at local schools in the Bradford area. This programme helps teachers to improve the quality of their teaching and uses specialist strategies to help children who might be a little slower to grasp some concepts to feel more engaged in lessons. This not only builds confidence but also ensures engagement and therefore learning.

In 2022 19 teachers from the following 5 primary schools were involved in the project:

- All Saints Primary, Bradford;
- Green Lane Primary, Bradford;
- Killinghall Primary, Bradford;
- St. Mary's Middleton, Leeds; and
- St. Mary's Riddlesden, Keighley.

All (100%) Nursery and Reception teachers felt that their ability in terms of teaching literacy had improved and reported seeing a huge difference in children's independent writing, despite having had so much time off school.

In key stages 1 and 2 every school took on board Reciprocal Reading as part of their teaching of reading comprehension. Again all teachers (100%) felt their ability in relation to teaching literacy had improved and in doing so the children had also improved.



“

I don't have any lower ability children anymore! I have a few slower graspers who I am determined to help catch up with the others and I know they will because they are now making fantastic progress.

Teacher who took part in the programme

“

There is no doubt that our children are not only reading and writing far better than they were before, but they are loving it. We have never had a buzz about writing like this before. Even some of our initially reluctant children now want to write.

Teacher

St Mary's Riddlesden

As part of the programme, parents were encouraged and trained to better support children at home. Feedback was overwhelmingly positive with parents taking away training notes as well as resources to share with other members of the family.

“

The children who have taken part in Reciprocal Reading training are typically more interested in reading, gain far more from the text and love the discussion and high-level critical thinking that naturally comes from these sessions. Teachers that have been using drama and mime in pursuit of understanding and empathy also find that children remember unfamiliar vocabulary more easily and we are beginning to hear it creeping into their speech and writing.

Rachel Jacobs

Leading Children Ltd





Education case studies continued

Case study

Insights into the world of work

Socially disadvantaged young people are more likely to be unemployed when they leave school due to the complex barriers they face and the fact that many are from families experiencing two or three generations of unemployment. These young people often have little or no experience of the world of work and struggle to envision a future that sees them included in society. When they speak to us, they often have no idea about the many different opportunities businesses like ours can offer.

We are looking to change this through the work we deliver with our education partners in areas where we have large numbers of colleagues.

The reason for this is two-fold:

- 1 We want to build a diverse pool of future talented colleagues.
- 2 We want our current colleagues to get involved in the programme to help them understand the issues our communities face and also to develop their own skills.

Working with our partners we are able to support young people by providing them with insights into the world of work and giving them access to role models who can talk to them about the different pathways they might consider taking.

Ahead Partnership Mentoring Programme

During 2022, we took part in a multi-intervention buddy programme in partnership with our charity partner, Ahead Partnership. Through the programme three colleagues mentored a group of 11 young people, aged 16–18, from New College Bradford, who are all taking IT and Business focused courses, in order to raise awareness of the opportunities available in our business.

The programme consisted of five sessions, developed to support these young people in thinking about their next steps for their futures. The sessions included:

- meeting colleagues from different functions and levels in the business during a tour of our Bradford offices;
- a careers speed networking session;
- goal setting and actions planning;
- interview preparation and practice; and
- help with where to look for and apply for jobs.

Their mentors also supported them in developing an app idea that would encourage people aged 16–18 to save money.

The success of the programme has led to the development and planning of an enterprise brief for the students in early 2023. The 2022 cohort will visit the Vanquis Banking Group offices and take part in a day-long app development activity.

Case study

Social Mobility Business Partnership

During 2022 some of our colleagues played hosts to Year 11 students, as part of a Work Insights Week for students who live in the Bradford area.

SMBP is a charity which provides an innovative programme, bringing together large corporate organisations and professional sports clubs to remove barriers, develop skills and provide experiences to sixth form and college students from disadvantaged backgrounds. The programme helps build aspirations and inspire students to pursue a career in a profession that they may not have previously considered.

Colleagues volunteered to deliver presentations and workshops on a range of legal and professional topics to inspire the young people who attended.



The SMBP gave me an insight into a range of different careers I hadn't considered and showed me I had a variety of options available to me. From having my mind set on university, I am now considering apprenticeships as the different hosts shared with us that university isn't always a path you can take and an apprenticeship can get you to the same place a degree can. I enjoyed everything about the week; Vanquis Banking Group was my favourite as it was the most interactive and also made me wonder what it would be like to work there.

Student who took part in the programme



Taking part in this mentoring with Vanquis Banking Group was a great opportunity for these students.

Matt Tune

IT Teacher at New College Bradford



Taking part in the mentoring has helped me to understand my skills and how I can use these in the future.

Student

New College Bradford



I didn't know about Vanquis Banking Group before this and now I see there could be an opportunity for me at the business.

Student

New College Bradford



It was a chance for me to practise mentoring skills and new/different ways of communicating (I don't work with many young people). It gave me an insight into the ways of thinking and working amongst the younger generation, and what's important to them. This will help as we progress with our internal initiatives on inclusion and diversity. I felt like the programme had really driven some benefits, particularly when students were recalling knowledge from previous sessions and applying it in the current one. It also encouraged me to get involved in more things like this in the future.

Kirsty Jones

Group Internal Audit





Education case studies continued

Case study

Words for Work

Literacy is among the top three skills businesses consider when recruiting school, college and university leavers into the workforce. However, 68% of these businesses reported concern about the literacy skills amongst this group and level of soft skills for the workplace (Teach First 2022).

National Literacy Trust's Words for Work programme challenges inequalities in employment opportunities for young people from disadvantaged communities and helps them to develop the literacy and communication skills they need to reach their potential. These are important skills for students to imagine and explore a future career, secure employment and progress within their chosen career pathway. The programme brings schools, colleges and businesses together to take literacy from the classroom and into the workplace.

In 2022 we worked with the following schools:

Key stage 1

- Academy of Woodlands Primary School, Chatham
- Brompton Westbrook Primary School, Gillingham
- Byron Primary School, Bradford
- Herbert Morrison Primary School, London
- Riders Infant School, Havant

Key stage 3

- Chelsea Academy, London
- Notre Dame Girls School, London
- One In A Million Free School, Bradford
- The Victory Academy, Chatham

Key stage 4 – post 16

- Bradford Academy, Bradford
- One In A Million Free School, Bradford

- 427 students participated in Words for Work. This provided an opportunity for them to meet Vanquis Banking Group colleagues, engage in teacher-led sessions and receive tailored literacy, aspirations and employability support from the National Literacy Trust.
- 51 volunteers took part in the sessions demonstrating how they use their literacy skills at work and providing insights into their jobs.

Key stage 1: Dream Big

Words for Work: Dream Big is a five-week programme that introduces children aged 5–7 years to the world of work, builds literacy skills and challenges early stereotypes that influence children's later education and career decisions.

The programme was delivered through in-person business engagement with Vanquis Banking Group volunteers, including a Q&A and book sharing activity, literacy activities back in the classroom using books with a STEM careers focus and a Dream Big Day with career-related role play and celebration. Feedback from teachers noted that the programme helped the children to see the relevance of why they learn literacy skills in school, and they were subsequently more motivated in their work.

The volunteer engagement at Herbert Morrison Primary School in London made a particular impact on the children at the school. The Deputy Head remarked: "I have never seen the children so engaged with school visitors, and they seem to be loving talking to the volunteers. What a lovely hubbub of chatter there is!"

- 100% of teachers reported a positive impact on the children's speaking and listening behaviours.
- 100% of teachers reflected that the children's confidence in speaking and listening was better now than before the programme began.
- 100% of teachers reported that the session with volunteers provided an opportunity to highlight STEM careers and introduce children to unfamiliar jobs.



There was a group of pupils in my class who had previously made statements such as 'why do we need to work?'. Many of this group come from families who don't work for a variety of different reasons, so it has had an impact on these children's aspirations.

Teacher whose class took part in the Dream Big programme





Education case studies continued



Case study

Key stage 3 and post 16

The programme involved two engagement sessions with Vanquis Banking Group colleagues. For key stage 3 the volunteers first visited the school to take part in student interviews, answering a range of questions from students about their roles. For the post 16 students, the programme started with an office visit and speed networking session. The students spent the following weeks working on various activities to develop and strengthen their communication skills. This included creating role play scenarios, working on their interview skills and email writing to highlight the importance of, and differences in, workplace communications.

At the end of the programme, the volunteers attended a session at the school to give valuable feedback to the students on the skills they had demonstrated and how they could improve. The students displayed amazing speaking and listening skills and were given plenty of practical advice to use in the future.

91% of students said that the engagement with business volunteers was 'excellent' or 'good' and the improvement in their understanding of the communication skills needed for the workplace was evident from their comments.

“

I feel more inspired to be able to talk to people and work in a team.

Student who took part in the programme

“

I think it's an exceptional programme and it has helped me with my interview skills.

Student who took part in the programme

“

I have learned to make eye contact when speaking to people and I feel more confident about speaking in public. I have also learned to think about my body language.

Student who took part in the programme

“

An important target in English is to develop speaking and listening skills. This fits in with our whole-school goal of ensuring our students leave us with skills that will benefit them personally, socially, and in their future careers.

Teacher whose class took part in the programme

“

A handful of students were unable to identify a skill they were good at before the sessions, but they left feeling confident about their communication skills which was great to see and hear about.

Teacher whose class took part in the programme

Education case studies continued

Case study

Outward Bound Trust

In 2022, our funding for the Outward Bound Trust enabled 68 pupils from Byron Primary School in Gillingham, Kent, an area with high levels of social deprivation, to develop their capabilities and unlock their potential through an Outward Bound course.

The pupils, in their last year of primary school, attended a five-day course at The Trust's Aberdovey centre, where they had the opportunity to develop teamwork skills, increase their awareness of their own skills and abilities, develop their resilience and connect with others, something that, as well as missed learning due to the pandemic, has been missing from their lives for the past two years.

They went rock climbing, walked up a mountain, scrambled up gorges and enjoyed a campfire where they toasted marshmallows. They were encouraged to try new things that they hadn't done before, to work together, to support each other and to take responsibility for their team equipment and kit. After every activity, they reflected on the challenges and celebrated their achievements.

- 81% of young people said they learned how to work in a team.
- 91% of young people said they learned to listen to other people.
- 88% of young people said they learned to look after themselves.
- 86% of young people agreed that they had learned not to give up.



You have provided an incredible life-changing experience. Thank you.

Jon Carthy
Headteacher



Thank you so much. Not only did our children have a great time but they also had the opportunity to experience new challenges.

David Seward
Teacher



Thank you. Our children have learned so much from this trip and so have I! This opportunity will change their lives and attitudes.

Danielle Keen
Teacher

Case study

**Working with School-Home Support to ensure children are in school and ready to learn**

We have never known a more desperate time for vulnerable families, recovering from the pandemic and now facing the biggest cost of living crisis for decades.

Many of the families School-Home Support works with feature one adult who is in work, but average pay is shrinking. These families don't know how they will pay the bills, put food on the table, or afford their child's bus fare to school. The increasing number of challenges they face makes times harder, and more intensive casework support vital. Families who were dealing with one major issue are now dealing with many more when their children are referred to School-Home-Support. In 2021/22, the charity saw a 30% increase in intensive casework support in comparison to the previous year, with more families facing a heightened severity of need. It is clear that an increased level of demand for these services will continue.

Our funding has enabled School-Home Support practitioners to continue to provide advice and support to families in Bradford and Kent throughout these challenging times, enabling families to access vital support with bills, gain employment and crucially get children in school and ready to learn.

In 2022 we worked with the following schools:

- Brompton Westbrook Primary, Chatham;
- Byron Primary School, Gillingham;
- Knowleswood Primary School, Bradford; and
- One In A Million Free School, Bradford.

Impact:

- supported 121 individuals via intensive casework support;
- made 1,698 interventions of intensive support;
- worked with 309 individuals that benefited from early response support;
- made 893 interventions of early response support; and
- average attendance increased by +11.7% (for those who achieved an increase in attendance).



It has been a really tough last couple of years initially with the impact of Covid-19 but now the rise in the cost of living. I am seeing an increase in the impact this is having on the families I support - there is an increase in accessing food banks, and being in debt with essential utility bills and rent, meaning children are coming to school hungry and less engaged in their learning, not having the correct uniform and equipment.

Zoe Dempsey
Bradford SHS Practitioner



Education case studies continued

224

Number of successful applications received

1,891

Number of items purchased

344

Number of children supported

£13,107

Total spend to date

shs

Case study

School Uniform Fund

In June 2022 together with School-Home Support and Dixons Academies Trust we launched our School Uniform Fund. This fund is available to School-Home Support practitioners in Bradford, Blackpool, Liverpool and Manchester and enables them to buy clothes that children need to attend school. This can include (but isn't limited to) shoes, underwear, winter coats and PE kits. By ensuring a child has everything they need to wear for school we know children are much more likely to be in school and ready to learn.

To date, School-Home Support has received 211 successful applications, purchased 1,713 items and supported 317 children.



“

I would like to thank all that helped in getting my boy his uniform. Without your help I would have struggled immensely and wouldn't have been able to send him to school feeling as proud as he did in his new uniform. My benefits were recently cut and the help I received meant the world to me. I don't know how I would have managed without your help.

Parent whose child benefited from the School Uniform Fund

“

I would like to say a big thank you for helping us out with school uniforms. It really made a difference and took a lot of stress away. Thank you again.

Parent whose child benefited from the School Uniform Fund

“

This is a desperate time for many of the families we support, with the current cost of living crisis making basic essentials unaffordable. The School Uniform Fund helps to alleviate those financial pressures and ensures children have everything they need to attend school. We are incredibly grateful for the fantastic partnership we have with Vanquis Banking Group and for the recent development of the School Uniform Fund. We love working with you to improve the lives of those we support, and we know this fund will make a huge difference to many children and their families.

Jaine Stannard

School-Home Support CEO

“

Not having a uniform can be a major barrier to education. It is deeply concerning that some children could be lost to education just because they don't have the clothes they need. It is truly encouraging to hear stories about the difference that uniforms can make in keeping children in school.

Malcolm Le May

Chief Executive Officer



Education case studies continued

Case study

A One In A Million partnership!

We began working with One In A Million charity in Bradford back in 2012 through our then flagship community programme, Good Neighbour, by providing funding for a youth worker at one of the community centres they worked in.

One In A Million is a Bradford-based charity that engages with children and young people, through sports, the arts and enterprise. Bradford has one of the fastest-growing youth populations in the country with many of its children living in areas of high deprivation. The communities the charity work in within the Bradford District are amongst the top percentile of the most disadvantaged in the country. It uses both formal and informal education as a delivery mechanism to break the cycles of deprivation over these young people's lives, valuing and celebrating their uniqueness, and letting them know they are 'one in a million'.

Our partnership has evolved over the years, and although we no longer provide direct funding to the charity, we have continued to support it by including it in programmes we fund through our other partners. This means we are able to bring a holistic approach to enriching the lives of these young people.

Since our work began we have supported it in the following ways:

Financial support:

- We funded two youth workers from 2012 to 2018 investing almost £300,000 into the communities they work with.

- We have contributed to the funding of a School-Home Support practitioner since 2017.
- We provide funding for a group of young people from the school to attend an Outward Bound course each year.
- Through our work with Leading Children we have funded a Reciprocal Reading and Maths Mastery programme, a revision programme for Year 6 students at the school and, more recently, a creative critical training programme for youth workers in the community.
- Through our work with National Literacy Trust young people at the school have taken part in the Words for Work programme.
- We sponsored an award at its annual ceremony to celebrate achievements of the young people it works with.

Colleague engagement

Colleagues have supported the charity and school in a number of ways:

- annual Easter egg donations;
- Christmas gift appeals;
- taking part in the annual football and golf fundraising events;
- taking part in a team challenge to create a garden area at the front of the school; and
- volunteering as part of the Words for Work programme.



One In A Million is delighted to be a partner of Vanquis Banking Group, our journey together spans over a decade. Its support is a strength and has proved critical to our growth. Its commitment of sharing our hearts for children and young people living within disadvantaged communities of the Bradford district, continues to help us raise the aspirations and increase the life chances of those children and young people we work with.

Wayne Jacobs Co-Founder

Co-Founder
One In A Million charity



Community partners



Helping grass roots voluntary organisations to continue weathering the storm.

We have developed partnerships with community foundations in a number of UK locations to enable us to distribute grants effectively to organisations which are supporting the communities where our business operates. Community foundations are place-based funders, working with local donors, funders and businesses to ensure that their grant making is location specific, tackling issues that are pertinent to their locality. By working with community foundations, we have the confidence that we are directing our funding to the places where it is needed the most, and, in doing so, contributing to the sustainability of the small charity sector.

The voluntary sector undoubtedly rose to the challenges brought about by the Covid-19 pandemic. However, as it has continued to pivot and adapt its services to meet the changing needs of the people it is there to support, we are now seeing the escalating impact of the cost of living crisis. As with the pandemic, this is not only being felt by those beneficiaries that our programme seeks to help, but also the voluntary organisations themselves which are trying to provide them with much-needed support.

Demand for services continues to be unprecedented with the cost of living crisis pushing more and more people into poverty. All our community foundation partners have set up funds to help tackle the cost of living crisis and we have made donations to each of these in addition to our Social Impact Funds.

At a time of great uncertainty, one thing is clear – the need for continued flexibility through our grant making, ensuring that those whom we fund are able to address their priorities based on their real-world experience. We endeavour to have regular conversations with our partners to understand what challenges they are facing and to review all grant applications through a pragmatic lens that is informed by their insight and therefore responsive to need. This approach enables greater effectiveness in our grant making and ensures we maintain our objective of being a responsible funder. In 2022, through our four community foundation partnerships, we have provided grants totalling £312,638 to 27 grass roots community organisations in addition to our contribution to cost of living crisis funds. Our 2022 grants are listed on pages 61 to 65. You can read more about how we involve our colleagues in the grant making process on page 70.



Reduced Inequalities

We will contribute to reducing inequality by building our capabilities to better identify, support and empower our stakeholders who may face inequality and exclusion.

Our current partners are listed on [pages 61 to 65](#)

Case study

Adding value to our partnerships through non-financial support

As a responsible funder, there are a number of ways that we add value to our partnerships, leveraging the knowledge and expertise of our Social Impact team. One example of this is the work that we do with Leeds Community Foundation and Bradford District Community Foundation. Our Social Impact Programme Manager, Sharon Orr, is a Trustee, alongside key stakeholders from across various sectors in Leeds and Bradford. She is able to bring her own skills and knowledge to bear across a range of areas in which she is actively involved as a Trustee. This includes membership of the Impact Measurement, Income Generation and Remuneration and Nomination Sub-committees.

Sharon is also a linked Trustee for Bradford District Community Foundation, part of Leeds Community Foundation. Vanquis Banking Group has played an important role in the development of the Community Foundation's proposition in Bradford for a number of years now, including funding for core costs and investment in Bradford-centric funding through the Manjit Wolstenholme Fund. This has been important to the Group, given its roots in the city.



It's invaluable to have the perspective and expertise of Sharon as a Trustee from one of our corporate funding partners, bringing commercial market experience on staffing and HR as well as on business insights and motivations for working with charities. Sharon has a breadth of knowledge around impact measurement, recruitment, income generation and market trends which can inform funding conversations and open the door to other networks. She's also able to contribute meaningfully on our detailed diversity equity and inclusion journey.

Kate Hainsworth
CEO

Leeds Community Foundation and Bradford District Community Foundation

Case study

Bradford City of Culture 2025

Following Bradford's successful bid to be the UK City of Culture in 2025, Vanquis Banking Group was welcomed on board as Bradford 2025's first official delivery partner. In our role as a Major Partner, we will make a substantial financial contribution to Bradford 2025 over the next four years. This funding will go towards developing the UK City of Culture programme, which will be delivered in 2025, as well as a legacy year in 2026 to further embed the social and infrastructure benefits the UK City of Culture year will bring. The UK City of Culture 2025 designation is a game-changer for Bradford and will act as a catalyst for significant long-term benefits, including increased employment, new investment and enhanced skills. These benefits strongly align with our Purpose and ongoing effort to promote financial inclusion and social mobility for our customers and their communities.





How our community foundation partnerships work



Strategic criteria

Strategic criteria

- Improving personal finance capabilities (debt and financial advice/education)
- Improving physical and/or mental health
- Providing support which enhances, creates and sustains positive family relationships
- Addressing issues of low educational attainment and improving learning outcomes
- Providing opportunities to reduce inequality, exclusion and disadvantage, including projects which increase access to employment

Community foundation partners

Our partners represent the geographic locations of our office locations in Bradford, Chatham, London and Petersfield:



4



Funding disbursement

1

We agree grant sizes and any special criteria with the community foundation, including specific geographical areas based on disadvantage and greatest need

2

Community foundation opens and advertises our Social Impact Fund

3

Community foundation receives and assesses grant applications and undertakes due diligence

4

Community foundation presents short-listed applications to colleague grant panel

5

Colleague grant panel reviews applications and meets to agree grants to be awarded

6

Community foundation distributes grants and carries out ongoing monitoring and evaluation



Projects supported through our Social Impact Funds

Community foundation	Grantee	Activity supported by grant
London Community Foundation 	BelEve	Core costs to support the growth of BelEve's work with disadvantaged young women in Lewisham. Funding will be used towards session facilitators, volunteer expenses, resource production and monitoring and evaluation. BelEve's mission is to empower girls and young women aged 8–21 from disadvantaged backgrounds to become the next generation of leaders. This funding will enable them to extend its reach, working with more marginalised girls and young women to equip them with skills, confidence and self-belief to make informed choices about their wellbeing, education and career aspirations.
	Dream, Believe, Achieve	Core delivery costs of Dream, Believe, Achieve's rolling programme of one-to-one work and small group workshops for 35 young people at risk. Funding will primarily contribute towards staff costs and insurance. This is a small South London-based, BAME-led organisation, established to respond to young people's struggles with a range of emotional and socioeconomic challenges. Its programmes improve mental health and wellbeing, increase life skills and widen young people's outlook to improve their prospects and ability to become financially self-sufficient.
	Free2B Alliance	To support the organisation's core activities with LGBT young people, in particular for a Community Worker and other core staffing salaries to increase capacity across school forums and family provision. Free2B Alliance supports LGBTQ+ young people and their parents as well as providing LGBTQ+ inclusivity awareness training to services and organisations. It seeks to provide safe spaces and champion empowerment and acceptance.
	Horn Stars	To deliver the Youth Zone project, a twice-weekly safe space for 9–19 year olds comprising youth club sports activities and monthly trips reaching 100 young people in Brent from primarily Black backgrounds, many of whom come from the Horn of Africa. Horn Stars supports young people to make better life decisions, fulfil their potential and become healthier and fitter. It works across several housing estates using education, arts, and sports to engage young people with youth workers and family support work.
	SEN Talk	Core costs, supporting the delivery of events and workshops led by and for parents of children with special education needs. Funding will be used mainly for support staff and administration salaries. Based in Wandsworth, SEN Talk aims to improve the social and emotional health of young people with autism spectrum conditions and attention deficit disorders, alongside support for parents and carers. This includes play-based therapy support clubs, family peer support and specialist workshops.



Projects supported through our Social Impact Funds continued

Community foundation	Grantee	Activity supported by grant
<p>Bradford District Community Foundation</p> <p>GiveBradford</p>	Bradford Community Broadcasting	To support children and young people to increase their oracy, digital skills, confidence, and self-esteem, and widen their life chances, aspirations and educational outcomes through becoming radio broadcasters and producing radio programmes and audio content for broadcast on BCB Radio. This will include a series of radio-focused workshops, training, work experience and volunteering activities for children and young people throughout the year. These will focus on supporting and training children and young people to produce radio reports, features, or programmes for broadcast on BCB Radio (and as podcasts).
	City of Bradford YMCA	Core costs will contribute to expanding delivery of the Changing Futures Peer Mentoring programme into alternative education settings to increase reach and impact with some of the most vulnerable and marginalised young people in the community. Young people aged 16-21 with lived experience are trained as Peer Mentors for those who are struggling with the transition between primary and secondary school and are at risk of poor educational outcomes, including exclusion from education or becoming NEET. This new initiative will support young people outside of mainstream education, giving them access to the same opportunity.
	Common Wealth Theatre	Core costs for the Common Wealth Theatre will provide two workers three days a week to lead on work with more marginalised young people. This Bradford-based theatre company is working with young people's lived experience to make ground-breaking theatre work for social change. The grant funding will contribute towards staff costs to run two youth projects: Speakers Corner Collective, which meets weekly to plan campaigns and art projects for social change to improve life for young women; and Youth Lab Theatre, a weekly creative social space for young people aged 13-21 from across Bradford, providing an environment which allows young people to develop interpersonal and communication skills and become skilled theatre makers.
	Future Transformation	This grant will support the running of workshops, programmes and weekly activities for 12 months providing young people with STEM skills, focusing on key employment opportunities in culture, creativity, cyber, coding and data analysis. It will also mean it can run challenges which give participants the skills to be able to demonstrate their abilities. Students will be working towards the design of artwork through coding as opposed to drawing – this will ultimately be etched onto a satellite for a mission in orbit of the Earth. The programme will be working with local partners to address the tech skills gap in Bradford.
	Participate Projects	Funding for core salary costs to deliver 'The Venturists', a youth social action project which puts young people who face the most challenging circumstances in charge, empowering them through real project-based learning experiences to develop and deliver their ideas for social change. This programme encourages them to take a proactive role in their communities, identifying social issues and then developing ideas to tackle these issues. Sessions include: idea generation and development, goal setting, budgets and finance, fundraising, marketing, planning, presenting, and influencing – all the sessions link into the curriculum, boosting educational attainment and key skills. Previous Venturists (also supported through previous grants) have created projects to improve the environment, support refugees, help homeless people and reduce food waste.



Projects supported through our Social Impact Funds continued

Community foundation	Grantee	Activity supported by grant
<p>Hampshire and Isle of Wight Community Foundation</p> 	<p>Connors Toy Libraries</p>	<p>Our grant will be used towards the cost of all venues across Portsmouth to ensure they remain open for families to attend for 39 weeks of the year. Connors Toy Libraries create a safe, warm place for families to come together, especially throughout the winter. Parents and carers have the opportunity to become volunteers, take up training and enhance their CVs. Families can borrow toys and resources to use within their own homes free of charge, allowing children to have access to good quality, specialist, therapeutic and fun toys to support their learning and development.</p>
	<p>Fusion Plus (t/a Music Fusion)</p>	<p>Core costs to deliver one-to-one sessions where young people will try/learn an instrument, write lyrics, sing, rap, and explore music production in a safe, supportive and creative environment. Working closely with partners, schools, friends, and families the project in Havant creates and sustains positive family relationships as well as providing young people with a voice and platform to be heard. This in turn facilitates conversations around low educational attainment and work on understanding and improving their opportunities for wider learning.</p>
	<p>Headway Portsmouth & South East Hampshire (three-year grant)</p>	<p>Providing core costs for a sessional worker who will deliver social inclusion sessions over 3 years for 10 young adults (19-25) with brain injury and other forms of acquired brain injury. The sessions are aimed at resulting in a reduction in feelings of isolation and stress, and improved communication and cognitive skills, self-esteem, confidence and wellbeing. The project will consist of twice-weekly support sessions for beneficiaries with the opportunity to take part in sporting activities. An increase in referrals is expected from hospitals and health professionals due to the positive impact of the service.</p>
	<p>Making Space for Crafts</p>	<p>The salary costs for an Outreach Manager to work with young people in Leigh Park, Havant, to curate and deliver a series of youth craft sessions. The sessions address issues of low confidence, self-esteem and aspiration, engaging seldom heard young people's voices to develop their personal and social wellbeing in a safe and supportive setting. Making Space provides the opportunity to experiment with crafting practice beyond what is available in mainstream education with progression to achieve an accredited qualification and find pathways into careers in the creative sector.</p>
	<p>Monty's Community Hub</p>	<p>Core costs will enable continued provision of Monty's Youth Bikes, opening up opportunities for young people in a disadvantaged area of Southampton to take part in cycling-related activities, diverting them from anti-social behaviour and local gangs. Specifically, this grant will help run the weekly drop-in workshops as well as two other mobile school sessions at local secondary schools. Participants will grow their skills in cycling, collaborative teamwork, problem solving, and bike maintenance, with opportunities to gain work experience, and formal qualifications. They'll also grow their confidence through sports participation, practical experience, support networks, informal mentoring, and support in developing positive, healthy relationships.</p>



Projects supported through our Social Impact Funds continued

Community foundation	Grantee	Activity supported by grant
<p>Hampshire and Isle of Wight Community Foundation continued</p> 	<p>Parklife Community Cafe</p>	<p>A grant towards staff, volunteer and some other overhead costs will help to provide a training and support programme tailored to individuals aged 14–25 in Southampton to get them into employment, using the cafe for work experience. This includes one-to-one support from a project manager plus on-the-job training. Young people who may be struggling at school, or home or in the wider social environment will be given support and guidance both in work and future ambitions, steering them into better life choices and opportunities.</p>
	<p>Portsmouth Sail Training Trust</p>	<p>This programme will deliver maritime industry skills training and development targeting disadvantaged and deprived young people who otherwise would not be able to access this training. By giving young people opportunities to gain accredited qualifications in a sector which is right on their doorstep, PSTT aims to help these young people realise their potential and enable them to pursue meaningful careers.</p>
	<p>Safe New Futures (three-year grant)</p>	<p>Core and operational costs for delivery of a programme of three cognitive behavioural therapy courses for 16–25 year olds who are NEET or at risk of being NEET. Safe New Futures creates opportunities for people in Southampton with shared experiences to talk and be heard in a safe environment with experienced facilitators. As many participants struggle with social isolation, the courses are a way to break out of their shell and start talking to other people. Course participants often feel 'stuck' and struggle to engage in education or find meaningful employment. Participants set healthy goals and explore education, employment, or training opportunities so they can move forward with their lives.</p>
	<p>Southsea Green Community Garden</p>	<p>This project will work with children who are at risk of school exclusion, mainly boys aged 10–11. This intervention is designed to engage and motivate pupils by introducing them to activities and opportunities outside the normal school environment. These are some of the children with the greatest need in our society who have minimal access to artistic activity and limited exposure to creative arts. Working in partnership with Harbour School, the children will take part in garden and cooking workshops. Working as part of a team in the garden, activities will demonstrate how they can contribute to society, bringing enrichment to themselves and the community.</p>
	<p>The Literacy Hubs (three-year grant)</p>	<p>Core costs for development of volunteer base and to deliver literacy support to schools to increase educational attainment and employability for young people from some of the least advantaged communities in Portsmouth. The Literacy Hubs run literacy training for children with a focus on the transition between primary and secondary school. This is done in a creative learning environment. The project aims to grow the volunteer base from 60 to 160 volunteers, therefore increasing the number of young beneficiaries who would benefit from provision at the hubs.</p>



Projects supported through our Social Impact Funds continued

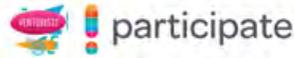
Community foundation	Grantee	Activity supported by grant
 <p>Kent Community Foundation</p>	Autism Apprentice	Core costs to provide advice and support to families in Sittingbourne, Sheppey and Faversham whose children have autism, whether they have been diagnosed or not. All staff and volunteers involved have loved ones with autism themselves. This enables them to provide lived experience and peer support to the families they support, increasing self-confidence and reducing isolation.
	FASD Awareness South East	Contribution towards the salary costs for a key worker to provide support for those in South East Kent affected by Foetal Alcohol Spectrum Disorder, helping the parent/carer and child to gain vital support to improve the prospects of the child and reduce risks of parents drinking while pregnant. The programme provides an educative process for parents, support groups and interaction with other parents who will have older children with the same condition.
	Home-Start Sittingbourne and Sheppey	This well-regarded charity gives vital support to families with children under five. A contribution to core running costs, is allowing it to expand the service to support more families. The service will allow further volunteers to be trained and supported, allowing them to give one-to-one support to parents across Swale who are overwhelmed and struggling, and to their children to help them reach their developmental goals.
	Maidstone Town Centre Youth Cafe (Switch)	Supporting volunteering costs will enable this organisation to continue its much-needed service in Maidstone. With an emphasis on informal education, Switch aspires to support the personal, social, and emotional development of young people. It is experienced and particularly adept at working with young people that face disadvantage and are generally disengaged – this area suffers greatly from the impacts of county lines activity.
	Parents and Friends Association of Bower Grove School	Funding towards a new adventure play area for 84 junior school-aged pupils at this special school in Maidstone where pupils have moderate and severe learning disabilities. It will allow it to replace obsolete play equipment so that children can get outside and expend excess energy, away from things which are bothering them, and develop physical, social and communication skills. Having regular breaks from formal learning is especially important for its pupils, helping them to improve their behaviour and concentrate better in class.
	Relate Medway and North Kent	Provision of 200 counselling sessions for children and young people, to support their mental health. While statutory mental health support is available, young people are having to face a long waiting list to access the support they need (sometimes years), and referrals are increasing. Targeted, specialist intervention as soon as possible helps address young people's emotional and mental wellbeing to not only benefit them in the short term but to mitigate complicated issues developing such as substance abuse.
	The Princess Project	Staff and other core costs will enable The Princess Project in Medway to continue offering its Mum²Mum project which provides consistent, long-term one-to-one support for isolated young mums aged 16-30 by matching them with trained volunteer befrienders. It aims to recruit and train an additional five befrienders over the next 12 months to transform the lives of disadvantaged mums through unconditional love, support, and encouragement.



Social Impact Fund grant case studies



Case study



Participate Projects – The Venturists

Participate's mission is to create the environment in which the great social ideas of individuals and organisations can grow, flourish and create lasting change. It does this through coaching, and helping people to focus on solutions to their challenges through activities which include venture support, business volunteering, third sector assessment, grant delivery, research and youth ventures.

The Venturists is Participate's youth engagement programme that gives young people the opportunity to start viable social action programmes. Working specifically in schools and communities with high levels of deprivation, it uses a framework that inspires young people to take action on the issues that affect them and their immediate community. Young people become 'Venturists' and identify social issues in their community, developing their ideas to tackle them.

Our second year of funding will enable Participate to work in four school settings: a high school, a special educational needs school and two mainstream primary schools in very disadvantaged areas. We will work with 15 young people from each school where the young people will attend weekly sessions to explore their ideas for social change (either working individually or in small groups). The sessions are delivered by a qualified primary school teacher who has also received enterprise coaching training. Sessions include: idea generation and development, goal setting, budgets and finance, fundraising, marketing, planning, presenting, and influencing – all of the sessions link into the curriculum, boosting educational attainment and key skills. The young people will be inspired and motivated by invited business speakers, social entrepreneurs and community champions who will share their stories, skills and experiences. The weekly sessions lead

to a presentation by young people to a Dragons' Den-style panel which can award a small start-up fund. The final sessions provide practical support to help young people deliver their projects and create real changes in their community.

Previous Venturists have created projects to improve the environment, support refugees, help homeless people and reduce food waste. As Bradford is Britain's youngest city, Participate believes it's vitally important to focus attention on this group as they will be the community leaders of the future and there is an opportunity to harness their energy and ideas for wider benefit.

Colleagues have also had the opportunity to volunteer with this project through the Dragons' Den-style sessions and a community team challenge where a team went in to help build a greenhouse out of recycled bottles – one of the brilliant ideas from a young team of Venturists.

Vanquis Banking
Group Social Impact
Fund grants awarded to

27

small voluntary
organisations
in 2022





Social Impact Fund grant case studies continued

Case study



Free2B Alliance

London-based Free2B Alliance supports LGBTQ+ young people and their parents across Richmond, Wandsworth and Merton, as well as providing LGBTQ+ inclusivity awareness training to services and organisations. The organisation has a comprehensive range of programmes designed to reduce the impact that being part of a marginalised community can have. These issues can include alienation, abuse and abandonment. It aims to provide safe spaces for young LGBTQ+ individuals and help to champion empowerment, acceptance and peer support. Along with providing one-to-one support it also runs a youth club, school awareness workshops and online round tables for parents and carers.

Our grant is being used towards core costs, predominantly to expand a youth worker role to help meet increasing demands from local schools. This will enable it to engage with three more schools which have approached Free2B Alliance to run additional targeted therapy programmes and to develop a family therapy programme, where it will work with members and their parents to better communicate and promote positive practices.

Free2B highlights the importance of having a presence in school for those young people who haven't come out to their families and therefore may not be able to access out-of-school support, and may be at greater risk of mental ill health as a result. It has also begun using a trained therapy dog to help young people engage – it plans to use the dog to increase impact during Support Forum sessions.

The predicted impact includes: increased organisational reach; increasing young people's wellbeing, resilience and social connections; reduced isolation; and improving family connections.



Decent Work and Economic Growth

We will create opportunities for all generations, and protect and promote labour rights in both our business and supply chain to contribute to achieving sustained, inclusive and sustainable economic growth and decent work for all.

Case study



Connors Toy Libraries

Toy Libraries create a safe, warm place for families to come together, especially throughout the winter. Parents and carers have the opportunity to become volunteers, take up training and enhance their CVs. Families can borrow toys and resources to use within their own homes free of charge, allowing children to have access to good quality, specialist, therapeutic and fun toys to support their learning and development.

This charity is based in Portsmouth and has been in existence since 1973. Regular groups across the city create a safe and enjoyable place for families to meet, make new friends, gain peer support, borrow toys and resources and bring their children together to play. A mobile Toy Library was developed when other service providers asked for visits to their settings to provide a play and toy loan session for the families they support.

Whilst confident families attend their local Toy Library sessions, those suffering with post-natal depression, feeling isolated, lacking in confidence or new to parenting find it challenging to attend. An outreach project therefore provides one-to-one support for families for as long as they need it.

It receives referrals for hard to reach and vulnerable families from social services, health visitors, and a range of other networks such as Homestart. It also works with the hostel and refuge provision across the city.

Within the Toy Library sessions families can talk about concerns or issues including behavioural challenges, weaning, toileting, sleeping, attachment, etc. The charity is able to provide support, signposting or referral into the appropriate services where needed. The Early Intervention project was introduced. Parents are also supported with domestic abuse, post-natal depression, substance misuse, financial concerns and housing, again providing signposting to the advice they need at such a difficult time.

A child carers toy store is available for all professionals working with and caring for other people's children, including foster carers, nurseries, childminders, speech and language specialists, and playschemes. This ensures all have access to good quality, educational and fun toys and resources for all children to enjoy. Families with children who have additional needs can access the child carers toy store to borrow specialist toys and resources to support their children's learning and development within their own homes.

Our grant will be used towards the cost of all venues across the city to ensure they remain open for families to attend for 39 weeks of the year.





Social Impact Fund grant case studies continued



Case study

Maidstone Town Centre Youth Cafe (Switch)

With an emphasis on informal education, Switch aspires to support the personal, social, and emotional development of young people. It is experienced and particularly adept at working with young people that face disadvantage and are generally disengaged and disillusioned. Its primary focus is fostering positive relationships to underpin further engagement, working with young people, so they gain the confidence, knowledge, and skills to make positive and responsible choices.

The youth cafe operates four days a week, to provide a safe space from where it can offer non-directive support, advice and guidance. It also facilitates a range of programmes in schools such as Crime Diversion and Raising Aspirations and Attainment, manages a weekly multi-agency outreach programme in Maidstone town centre's anti-social behaviour hotspots, delivers assemblies in schools on the dangers of knife crime and gang affiliation, and hosts a weekly group that reduces isolation for those that are home schooled. Switch also provides one-to-one support with its Entry to Employment programme as well as multi-agency referrals for those engaged in youth crime and gang activity.

Our grant will help with the volunteering costs needed to continue this much-needed provision in Maidstone. Adult and youth volunteers work within the youth cafe, and also help to run a multi-agency outreach programme. The programme helps to increase engagement and reduce anti-social behaviours, including providing work experience and qualifications. Maidstone has seen a rise in the impacts of county lines activity, targeting disadvantaged and vulnerable young people, who are becoming caught up in gangs and criminal activity. The pandemic has reduced opportunities to engage with young people so the need is greater than ever.





Colleague volunteering and fundraising

We know that colleagues want to work for a business that supports them to make a positive and meaningful impact in their communities, so, in addition to being the 'right thing to do', enabling this to happen is a crucial element of our HR processes. We provide the support and tools for them to engage in a variety of ways.

Our Volunteering and Matched Funding Policy ensures that all colleagues across the Group benefit from volunteering opportunities. Colleagues are able to take a full day's paid leave to volunteer for a community organisation or charity of their choosing.

In addition, we offer a number of Company-led opportunities to colleagues through our Social Impact Programme. There is no limit on how much Company-led volunteering colleagues can take part in and we've been pleased to see volunteering numbers increase substantially in 2022.

Here are some examples of volunteering opportunities that we offer for colleagues to participate in:

- community foundation grants panels;
- delivery of careers and employment skills sessions;
- delivery of literacy skills for the workplace sessions;
- guided reading sessions for schoolchildren;
- school business enterprise days;
- diversity and inclusion Affinity Groups, either as a participant or leader; and
- community team challenges with opportunities to take on a team leader role.

We were pleased to reintroduce more team challenges during 2022, as more and more organisations welcomed people back through their doors. A picture has emerged of substantial amounts of maintenance having been put on hold by community organisations as a result of the pandemic and there is now a need to address this. We'll continue to work with our partner, Participate Projects to identify organisations which need support which can be delivered by larger teams. In 2022 we helped Participate to purchase its first fully electric van, helping it on its own sustainability journey too.

Our matched funding programme continues to be popular with colleagues, who tell us that being able to fundraise for the organisations that are close to their hearts is important to them. We provide matched funding of up to £500 per person each year and, in 2022, colleagues' causes benefited from matched funding of £10,228.

We've been working with various parts of the business to raise awareness of the Social Impact Programme and increase engagement. This includes ensuring visibility at Company and team briefings as well as regular internal comms and content within the recruitment and retention resources.



Case study

Sharing the joy of reading

Books can often be a luxury many families can't afford for their children. Children living in poverty have been hardest hit during the pandemic and being at home meant they had less access to books and learning resources. To celebrate World Book Day in March 2022, colleagues were encouraged to donate books and book tokens to disadvantaged pupils of all ages, teaming up with our partner School-Home Support (see page 56) to make sure that donations reached children in the communities where our main offices are based.

In addition, Kirsty Jones, a colleague volunteer, took the time to read to children in one of our partner schools to celebrate this initiative. It provided a fantastic opportunity for the young children we support, encouraging them to engage with literacy and build meaningful relationships. For some of the children we work with, reading is an escape and distracts them from other challenges in their lives. As well as being a beneficial experience for the children we support, our corporate partners had a wonderful time reading with the children and found it to be a fulfilling experience.



Being able to read with the children at St Columba's was a great way to share my passion for books and to hopefully inspire a love of reading in the younger generations. The children were excited to hear the new stories I had for them, and I was able to share one of my own childhood favourites...Burglar Bill! Sharing reading in this way has so many benefits, not just in terms of literacy. It teaches us all sorts about emotions and other people's feelings, and about listening and respect, and helps improve creativity and attention span. As Dr Seuss said: "Unless someone like you cares a whole awful lot, nothing is going to get better. It's not."

Kirsty Jones

Senior Strategic Risk Manager
Vanquis Banking Group



Thank you for all the books! These books are going to be used across the whole school and will be based in the nurture room. The books will allow the children to access more books around feelings and behaviour, consequences, choices and inclusion. The books are already being used by members of staff to support children.

School-Home Support Practitioner



Colleague volunteering and fundraising continued

Case study

Employee grant panels

An important element of our community foundation partnerships is the opportunity that we have to engage colleagues in the decision making process, which helps us to allocate funds in the communities where we operate, and where our colleagues live and work. Their own experiences, local knowledge and diverse perspectives mean they can add real value and introduce another layer of insight to our funding. This approach also provides a helpful lens through which colleagues can develop a better understanding of the issues that exist in our communities, and how the voluntary sector is addressing the challenges.

Colleagues take time to review applications before meeting as a panel to discuss each of the applications and decide collectively which organisations will receive grants.

We held five grant panels to allocate funding in 2022, with a total of £302,638 in grants awarded to 27 small voluntary organisations.



It was very humbling to be involved in the grant panel; to see the impact that the funding can have on young people in the local community gives you a real sense of pride that our fund is really making a difference.

Johanna Hope

Programme Manager

Vanquis Banking Group's Management Services



HIWCF is delighted to work with Moneybarn to help identify the best local charitable groups for its generous funding to reach. The Moneybarn staff who contribute to the final selection process help provide a really rounded picture of the grants, and we love to see how the connections between the team and the community strengthen the grant making process. It is always a special moment to hear from Moneybarn team members about how they or their families have been supported by local groups, or how they have supported the ones in their local area. True localism in action.

Jacqui Scott

CEO

Hampshire and Isle of Wight Community Foundation



This is the second time I've taken part in the panel and feel it's a great privilege to be able to do so. Having the fund in place and being able to support so many people in the local community is amazing, especially when the aim of the fund is to help projects that support and inspire young people to believe that anything is possible.

Claire Kisby

Customer Experience Manager

Vanquis Banking Group

30

colleagues took part in

5

grant panels giving

210

volunteering hours during work time





Colleague volunteering and fundraising continued



Case study

No child left behind at Christmas

For many, December is the most wonderful time of the year. However, for those living in poverty, this is when the financial strains of the winter period hit the hardest. This year, more than ever before, families were nervous about how they would afford heating and food, let alone Christmas presents. We asked colleagues to support vulnerable families through our partnership with School-Home Support. This campaign complemented our year-round work with School-Home Support (see page 56) to reach the most vulnerable children over the festive period. Colleagues were invited to make a donation to School-Home Support, which in turn attracted matched funding making a total donation of £5,000. This enabled the charity to provide over 280 presents to the children it supports along with over £1,000 of food vouchers to help families afford emergency food.



Thank you for the wonderful gifts you gave to my children. They loved them very much. They were not expected, especially with everything becoming expensive and everyone struggling right now. I am a single parent of four children which is even harder so thank you very much for thinking of the children.

Parent whose children received gifts



It has been amazing and heart-warming to be able to give out these lovely gifts to the young people I support. These gifts have made a huge difference not only to the young people but also their parents/ carers who are already under a lot of strain financially. This has eased the pressure of Christmas in ensuring their child receives a present on Christmas Day.

School-Home Support Practitioner



Colleague volunteering and fundraising continued



Case study

Helping to raise aspirations through our volunteering programme

When we talk to young people they often have no idea what they want to do when they leave school and we usually find that this is because they don't know about the wide range of roles and opportunities that are available to them let alone know anyone like them who has such a role.

The words of Marian Wright Edelman, 'You can't be what you can't see' ring so true for many of these young people.

Through our volunteering programme we introduce them to our business and all the different roles they could aspire to, and they meet our colleagues who tell them stories of their own career journeys and the different paths they have taken to get to where they are today. Listening to these stories can really help to change the stories of the young people we work with.

In 2022 94 colleagues volunteered over 230 hours to take part in mock interviews, speed networking, career conversations, listening to children read and employability workshops.

Here's what some of them had to say:



The event was well organised and I had all the information about the event in advance. I was impressed on the day by the questions from the Year 8 classes.

Colleague volunteer



Helping to develop a love of reading

24 Vanquis Banking Group colleagues supported 13 children through Chapter One's reading volunteer programme.



We are hugely grateful to Vanquis Banking Group for their support of the Chapter One programme, both financial and through its fantastic volunteers in London and Bradford. The enthusiasm, commitment and consistency of the volunteers shines through: the reading support the team provides is transforming the life chances of children.

Emma Bell Executive Director, Chapter One



It's my second term of volunteering and it's so rewarding observing the child you support grow and develop. It's such a great programme and provides the children with that extra bit of help they need to move to their next level of reading. I would recommend this to anyone who has an hour a week to spare.

Debbie Peel Digital Product Owner



I have a daughter the same age as the pupil that I am helping. I'm very lucky that my family and support network encourage her, and she enjoys reading. What scares me is that one in four children left primary school in 2019 without being able to read. Me taking the time out (only 30 minutes a week!) will ensure that the pupil I'm supporting will not be part of that statistic.

Sam MacKay Resourcing Business Partner, Moneybarn



As C.S.Lewis once said, "We read to know we are not alone", and the reading programme that we offer at Vanquis Banking Group has been one of the most inspiring and humbling experiences I have ever been fortunate enough to be involved with. The joy of reading and the doors that it opens both personally and practically are a gift for life. Every week I spend time with my little reading star and to hear them improve and enjoy their reading is so rewarding. I would encourage anyone who can to be part of this incredible programme!

Lorna Potts Human Resources Business Partner



Colleague volunteering and fundraising continued

Case study

DIY SHS

In September nine colleagues took part in a DIY event at the Mayesbrook Park School in Dagenham, East London, in collaboration with School-Home Support and Participate Projects, which saw the volunteers transform both the common room and gardens.

The volunteers worked hard throughout the day to paint the communal area a calming grey colour, adding plants and a mural as finishing touches. Alongside this, colleagues also built raised beds and benches to create a space for students to garden and an area to sit and enjoy the green space.

Having this welcoming environment is essential to the students that attend the school, many of whom are living with mental health conditions, and will help them to feel relaxed while in these communal spaces. We were delighted with the result, as was the School-Home Support Practitioner, Jaime McDonald, who commented:



From myself and everyone at Mayesbrook, we would like to say a massive thank you for all your hard work coming to paint our school and help improve our garden. It has transformed the environment beyond recognition, allowing the most vulnerable students a safe, warm and welcoming place to come. The work you have done is so important to us and is well appreciated.

We also ran community team challenges for:

- Café West Community Centre, Allerton, Bradford;
- Thornton Community Centre, Thornton, Bradford;
- St James Primary School, Allerton, Bradford; and
- The Valley Project, Holme Wood, Bradford.





Colleague volunteering and fundraising continued



Case study

Supporting Ukraine nationals relocating to the UK

During 2022, we funded Olena Tomaschuk, a Ukrainian citizen doing what she could to assist those looking to leave their home country and seek refuge elsewhere.

Before the war began, Olena had a successful business specialising in cruises around the Black Sea, and only remained in Ukraine to support her 18-year-old son who was conscripted into the Ukraine army. She wanted to do what she could to help and has been personally involved in placing families in the UK and helping them navigate their way through the UK visa application process. This includes translation of the various official documents and providing advice to anyone in the UK eager to open their home to Ukrainian families. Our funding has helped broaden Olena's reach and continue her vital work, including offering support to our own colleagues who have welcomed Ukrainian families to their homes.

Helping Ukrainian families get online

Vanquis Banking Group has raised money through the sale of old IT kit to buy new laptops for Ukrainians in the UK, helping them get online and on with their lives.

Restructuring within the business and ongoing upgrades to our IT infrastructure have resulted in the business generating a lot of equipment that's surplus to requirements – laptops in particular. Our IT and Procurement colleagues worked with the Social Impact team with the idea of selling the old kit and then using the proceeds to purchase new kit which could be donated to Ukrainian families who had fled their country with nothing.

Test and learn

The proposal was then tested with colleagues who are hosting Ukrainian families. The laptops were warmly received by their guests and have helped in numerous ways, including assisting Ukrainian children with school work, and allowing families to keep in touch with their relatives and communities back home.

We've allocated

30

laptops to
Ukrainian families

“

We were keen to explore how we might lend further support to Ukrainian families who have been able to find safety in the UK. The feedback we received from colleagues who have taken the amazing step of welcoming families from Ukraine into their homes, or know of such families in their local communities, suggested there was a specific need for IT equipment. So, we reached out to our Chief Information Officer, to see if there was anything we could do. This is where the idea of selling our old IT kit and using the proceeds to source new equipment came from. By providing families who have made the long and perilous journey from Ukraine, and have managed to find safety in the UK, with some much-needed IT equipment, they can not only stay connected with their families and friends, but can also complete some of the administrative things they need to do to settle in more easily.

Rob Lawson

Head of Sustainability



Colleague volunteering and fundraising continued

Case study



Colleague fundraising for the Disasters and Emergency Committee's Ukraine Humanitarian Appeal



As we all are very aware, intense conflict in Ukraine is threatening the lives and livelihoods of civilians across the country, causing hundreds of thousands to flee. Homes have been destroyed or are unsafe to live in. Essential services have been hit. Families have been separated. People have been injured. Lives have been lost. DEC charities and their local partners are in Ukraine and across the border in the neighbouring countries. They are working to meet the immediate needs of all the people fleeing with food, water, medical assistance, protection and trauma care.

DEC

Colleagues have been understandably keen to contribute financially to help the people of Ukraine in the face of such terrible conflict in their country. We quickly set up a JustGiving fundraising campaign and match funded colleagues' contributions.

In addition, colleagues led their own local fundraising activities. This included a team of colleagues led by Moneybarn's Sam Baker, Sam Wooller, Allan Cummings, Ray Gartland and Allan Johnson, who pledged to cycle the distance from the office in Petersfield to Ukraine – a distance of 1,538 miles – to raise awareness and funds to support families and individuals impacted by the ongoing conflict. They successfully completed their challenge at the end of April.

The mission of a lifetime to help a Ukrainian orphanage

Moneybarn Customer Support Agent, David Locke shares his volunteering experience with us and tells us how he fundraised over £15k.



When I first mentioned to my Team Leader about taking time off to help relocate a Ukrainian orphanage from its war-torn country to safety in the Czech Republic, I opened a can of worms.

Word spread, people started offering to help, and my Team Leader helped to change my shift pattern to help accommodate the mission. They also mentioned volunteering days off, and financial support. It was like suddenly everything I needed and more came knocking.

Colleagues bought food supplies and clothing and started donating to my JustGiving page. Managing Director, David Shrimpton invited me to talk about my trip during our March company briefing, and donations on my JustGiving page jumped from £1,500 to more than £4,000 in a day. The company reached out to brokers who also kindly donated.

Between the generosity of friends, family, brokers and amazing colleagues, I now have a total of more than £15,000. That is just incredible. The business came to together to make a real impact on the lives of the boys living in the orphanage. We will not fully see or understand just how much a difference we have made to their lives, but rest assured we helped give them a brighter today and tomorrow.

Moneybarn behaves more like a family than a corporation.

Thanks to Moneybarn's support, these boys now have a visa to live in the Czech Republic for a year and will be able to receive benefits, schooling, and support.

I drove over to meet them after they had been registered as refugees. They are living in a village not far from Olomouc. The older boys have been registered at a school only a short bus ride away while the younger boys will go to the village primary school. A local Ukrainian lady has offered to come in and teach the boys the local language.

Although the upheaval and relocations have been emotional and difficult for them, all the boys are in great spirits and making the best of the situation.

The support I've received at work, from a simple well wish on my journey to donating or even Moneybarn covering my time off, shows that even when war and suffering are still an all too real daily event for some people, we can come together for the greater good.



Ensuring strong ethics and compliance

In this chapter, you can read more about our stakeholder engagement strategy, how we engage with our investors on sustainability matters, and what makes us a responsible taxpayer.



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Governance and management of the sustainability agenda

The Board

We have a strong governance and management framework in place across the Group to ensure sustainability is embedded in our business strategy, and that we deliver our Purpose of helping to put people on a path to a better everyday life.

Overall responsibility for the delivery of the Group's Purpose, and the sustainability strategy that it is closely aligned with, rests with the Vanquis Banking Group plc Board generally and with Malcolm Le May, the CEO, specifically. Sustainability-related risks and opportunities are a key consideration and are regularly discussed by the Board. In addition, the Board has delegated responsibility for overseeing the Group's ESG obligations to its Customer, Culture and Ethics (CCE) Committee.

The CCE Committee

The CCE Committee was created in 2019, and is chaired by Graham Lindsay, an independent non-executive director. The Committee's members include independent non-executive directors Elizabeth Chamber and Margot James, and its meetings are regularly attended by the Chairman, CEO, Group General Counsel and Company Secretary, Chief People Officer, Chief Risk Officer, Group Corporate Communications Director and Head of Sustainability.

The Committee meets three times a year. Its responsibilities are to:

- provide oversight of the Company's short and long-term decision making and outcomes with respect to a wide set of stakeholders, encompassing customers, colleagues, suppliers, and the community, as well as shareholders, in order to ensure compliance with the 2018 UK Corporate Governance Code and the accountabilities under section 172 of the Companies Act 2006;

- oversee policies, procedures, standards and progress against key performance indicators, to ensure that the Group conducts and develops business responsibly and consistently in accordance with the Company's customer objectives, Purpose and corporate culture;
- assist the work of the Board's Group Risk Committee in reviewing the design and performance of the Group's products and channels (particularly with respect to the aim of achieving greater customer centricity and fairer customer outcomes), and in assessing whether the Company's Purpose and culture are being embedded;
- support the Remuneration Committee to ensure that issues such as customer centricity, inclusion and diversity and climate change are factored into the setting of performance conditions for the annual bonus schemes and share incentive plans of executive directors and senior management teams; and
- review and provide guidance for external communications on key issues that the Group may encounter in the areas within its remit, e.g., with respect to customers, inclusion and diversity, and climate change.

The CCE Committee's Terms of Reference are available here and further details on the issues discussed by the Committee during 2022 are set out in its report within the Vanquis Banking Group plc Annual Report and Financial Statements 2022.

Executive Committee

The Vanquis Banking Group Executive Committee plays an important role in overseeing the delivery of the Group's strategy, and routinely discusses sustainability activities and ESG issues that are material to the business and its key stakeholders. It also reviews and approves the Group's programme of activities and its budget.

Climate Risk Committee

To underline the importance of tackling the climate emergency, we have created a Group Climate Risk Committee which is chaired by our Chief Risk Officer, Gareth Cronin. The Committee meets three times a year, comprises representatives from a range of business lines and functions and oversees the Group's progress in terms of achieving our own climate-related targets and in meeting regulatory obligations. Further information on our climate risk governance and management arrangements can be found in the TCFD Report within the Vanquis Banking Group Annual Report and Financial Statements 2022.

Inclusion community

This network, which is sponsored by a number of Executive Committee and senior management team members, allows us to take a Group-wide approach in delivering our inclusion and wellbeing strategy and enables us to have essential conversations around our diversity and inclusion agenda. It also provides both a sounding board and spring board for fresh ideas, as well as a platform for transformative action.

Ongoing management

The day-to-day delivery of the Vanquis Banking Group's sustainability programme and our response to the ESG agenda is carried out by our in-house sustainability team, which is supported by colleagues from across the business. This includes the colleagues who sit on the various working groups we have in place and oversee the management of environmental and community investment matters.



Our stakeholder engagement strategy

Effective engagement with our stakeholders across all our business activities is key to how Vanquis Banking Group operates and informs our decision making processes, not only in respect of the products and services we offer to our customers, but also in terms of matters regarding the decisions that underpin our community investment choices.

It also enables us to respond to stakeholder interest in our sustainability performance and ESG credentials. Finally, our stakeholder engagement strategy supports the Group in meeting the requirements of s.172 of the Companies Act 2006.



To read more about the progress made by the Group against these wider strategic objectives, see our [Annual Report and Financial Statements 2022](#)

We define stakeholders as those individuals or groups who we consider to have an interest in, or are affected by, our business activities. We continue to engage with our stakeholders on the basis of the mapping exercise we undertook in 2021. This enabled us to identify 15 stakeholder groups. Of these, we have identified the following six which we consider to be key stakeholders and with which we prioritise our engagement activities: customers, colleagues, suppliers, investors, government and regulators, and the environment. We also continue to engage with the following nine stakeholder groups on a more periodic basis: the media, the money advice sector, claims management companies, the community, trade associations, debt collection agencies/debt purchase companies, consumer forums and competitors.

To guide our engagement activities, we continue to set a series of strategic objectives which guide the approaches we are taking to engage with each stakeholder. These enable us to systematically seek our stakeholders' perspectives and expertise, and understand, address and manage their expectations with regard to a range of ESG matters, so that we can, in turn, identify opportunities, manage and enhance our corporate reputation, reduce risk and comply with regulatory and voluntary standards. Our 2023 objectives are set out overleaf, as is a summary of how we performed in relation to the objectives that were set for 2022.



Further information on the CCE Committee and our workforce panels can be found in our Annual Report



Corporate culture is everything and impacts everything we do. Getting the culture right will ensure our business is sustainable and delivers the right outcomes for all our stakeholders.

Graham Lindsay

Customer, Culture and Ethics Committee Chairman and Designated Non-Executive Colleague Champion



Our stakeholder engagement strategy continued

Stakeholder	Performance vs 2021/22 stakeholder engagement objectives	2022/23 stakeholder engagement objectives
 <p>Customers</p>	<p>Our businesses employ a wide range of techniques to engage with customers throughout their time with us.</p> <p>Vanquis Banking Group businesses have conducted quantitative, qualitative and user experience research over the past year. This has involved using a customer segmentation algorithm to analyse customer feedback by segments as well as using 'custom ID' to enable analysis of feedback by customer demographics, card holding, credit limit, APR, etc. A range of tracking projects are also carried out, so that our businesses can monitor customer service trends, highlight recurring customer issues, and understand customers' perceptions towards our products and services, as well as enabling us to gain an understanding of the wider external issues that are impacting our customer base.</p> <p>In addition to continuing to use these methods, we have also:</p> <ul style="list-style-type: none"> – Convened customer panels/groups now social distancing restrictions have been lifted. <p>During 2022, our credit card business convened a customer panel, so that it could conduct in-depth qualitative research with its customers. Over the past 12 months the cards business has conducted two qualitative research projects (on its Instalment Plan and cost of living agenda), with a third project conducted in Q4 (on digital wallet, cash and Christmas). For our vehicle finance business, customer panel activity has focused more on online surveys/individual interviews.</p> <ul style="list-style-type: none"> – Involved customers in the inclusive design of products and services so that they can be designed to be accessible to, and usable by, as many of them as possible from the outset. <p>Throughout the year, our businesses have engaged with our customers on several instances to gain a better understanding of the perception of our products and services, as well as understanding our customers' needs and wants from Vanquis Banking Group. For example, this has involved tracking customers' perception and sentiment towards the products and services we offer through our annual customer satisfaction surveys and 'Voice of Customer' feedback so that our businesses can monitor and analyse the key issues impacting customers.</p> <ul style="list-style-type: none"> – Ensured that collaborative initiatives (e.g. Vanquis' partnership with IncomeMax) are accessible to other Vanquis Banking Group businesses. <p>Our operating businesses are currently providing advice and guidance via our customer-facing websites in relation to the current cost of living crisis. In addition, we have worked with existing partner IncomeMax to develop a digital self-guided tool which signposts customers to money advice and support. Finally, we have partnered with IncomeMax to launch a new online messenger platform to offer customers digital access to one-to-one, expert advice. The service, IncomeMax Messenger, has been developed in response to the growing preference of customers to have online, private conversations about sensitive financial topics, such as debt.</p>	<p>Over the next 12 months we will continue to deliver our customer tracking projects to monitor and maintain an understanding of our customers' sentiment. The customer insight teams will also conduct ad hoc quantitative and qualitative research throughout the year dependent on the business issue/customer needs that arise.</p> <p>Areas of focus for research in 2023 will include, but are not limited to:</p> <ul style="list-style-type: none"> – gaining a better understanding of vulnerable customers and how our businesses can support them; – understanding why customers become dormant and no longer use their Vanquis card; and – early month on book customers.



Our stakeholder engagement strategy continued

Stakeholder	Performance vs 2021/22 stakeholder engagement objectives	2022/23 stakeholder engagement objectives
 <p>Colleagues</p>	<p>Vanquis Banking Group has continued to engage with colleagues using a range of channels (e.g. Group-wide intranet, inclusion community and workforce panels, etc.) over the past 12 months. This has included:</p> <ul style="list-style-type: none"> – Colleague Forums: Representatives from each employing entity met in February and May 2022 to discuss and feed back on topics such as hybrid working, colleague survey results, cost of living and colleague benefits. Members of the Board have attended these forums as well as other senior leaders. Throughout August and September 2022, the Colleague Forums were used as the main vehicle to consult on our organisational changes, with numerous ad hoc meetings taking place along with the support of a dedicated intranet hub. – Be Open colleague surveys: We conducted a pulse survey in June 2022 as a follow-up to the annual colleague engagement survey we carried out in November 2021. Our fourth annual colleague engagement survey was carried out in November 2022. – Group Reward Framework: We undertook significant engagement throughout 2022 to introduce our new Reward Framework and job levelling approach to bring consistency and transparency to the way that we reward our colleagues. – Time to Talk: We have held numerous wellbeing webinars throughout the year on topics such as menopause, social wellbeing and loneliness, financial wellbeing and mental health. – Be Well: The creation of an intranet hub for all things wellbeing related for colleagues across the Group to engage with – whether that’s improving mental health or simply finding someone to talk things through with. – Be Yourself: The further enhancement and embedding of our diversity and inclusion programme. There has been significant engagement activity through our inclusion community, Affinity Group Networks and Peer Circles along with specific celebrated events such as Pride, National Inclusion Week and Black History Month. – Stay Connected: We launched our new single platform intranet in 2022. This has more dynamic functionality for our colleagues to access what is going on right across Vanquis Banking Group – rather than just their division – as well as being able to engage with the content via comments and social pages. – Round Up: The creation and launch of a new Group-wide weekly e-magazine that shares all the highlights, news stories and updates from the week with all colleagues. – ExCo drop-in: We held our first informal ExCo drop-in session in Bradford in 2022. This was hugely popular and went down well so will become a cornerstone of our colleague engagement activity for 2023. – Product vlog: The launch of our new product vlog for colleagues to hear from the three managing directors about the latest news and insight from their Product teams. 	<p>The colleague engagement priorities for the next 12 months will focus on continuing to engage with colleagues using a wide range of channels, content and topics. We will continue to build and enhance the activities listed here to hone our communication and engagement strategy. A key focus of this will be the Purpose, Mission, Values and strategic narrative refresh.</p>



Our stakeholder engagement strategy continued

Stakeholder	Performance vs 2021/22 stakeholder engagement objectives	2022/23 stakeholder engagement objectives
 <p>Regulators</p>	<p>Given the regulatory scrutiny that Vanquis Banking Group has been under as a result of the Scheme of Arrangement that was being pursued during 2021/22 and our ongoing interactions with the FOS, our engagement activities have focused on:</p> <ul style="list-style-type: none"> – Continuing to engage with our regulators at the CEO/CFO level and through the contacts within the regulated entities, ensuring that engagement is coordinated, and any resultant outcomes/outputs are reported back to relevant committees of the Board and Group ExCo. <p>Regular meetings/calls have continued to be held with representatives from the FCA and PRA in relation to a wide range of issues. This is supported by ongoing correspondence between the Group and FCA/PRA representatives.</p> <ul style="list-style-type: none"> – Ensuring that certain responses to our regulators (e.g. our contributions to consultation exercises) and correspondence on specific issues (e.g. the activities of CMCs) continue to be channelled through a single team to ensure coordination. <p>Oversight of the responses that are made to the FCA/PRA is provided by a dedicated consultation group within the Group Risk function.</p> <ul style="list-style-type: none"> – Engaging with our regulators through our trade association memberships. <p>This has been done through Vanquis Banking Group’s membership of UK Finance and the Finance and Leasing Association (FLA).</p> <ul style="list-style-type: none"> – Where possible, contributing to or participating in multi-stakeholder forums involving our regulators and other businesses within the financial services sector. <p>Colleagues from across Vanquis Banking Group regularly attend/participate in online and in-person forums on a range of topics that are relevant to the regulatory agenda.</p>	<p>Over the next 12 months, we will continue to:</p> <ul style="list-style-type: none"> – engage with the FCA and PRA through regular meetings and correspondence; – respond to consultation exercises in our own right or via our trade association membership; – engage on regulatory matters through our participation in multi-stakeholder events; and – use our communication channels to engage with both the FCA and PRA on our ESG achievements.



Our stakeholder engagement strategy continued

Stakeholder	Performance vs 2021/22 stakeholder engagement objectives	2022/23 stakeholder engagement objectives
 <p>Investors (debt and equity)</p>	<p>Given that the Group is required to comply with disclosure obligations which relate to the transparency of information, we have continued to engage with investors using the methods already employed. Strategic priorities in terms of engaging with our investors included:</p> <ul style="list-style-type: none"> – Attending broker conferences and other events with a view to meeting prospective shareholders. <p>We have attended several conferences over the last 12 months including those hosted by Barclays and Goodbody. We also undertook independent investor targeted meetings in an attempt to broaden our shareholder register.</p> <ul style="list-style-type: none"> – Using existing channels (e.g. presentations and meetings) to engage with our investors on our ESG strategy. <p>Our ESG strategy is becoming more and more relevant to our shareholders, and not just to those who work in the governance teams. As a topic of interest, it is being raised by shareholders and prospective investors in almost every meeting we have.</p> <ul style="list-style-type: none"> – Publishing thought leadership articles on topics that would be of interest to investors on social media and other channels. <p>We have published several articles on LinkedIn over the last 12 months which have promoted support to our customer base through the green agenda or the benefits of social mobility which have been widely read and well received by our stakeholders.</p> <ul style="list-style-type: none"> – Engaging more with our debt investors (with the help of the Treasury team) to develop ESG credentials with that audience. <p>Towards the end of 2022, we undertook over 30 meetings with debt investors as we finalised the issuance of our first Tier 2 subordinated debt instrument. As part of these meetings, the topic of ESG was raised on several occasions.</p>	<p>In 2023, we will continue to comply with our disclosure obligations and engage proactively and effectively with our investors, as well as:</p> <ul style="list-style-type: none"> – attend broker conferences and other events in order to meet prospective shareholders; – use existing communication channels to engage with both our debt and equity investors on the ESG agenda; and – publish thought leadership articles on relevant topics. <p>In addition, our strategic priorities will be to:</p> <ul style="list-style-type: none"> – hold a full Capital Markets Day for our shareholders during 2023; and – aim to diversify the shareholder register towards longer-term shareholders over the next 12-18 months.
 <p>Government</p>	<p>We continued to engage with government at the CEO level, and through our think tank partners, and participation in multi-stakeholder forums and government-sponsored initiatives and schemes.</p> <p>We have engaged through meetings with senior HM Treasury officials throughout the year on the Group's strategy and aims, and how we can support financial inclusion. We have also liaised with officials on ESG and social mobility issues (e.g. the Group's school uniform programme) which have resonated well.</p> <p>In addition, we have engaged with government by:</p> <ul style="list-style-type: none"> – Participating in discussions and events on a broader range of issues that are material to Vanquis Banking Group (e.g. with the Bank of England through our partnership with National Numeracy). <p>Through the Group's membership of National Numeracy's Leadership Council, we have been able to engage with representatives from HM Treasury and the Department of Work and Pensions, which are key department sponsors of the £500m government 'Multiply' programme, which aims to help adults improve their numeracy skills. We also hosted a roundtable meeting of the All-Party Parliamentary Group for Financial Services in Bradford on the issue of financial inclusion, with a follow-up report published and given to HM Treasury.</p>	<p>Over the next 12 months, we will continue to engage with government to promote the role that Vanquis Banking Group plays in society, and how we deliver our Purpose by focusing on the issues such as financial inclusion and social mobility.</p>



Our stakeholder engagement strategy continued

Stakeholder	Performance vs 2021/22 stakeholder engagement objectives	2022/23 stakeholder engagement objectives
 <p>Suppliers</p>	<p>We have continued to develop and embed our Supplier Relationship Management (SRM) Framework, ensuring that tools, processes and procedures are aligned across Vanquis Banking Group.</p> <p>Throughout 2022, we have continued to develop and embed a Group-wide SRM Framework by:</p> <ul style="list-style-type: none"> – continuing to roll out the COUPA procurement system to other Group entities to further align our procurement processes and improve the control of and insights into how we purchase goods and services from our approved suppliers; – continuing to rationalise the suppliers that are used across the Group and supporting business owners to collaborate to deliver operational efficiencies; and – identifying and engaging with our critical suppliers as per the PRA's SS2/21 guidance to support the Group's operational resilience and ensure that we maintain critical services and protect our customers. <p>We have also engaged with our suppliers on other issues (e.g. the climate risk agenda to help us to meet the recommendations of the TCFD).</p> <p>Over the past 12 months we have updated our due diligence process to include questions on the climate risk agenda. We have also engaged with our suppliers to enable us to calculate the GHG emissions associated with the products and services that are used across Vanquis Banking Group.</p>	<p>In 2023, we will continue embed our SRM Framework to ensure that our procurement processes and procedures are further aligned across Vanquis Banking Group and to deliver operational efficiencies.</p> <p>We will also engage our Tier 1 suppliers on the climate risk agenda to support us in continuing to meet the recommendations of the TCFD.</p>
 <p>Community</p>	<p>We have maintained levels of engagement with all community partners during 2022 with emphasis on the following:</p> <ul style="list-style-type: none"> – Raising awareness/profile of the work we deliver in partnership with our community partners with other key stakeholders, in particular regulators, government, investors and colleagues. <p>At a national level, we have been able to engage with a range of government departments and regulators through our partnerships with National Numeracy, the Outward Bound Trust and the Social Mobility Business Partnership. We have also engaged with local authorities and other place-based stakeholders through the support we provide to our Community Foundation partners and our involvement in Bradford City of Culture 2025. Finally, we have been able to engage our colleagues in our community programme by promoting volunteering opportunities.</p> <ul style="list-style-type: none"> – Ensuring that regular updates on our community investment work are provided to the CCE Committee and Group ExCo. <p>Regular updates on our community investment activities and plans have been provided to the Vanquis Banking Group Board, CCE Committee and ExCo during 2022 (e.g. in relation to new workstreams (i.e. our school uniform project) and our plans to launch the Vanquis Banking Group Foundation).</p> <ul style="list-style-type: none"> – Aligning our community investment activities, where possible, with the Group's inclusion community. <p>We have progressed work to deliver our community investment activities in line with a new strategy that will aim to support children and young people (aged 0-25) from low-income backgrounds by providing them with access to education, social and financial inclusion and economic development opportunities.</p> <p>In doing so, we have ensured that through our current community investment activities we support women's, LGBTQ+ and ethnic minority groups, and in our new projects we facilitate the social mobility of children and young people from socioeconomically challenging communities.</p>	<p>In 2023, we will continue to:</p> <ul style="list-style-type: none"> – raise awareness of the work we deliver in partnership with our community partners with our key stakeholders (this will include leveraging support from partners such as Bradford City of Culture 2025); – provide regular updates on our community investment work to the Board, CCE Committee and Group ExCo; and – engage our colleagues to get them involved in and supporting the Vanquis Banking Group Foundation when it is formally launched in 2023. <p>In doing so, we will promote the positive role that the Group plays in society, and how we deliver our Purpose by focusing on the issues of financial inclusion and social mobility.</p>



Our stakeholder engagement strategy continued

Stakeholder	Performance vs 2021/22 stakeholder engagement objectives	2022/23 stakeholder engagement objectives
 <p>Environment</p>	<p>Given that the Group reports in line with the TCFD recommendations, our stakeholder engagement activities regarding the environment have focused on:</p> <ul style="list-style-type: none"> – Continuing to include TCFD updates in our Annual Report and Financial Statements. <p>We included a TCFD disclosure in our Annual Report and Financial Statements 2022.</p> <ul style="list-style-type: none"> – Including TCFD content in investor relations materials (e.g. presentations) and regulatory-related documentation (e.g. our ICAAP). <p>In addition to including a TCFD section in our Annual Report and Financial Statements, we have shared TCFD-related information with investors and other stakeholders via the submissions we make to the main sustainability rating indices (e.g. CDP) and in our ICAAP.</p> <ul style="list-style-type: none"> – Informing and involving colleagues by engaging them on climate-related matters (e.g. through e-learning, intranet-based campaigns, and involvement in working groups). <p>Throughout 2022, we have engaged with colleagues via the 'Greenprint' section of the Stay Connected intranet site on a range of issues (e.g. why we measure and report our carbon footprint). We have also provided briefings to colleagues on relevant committees and working groups on the climate risk agenda.</p> <ul style="list-style-type: none"> – Profiling relevant activities (e.g. our support of The Grange Festival/WWF project and Business Ambition for 1.5°C campaign) via intranet and social media channels. <p>In 2022, we supported The Grange Festival for a second year to deliver a project in partnership with WWF which supported students from seven schools in the Basingstoke area on the sustainable food agenda. This work was communicated to our stakeholders via our external and internal communication channels.</p> <ul style="list-style-type: none"> – Ensuring that regular updates on our climate change-related work are provided to the CCE Committee, Group Risk Committee, Group ExCo and business unit boards/ committees. <p>Updates which related to the TCFD agenda were provided to the Vanquis Banking Group Board, Audit Committee, CCE Committee and Group ExCo throughout 2022.</p>	<p>In 2023, we will evolve our approach to meeting the recommendations of the TCFD so that there is continuous improvement in the quality of the TCFD-related content that is shared with our stakeholders in our corporate reports and investor-related presentations and submissions.</p> <p>We will also continue to:</p> <ul style="list-style-type: none"> – engage with colleagues (e.g. by rolling out LMS training on the climate agenda); – profile our work via our external and internal communication channels; and – provide regular updates to the Board, relevant sub-committees and Group ExCo.
 <p>Media</p>	<p>Our strategic objectives in terms of media engagement were to:</p> <ul style="list-style-type: none"> – Continue to use existing engagement methods to: inform/educate, gain information from, and work directly on specific media relations campaigns on a range of aspects related to our business activities (e.g. growth plans, customer-related issues, ESG matters, etc). <p>We have met, and spoken to, all Vanquis Banking Group key media contacts, (e.g. FT, Times, Sun, etc.) to promote how Vanquis Banking Group has changed, and to explain the new strategic direction of the Group. We are making progress, but more still needs to be done.</p> <ul style="list-style-type: none"> – Identify opportunities to publish thought leadership op-ed/social media articles on issues that are material to our business activities and stakeholders. <p>We published a joint op-ed with School-Home Support in the Yorkshire Post in October 2022, on our school uniform project that supports the delivery of social mobility. We have also promoted on social media various ESG outcomes (e.g. Vanquis Banking Group supporting the Women in Finance Charter) and published numerous LinkedIn articles promoting support to our customer base through the green agenda or the benefits of social mobility.</p>	<p>Over the next 12 months, we will continue to engage with the media to promote and explain the Group's strategic narrative – to become the first-choice bank for the UK population who are excluded from accessing financial services from traditional lenders. This will involve articulating how we will achieve this, and the outcomes for customers, shareholders, and UK society/communities.</p>



Our stakeholder engagement strategy continued

Stakeholder	Performance vs 2021/22 stakeholder engagement objectives	2022/23 stakeholder engagement objectives
 <p>Money advice sector</p>	<p>Given our Purpose and regulatory interest in issues such as the customer vulnerability agenda, we have continued to engage with our money advice sector partners using the methods already used.</p> <p>Throughout 2022, we held regular formal and informal meetings with relevant money advice contacts, involving the senior management of respective organisations where appropriate/possible.</p> <p>In addition, we have:</p> <ul style="list-style-type: none"> – Ensured that relevant information from our money advice partners is shared across our business (e.g. with customer-facing teams). <p>We have shared relevant information (e.g. trends in over-indebtedness, emerging issues of financial difficulty and expectations of the forthcoming Consumer Duty) from our money advice partners across our business, and particularly with customer-facing teams. We have also ensured that our customers are made of aware of where to source tools and advice from our money advice partners and other regulated providers.</p> <ul style="list-style-type: none"> – Profiled the work we do with our money advice sector partners with other key stakeholders (e.g. regulators, government, investors, etc.). <p>For example, in 2022, this involved including our money advice partners in discussions with our public affairs stakeholders (e.g. via the roundtable we hosted in Bradford for the APPG for Financial Services).</p>	<p>Our focus over the next 12 months will be on:</p> <ul style="list-style-type: none"> – demonstrating to our public affairs stakeholders that Vanquis Banking Group stays abreast of broader trends in customer indebtedness, advice provision and consumer organisations' expectations of financial services good practice; and – identifying opportunities to cooperate with, or include, money advice partners with relevant experience in discussions with stakeholders (where the shared goal is improving the customer experience).
 <p>Trade associations</p>	<p>We have continued to engage with UK Finance and the FLA. In addition, we have developed our trade association relationships in order that our views are strongly represented, and to influence and improve the effectiveness of the trade associations' advocacy for our sector.</p> <p>Outside of regular engagement through committee and one-to-one meetings, Vanquis Banking Group has: taken on the chair of key UK finance committees (e.g. the Cards Policy Committee); hosted UK finance events (e.g. the APPG inquiry into 'levelling up'); and pushed specific projects (e.g. the FLA's 'Future of Credit' project).</p> <p>In addition, we will continue to engage with government and regulators (e.g. via consultation responses) on issues that are relevant and material to our operations.</p> <p>For example, we have responded to consultations on subjects such as 'Buy Now, Pay Later', the FCA's new Consumer Duty, confirmation of payee, FOS reporting/CMC fees/future funding, and the card-acquiring market review; and contributed to trade association consultation responses on issues such as Statutory Debt Repayment Plans, card scheme fees/charges and cross-border interchange, etc.</p>	<p>During 2023, we will continue to participate in and input to the trade associations that we are members of such that we 'punch above our weight' in industry decision making and maximise our influence over the shape, direction, delivery and effectiveness of the trade associations and their activities in support of our sector and our customers.</p>



Our stakeholder engagement strategy continued

Stakeholder	Performance vs 2021/22 stakeholder engagement objectives	2022/23 stakeholder engagement objectives
 <p>Consumer forums</p>	<p>We have continued to engage with key consumer forums using our existing channels and have explored how we can work directly with consumer and social interest organisations to raise awareness of our business activities and to, for example, gather consumer-related intelligence and find out about consumer preferences.</p> <p>Throughout 2022, we held regular formal and informal meetings with relevant consumer forum contacts, involving the senior management of respective organisations where appropriate/possible.</p>	<p>Over the next 12 months, we will:</p> <ul style="list-style-type: none"> – continue to provide (data derived) evidence of the characteristics of our customers and their financial and related preferences to consumer orientated public affairs stakeholders; and – where possible, leverage the ongoing public affairs contact programme to ensure customer preferences and capabilities are communicated to those designing public policy or support mechanisms (e.g. credit for those with limited options, cost of living support, and participating in the Green Transition (particularly in regard to the affordability and practical challenges of EV ownership)).
 <p>Claims management companies</p>	<p>We have, where possible, continued to engage with CMCs on operational/tactical issues (e.g. to manage volumes of claims). We have also corresponded/met with the FCA and Solicitors Regulatory Authority (SRA) to raise issues and concerns regarding the activities of CMCs.</p> <p>Our engagement with CMCs/claims law firms relates primarily to their conduct, their authority to act on behalf of customers and operational/tactical issues associated with the complaints our business receives from them on behalf of customers. Engagement with FCA-regulated CMCs has been more positive and productive than law firms which are SRA regulated. With the former, it has been possible to engage with CMCs to manage volumes of claims so that files are received in manageable batches. With the latter, engagement has been more challenging as their business is carried out under a different regulatory body, the SRA.</p> <p>In addition, we have:</p> <ul style="list-style-type: none"> – Where possible, contributed to or participated in multi-stakeholder forums involving other businesses within the financial services sector on issues relating to the activities of CMCs. <p>This has involved participation in and attendance of: FLA forums on commission non-disclosure complaints as well as in litigation and CMC forums. We have also engaged with Common Interest Privilege groups set up by panel law firms and attended by lender firms on issues such as commission non-disclosure complaints, responsible lending complaints and litigation.</p> <p>We have corresponded with the FCA, the SRA, the Information Commissioner’s Office and law firms directly on a range of issues, including affordability complaints, the authority of firms to make complaints, commission non-disclosure complaints and court claims.</p> <ul style="list-style-type: none"> – Ensured that updates on CMC-related performance issues are provided to the Group ExCo and Board. <p>Updates on CMC-related matters continue to be provided to relevant Vanquis Banking Group committees and groups.</p>	<p>We will, where possible, continue to engage with these firms on conduct concerns and operational/tactical issues (e.g. to manage volumes of claims).</p> <p>We will also correspond/meet with the FCA and SRA and other interested parties to raise issues and concerns regarding the activities of CMCs.</p> <p>In addition, we will:</p> <ul style="list-style-type: none"> – where possible, continue to contribute to, or participate in, multi-stakeholder forums involving other businesses within the financial services sector on issues relating to the activities of CMCs; and – ensure that updates on these firms’ related conduct issues are provided to the Group ExCo, the Board and other committees.



Our stakeholder engagement strategy continued

Stakeholder	Performance vs 2021/22 stakeholder engagement objectives	2022/23 stakeholder engagement objectives
 <p>Debt collection agencies (DCAs) and debt purchasers (DPs)</p>	<p>We have continued monitor the activities of the DCAs and DPs that are engaged using existing methods. In addition, we have, where appropriate, ensured that updates on DCA-related performance issues (e.g. in relation to customer satisfaction/complaints) are provided to the Group ExCo and Board.</p> <p>During 2022, the debt recovery model that is employed across the Group moved from primarily using DCA placements to predominantly selling accounts to debt purchase companies. This change in approach was taken as a result of the closure of the Consumer Credit Division on 31 December 2021 and the writing off of any outstanding debts, and because it creates a better journey for customers. There are still a small number of card and vehicle finance accounts that continue to get placed with DCAs. All suppliers linked to external collections are governed by both the Group Debt Sale Framework and the Recoveries Supplier Management Framework. The Group Debt Sale team is responsible for the continued oversight of all external supplier collections for all Group products and works collaboratively with First Line Risk and Control to give assurances on customer experience and overall performances. This feeds into SMF reporting to provide a directors' report that is used to escalate any concerns over the performance of key suppliers.</p>	<p>We will continue monitor the activities of the DCAs and DPs that are engaged using existing methods. In addition, we will, where appropriate, ensure that updates on DCA-related performance issues (e.g. in relation to customer satisfaction/complaints) are provided to the Group ExCo and Board.</p>
 <p>Competitors</p>	<p>We have continued monitor the activities of our competitors using existing methods. In addition, we have:</p> <ul style="list-style-type: none"> – Where possible, contributed to or participated in multi-stakeholder forums involving other businesses within the financial services sector on areas of shared interest (e.g. through industry roundtables). <p>A number of functions from across the Group monitor the activities of our competitors and ensure that any relevant intelligence is shared across our business. Further, Vanquis Banking Group colleagues attend a range of different forums which involve other financial services businesses and other organisations.</p>	<p>Over the next 12 months, we will continue to monitor the activities of our competitors using existing methods and contribute to or participate in multi-stakeholder forums involving other businesses within the financial services sector on areas of shared interest.</p>



Stakeholder engagement: Materiality assessment

To help us identify and prioritise the ESG risks/issues that are most material to our business and our key stakeholders, we normally undertake a materiality assessment every two years. These assessments are carried out on our behalf by a third party, and involve conducting interviews with internal and external stakeholders and taking account of the outcomes of any existing stakeholder engagement activities (e.g. our investor perception audits, colleague engagement surveys and supplier due diligence assessments). Having carried out our last materiality assessment during April and May 2021, we would have planned to repeat this exercise in early 2023. However, given the changes that have been taking place to the Group's governance and management structures, as well as our recent name change, we took the decision to delay undertaking a materiality assessment until 2024. Instead, we have conducted an exercise with internal stakeholders to determine that the risks/issues that we identified in 2021 were still material.

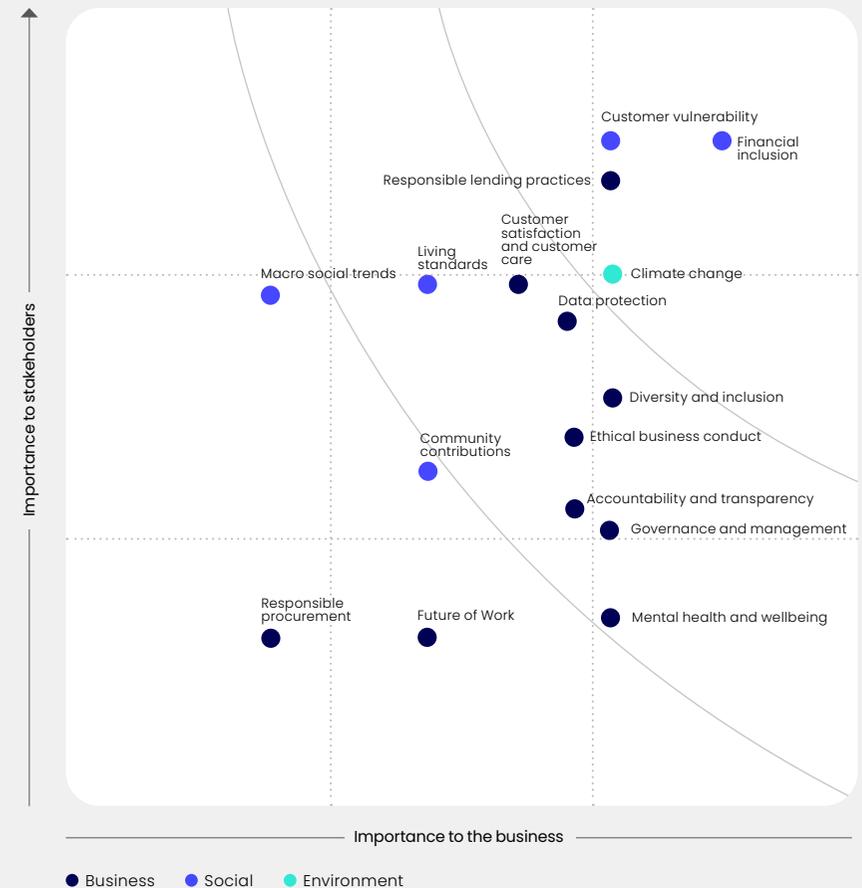
This process identified the following 16 themes:

- **Environmental issues:** climate change.
- **Social issues:** customer vulnerability, financial inclusion, community contributions, living standards and macro social trends.
- **Governance/management issues:** accountability and transparency, customer satisfaction and care, diversity and inclusion, ethical business conduct, data protection and security, Future of Work, governance and management, mental health and wellbeing, responsible lending practices and responsible procurement.

These ESG risks/issues have been plotted on the matrix opposite according to their relative importance to both our business and key stakeholders.



Materiality matrix





Engaging investors on sustainability matters

Vanquis Banking Group is committed to continuing to build not only a financially stronger and sustainable business but also a better company that balances profit with our Purpose. In order to deliver on this commitment, it is important that we are transparent with our investors with regard to a range of key ESG issues including our contribution to reducing the impact of climate change and advancing inclusion and diversity, as well as demonstrating that we are a responsible taxpayer.

The main means by which we inform our investors of our ESG-related performance is through the publication of our annual Sustainability Report. We also inform and listen to investors through the submissions we make to the main sustainability investment indices and rating agencies.

In 2022, we were recognised for our ESG efforts, with highlights including:



CDP: Following the submission made in the summer to CDP, the largest climate change-focused data collection and assessment programme which, each year, requests information from companies on GHG emissions, energy use and the risks and opportunities from climate change, Vanquis Banking Group was notified in December 2022 that it had been given a B- score (maintaining the same score as 2021). This reflects the work that has been undertaken by the Group in meeting the recommendations of the TCFD (go to page 13 for more information).



Dow Jones Sustainability Indices (DJSI): Inclusion in the DJSI Europe means that Vanquis Banking Group is in the top 20% of the largest 600 European companies in the S&P Global BMI based on long-term economic, environmental and social criteria.



FTSE4Good

FTSE4Good: Vanquis Banking Group remains a constituent of the FTSE4Good, an extra-financial market index, which measures the performances of over 800 companies against a range of ESG criteria.



ISS ESG: In 2022, we engaged with ISS ESG, the responsible investment arm of Institutional Shareholder Services Inc, so that a corporate rating assessment of our ESG performance could be undertaken. As a result of this assessment, Vanquis Banking Group continues to be rated as 'Prime', meaning that we fulfil ISS ESG's demanding requirements regarding sustainability performance in our sector.



What makes us a responsible taxpayer

Our approach to tax

Taxes allow governments to fund essential public expenditure, enabling them to meet economic and social objectives. Paying tax is a key part of how our business contributes to society.

We are committed to ensuring that we pay the tax we are legally required to pay in all the territories in which we operate, we comply with all tax rules and regulations in those territories and we safeguard our reputation as a responsible taxpayer. However, we recognise that we also have a duty to protect shareholder value by managing and controlling our tax liabilities.

Our tax strategy

Our approach to tax is set out in our Board-approved tax strategy which can be accessed on our website at www.vanquisbankinggroup.com, and which was last approved by the Board in December 2022.

Our tax strategy is aligned with our corporate Mission and Values. We are committed to being a fair and responsible taxpayer, operating in an open, honest and straightforward manner in all tax matters and being fair and reasonable in all our dealings with tax authorities.

Our tax strategy is aligned with HMRC's Code of Practice on Taxation for Banks ('the Code') which sets out the principles and behaviours expected of banking groups with regard to tax, and we have unconditionally adopted the Code.

We currently operate only in the UK and do not operate, or generate revenue, in any other territory. We seek to ensure that all intragroup transactions are priced on an arm's length basis, in particular transactions between Vanquis Bank Limited (which is subject to a higher rate of corporation tax as a result of the bank corporation tax surcharge) and the rest of the Group.

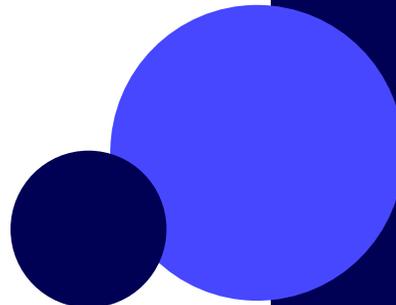


To find out more on our tax strategy visit
www.vanquisbankinggroup.com

Our strategy comprises a number of key tax objectives and policies and is supported by our tax procedures manual which sets out how the objectives and policies are to be achieved.

It comprises a number of key principles, including:

- **Payment of taxes.** We seek to ensure that we always pay the tax we are legally required to pay and comply fully with our tax obligations in all territories in which we operate.
- **Dealings with tax authorities.** We are committed to dealing with tax authorities openly, honestly and proactively. This includes having a regular and constructive dialogue with HMRC across all taxes, seeking advance clearance where tax treatment is uncertain and discussing contentious issues as early as possible.
- **Managing and controlling tax liabilities.** We seek to ensure that genuine commercial transactions are structured with clear and unambiguous legislative support so that tax liabilities are controlled and managed, but artificial structures without commercial or economic substance which give a result which is inconsistent with the underlying economic position will not be considered.
- **Mitigating and controlling tax risk.** We have a low appetite for tax risk. We set out how tax risk is mitigated and controlled by having documented processes and controls to ensure the correctness and completeness of data for tax returns and tax reporting purposes, documented principles for the involvement of the in-house tax function in transactions and business developments, and the allocation of responsibilities between the tax function and the businesses, with principles for the involvement of external advisors.
- **Prevention of tax evasion and the facilitation of tax evasion.** We do not tolerate any of our employees, agents or suppliers undertaking tax evasion themselves or facilitating tax evasion by another person whilst acting for us.





What makes us a responsible taxpayer continued

Tax risk management and principal tax risks

Our tax strategy, as well as setting out how we mitigate and control tax risk, also sets out our tax risk management framework. This explains: (a) how we identify, evaluate and manage tax risk; (b) independent review and challenge of first-line actions; and (c) independent assurance of the processes and internal controls underpinning the reporting and payment of UK taxes provided by the Internal Audit function which adopts a risk-based approach in line with internal auditing standards.

The principal tax risks facing the Group, how we mitigate those risks, and progress made in 2022 are as follows:

Risk	Mitigation and progress in 2022
<p>The Group has a number of tax risks across corporation tax, VAT and employment taxes. These include:</p> <p>(a) the risk that tax authorities take a view that is different to the view that the Group has taken on the treatment of particular items in its tax returns;</p> <p>(b) the risk that there is an unforeseen breakdown in the systems and processes which underpin the preparation of tax returns and the identification of tax sensitive matters which results in an item being treated incorrectly for tax purposes; and</p> <p>(c) the risk that the Group has not put in place adequate procedures to meet its legal and compliance obligations.</p>	<ul style="list-style-type: none"> - We place considerable importance on having in place robust processes and internal controls to ensure the correctness and completeness of data which needs to be captured and treated correctly in the various tax returns that the Group is required to make. As well as allowing the annual Senior Accounting Officer certification to be made, these processes are a key control in our overall tax governance framework, providing assurance that tax sensitive issues are identified and taxes are correctly calculated. - During 2022, the Internal Audit function completed a review of different aspects of the operational effectiveness of processes and internal controls supporting tax, including reviewing employment taxes. - An experienced central in-house tax function is in place, supported by tax-aware personnel in the businesses, which deals with, or has oversight of, all the Group's tax matters. - During the year, the Board was updated on key tax matters for the Group through the CFO's report, an update to the tax strategy was provided and approved, and updates were provided to the Board and the Group Audit Committee on the progress of HMRC's review of the historical employment status of self-employed agents, the Group's tax loss position and progress on tax risks. The Group Audit Committee was also updated on progress on the procedures in place to prevent tax evasion and the facilitation of tax evasion. - Expert third-party tax advice was obtained on all material transactions and wherever the necessary expertise is not available in house. During 2022, advice was obtained on a range of issues including the proposed steps to wind up the former Consumer Credit Division (CCD) companies and the tax losses that were expected to be crystallised in 2022, and liquidations of various dormant companies, as well as exceptions to the process for managing off-payroll working risk. - In keeping with our strategy of having a regular and constructive dialogue with HMRC across all taxes: <ul style="list-style-type: none"> • We have continued to work constructively and collaboratively with HMRC in relation to its review of the historical employment status of agents engaged by Provident Personal Credit Limited (PPC). The Group has worked with HMRC over many years to manage employment status risk and it remains of the view that agents were self-employed as a matter of law throughout their engagement. Following completion of the managed run-off and closure of its home credit business, PPC is balance sheet insolvent, and it is anticipated that PPC will be placed into formal winding-up proceedings shortly with any outstanding protective assessments being dealt with as part of those proceedings. • As part of HMRC's Business Risk Review (BRR) which was ongoing throughout 2022 and concluded in early 2023, discussions with HMRC took place on the Group's overall governance of tax and its management of, and accountabilities for, tax risk, as well as the procedures in place to prevent tax evasion and the facilitation of tax evasion. Presentations on the Group's processes and approach on employment taxes, including share schemes and off-payroll working, and the Group's VAT profile were also provided. • Advance discussions with HMRC took place on various matters including the proposed steps to eliminate a number of the Group's remaining dormant companies as well as the proposed steps to wind up the former CCD companies and the tax losses that were expected to be crystallised in 2022. We also highlighted key features in the 2021 CT returns.



What makes us a responsible taxpayer continued

Our total tax contribution in 2022

Our total tax contribution comprises the direct tax we contribute to governments out of our own financial resources as well as the indirect tax we collect on behalf of governments, such as employment taxes deducted from payments to employees.

Over the last five years, our total tax contribution has been as follows:

	2018 £m	2019 £m	2020 £m	2021 £m	2022 £m
Direct tax contribution					
Corporation tax	7	14	13	(3)	8
Bank corporation tax surcharge	15	10	8	9	5
Employer's National Insurance and equivalent	23	22	21	17	16
Irrecoverable VAT	35	30	26	47	42
Business rates	2	2	2	2	1
	82	78	70	72	72
Indirect tax contribution					
Employee's income tax and National Insurance (through PAYE)	51	50	47	38	38
Tax deducted from interest paid on redress payments	1	1	3	2	0
	52	51	50	40	38
Total tax contribution	134	129	120	112	110

Note: Until its closure in 2021, our Provident home credit business operated a branch in the Republic of Ireland.



What makes us a responsible taxpayer continued

Our total tax contribution in 2022 continued Our direct tax contribution comprises:

Corporation tax

- This is the tax due on the profits we generate in the UK as well as, until its closure in 2021, the profits from the home credit business in the Republic of Ireland.
- In the UK, corporation tax is paid in quarterly instalments. For years up to and including 2019, 50% of the estimated corporation tax liability for the year was payable in the year concerned with the remaining amount in the subsequent year. For 2020 onwards, the estimated corporation tax liability for the year is payable fully within the year concerned.
- In 2018 the Group incurred large losses in its home credit business which substantially reduced the Group's corporation tax liability for the year. The home credit losses reduced in 2019 resulting in the corporation tax paid in 2019 increasing to £14m.
- Corporation tax paid in 2020 comprised the remaining 50% of the corporation tax liability for 2019 and 100% of the estimated corporation tax liability for 2020. Due to the Group having generated a significant loss in 2020, no corporation tax liability arose in respect of the 2020 period, and the tax paid in 2020 therefore relates entirely to the corporation tax liability for 2019.
- Corporation tax paid in 2021 comprised 100% of the estimated corporation tax liability for 2021. Due to the Group having generated a tax loss in 2021, no corporation tax liability arose in respect of the 2021 period. The Group reallocated an overpayment of corporation tax in respect of 2019 against the 2021 bank corporation tax surcharge liability of £9m.
- Corporation tax paid in 2022 comprised 100% of the estimated corporation tax liability for 2022 which was reduced by the benefit of tax losses of the former home credit business as noted in note 7 to the 2022 Annual Report and Financial Statements.

Bank corporation tax surcharge

- A bank corporation tax surcharge of 8% was introduced with effect from 1 January 2016. It applies to the taxable profits of Vanquis Bank above £25m, where taxable profits are calculated after adding back bank compensation payments and the additional 10% deemed taxable receipt on such payments as well as other tax disallowable items, and it is payable through quarterly instalments along with corporation tax.
- The settlements payable to Vanquis Bank customers in respect of ROP following resolution with the FCA in 2017, and the further amounts recognised in 2019 net of the release of provisions following completion of the ROP refund programme, are treated as bank compensation payments, as explained in note 25 to the 2020 Annual Report and Financial Statements. As well as increasing corporation tax liabilities, they also have the impact of increasing the bank corporation tax surcharge liabilities for 2017 and 2019 and therefore the amounts of bank corporation tax surcharge paid in 2017, 2018, 2019 and 2020.
- The bank corporation tax surcharge liability is not reduced as a result of losses generated in the non-banking segments of the Group. Accordingly, the tax losses generated by the former home credit business in the years 2017 to 2022 have no impact on bank corporation tax surcharge liabilities.
- With effect from 1 April 2023, the rate of bank corporation tax surcharge will reduce from 8% to 3% and the bank corporation tax surcharge allowance, being the threshold below which banking profits are not subject to surcharge, will increase from £25m to £100m per annum.

Employer's National Insurance contributions

- In 2022, we employed, on average, 2,005 (2021: 2,535) employees in respect of whom we pay 13.8% employer's National Insurance contributions in the UK. In 2022, along with the Apprenticeship Levy, this comprised £16m (2021: £17m) of our direct tax contribution.

Irrecoverable VAT

- As a provider of credit cards and other lending products, we are unable to recover VAT on most of the costs we incur. In 2022, £42m (2021: £47m) of our direct tax contribution comprised irrecoverable VAT incurred by our businesses.

Business rates

- The remaining £1m of our 2022 direct tax contribution (2021: £2m) comprised business rates payable on the various business premises we occupy.

Employer's National Insurance contributions, business rates and irrecoverable VAT are taken into account in arriving at profit before tax. Irrecoverable VAT on capitalised costs is accounted for as part of the cost of the underlying asset.

Corporation tax and bank corporation tax surcharge are accounted for through the tax charge as explained in note 7 to the Annual Report and Financial Statements 2022. The corporation tax and bank corporation tax surcharge we paid in 2022 of £13m differed from the current tax charge for the year of £9m primarily due to the benefit of the release of tax liabilities in respect of prior years following agreement of certain historical tax matters with HMRC as well as changes to the estimate of the bank corporation tax surcharge liability following changes to transfer pricing.

Our indirect tax contribution comprises: Employees' income tax and National Insurance contributions

- This represents the income tax and employees' National Insurance contributions and, until the closure of the home credit business in 2021, the equivalent in the Republic of Ireland that we deduct from amounts paid to employees through PAYE. In 2022, it amounted to £38m (2021: £38m).

Income tax deducted from customer redress payments

- Basic rate tax has been withheld from interest on redress payments made to customers.



How Vanquis Banking Group is regulated

- Vanquis Banking Group, as a whole, is the subject of consolidated supervision by the Prudential Regulation Authority (PRA). The PRA sets the requirements for the consolidated Group in respect of capital adequacy, liquidity and large exposures.
- The business units that deliver the Group's products and services are regulated by the Financial Conduct Authority (FCA), which monitors all consumer credit lenders to ensure they comply with the Consumer Credit Act 1974 (as amended). Customer complaints that relate to the products and services offered by Vanquis Banking Group are dealt with by the Financial Ombudsman Service (FOS). Under the UK regulatory regime, Moneybarn is fully authorised by the FCA, and Vanquis Bank is authorised by the PRA and dual-regulated by the FCA and the PRA.
- We believe maintaining an open, constructive and trusting dialogue with policymakers and our regulators, the PRA and FCA, is critical. We work closely with our regulators to ensure we meet all regulatory standards and contribute to a safe and robust banking system. As the leading specialist bank for underserved markets, we do have unique insights into those parts of the market that we serve and regularly share these views with our regulators with a view to enabling the underserved credit market to work effectively for all.

Updates on key regulatory interactions in 2022:

- Our application to the PRA allowing us to use retail deposits to fund different parts of the Group was approved.
- During the Scheme of Arrangement, we worked collaboratively and openly with the FCA to deliver the best outcome for customers.

Group trade association membership

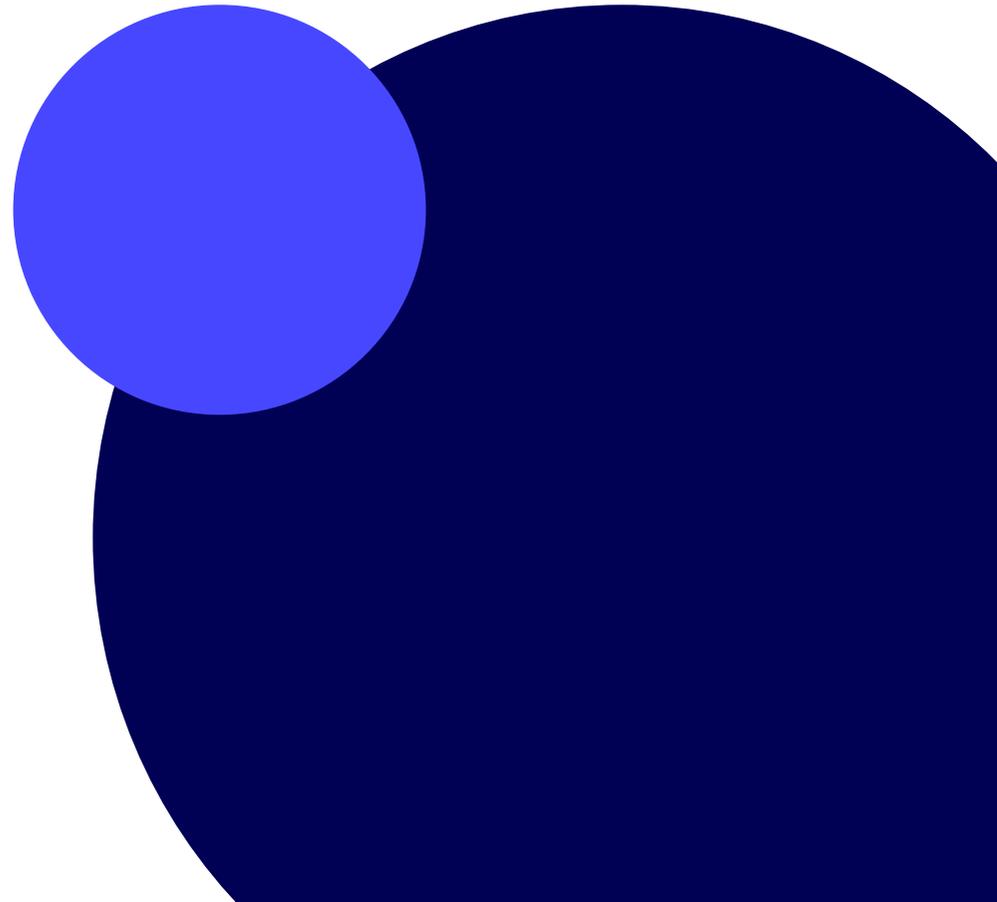
To help ensure we stay up to date with regulatory matters, Vanquis Banking Group is a member of the following trade associations:



UK Finance – UK Finance is a trade association for the UK banking and financial services sector.



Finance and Leasing Association (FLA) – the FLA is the trade body for the asset, consumer and motor finance sectors in the UK.





Data table

Metric	2022	2021	2020	2019
Customer satisfaction				
Credit cards customer satisfaction rate	4.6/5	4.7/5	4.6/5	4.5/5
Vehicle finance Feefo score	4.3/5	4.4/5	4.5/5	4.6/5
Customer complaints				
Total number of complaints	29,188	66,516	90,264	75,898
Total number of complaints referred to the Financial Ombudsman Service (FOS)	3,154	13,313	13,736	4,253
% of complaints referred to FOS upheld in customer's favour	26%	65%	65%	35%
Total customer-focused training hours	41,665	39,509	55,229	19,140
Colleague numbers				
Group total	2,005	2,535	4,232	4,854
Credit card division	1,225	1,385	1,471	1,577
Vehicle finance division	410	407	389	318
Corporate office	370	180	96	79

Metric	2022	2021	2020	2019
Female representation				
Female colleagues	50%	54%	54%	55%
Female directors	26%	21%	19%	21%
Female colleagues in senior management positions	33%	27%	38%	30%
Female colleagues in middle management	40%	41%	38%	41%
Female colleagues in first level management	36%	55%	47%	47%
Female colleagues at colleague level	54%	57%	57%	58%
Equality, diversity and inclusion				
Colleagues from a Black, Asian, other White or Minority Ethnic background	17%	19%	11%	12%
Colleagues who have declared a disability	18%	20%	5%	5%
Colleagues who received free school meals during school years	17%	17%	—	—
Colleagues that identify as a gender other than male or female	0.6%	0.4%	0.3%	0.5%
Colleagues from LGBTQ+ community	6%	7%	7%	8%



Data table continued

Metric	2022	2021	2020	2019
Learning and development				
L&D hours	58,514	59,580	56,501	105,978
Average number of L&D hours per colleague	29	24	13	28
Absence and turnover				
Average number of absence days per colleague	11	15	12	12
Average number of absence days – corporate office	5	2	2	3
Average number of absence days – credit card division	14	16	15	13
Average number of absence days – vehicle finance division	6	8	7	9
Colleagues who left	29%	69%	26%	40%
% of colleagues who left voluntarily	63%	40%	49%	77%
Health and safety				
Reportable accidents	0	2	7	12
Reportable accidents scaled up to 100,000 colleagues	0	78	165	268
Non-reportable accidents	24	80	277	740
Non-reportable accidents scaled up to 100,000 colleagues	1,197	3,155	6,545	16,934

Metric	2022	2021	2020	2019
Whistleblowing				
Calls made to whistleblowing hotlines	1	2	13	21
Social impact				
Colleague volunteering hours	1,014	425	509	2,224
Grants distributed through community foundations	27	51	44	96
Colleague matched funding	£10,228	£9,938	£8,169	£29,817
Community investment breakdown				
Cash	£1,221,822	£1,230,677	£1,035,984	£1,249,818
Management costs	£156,592	£126,649	£143,129	£149,605
Value of colleague time	£21,132	£12,116	£11,219	£48,715
Total community investment	£1,399,545	£1,369,442	£1,190,332	£1,448,138
Environment				
Total greenhouse gas emissions (tonnes CO ₂ e) (market-based)	247,788	18,786	Not measured	Not measured
Total greenhouse gas emissions (tonnes CO ₂ e) (location-based)	248,197	19,589	4,720	9,468
Scope 1 emissions (tonnes CO ₂ e)	154	311	408	700
Gas use (tonnes CO ₂ e)	142	200	230	266
Diesel and petrol (tonnes CO ₂ e)	13	111	178	434



Data table continued

Metric	2022	2021	2020	2019
Environment continued				
Scope 2 emissions	862	928	1,113	1,502
Electricity use 'location-based' (tonnes CO ₂ e)	862	928	1,113	1,502
Electricity use 'market-based' (tonnes CO ₂ e) ¹	453	125	Not measured	Not measured
Scope 3 emissions (tonnes CO ₂ e)	247,181	18,350	3,199	7,266
Suppliers' emissions (tonnes CO ₂ e) ²	16,396	17,548	Not measured	Not measured
Water supply (tonnes CO ₂ e)	2	1	—	—
Paper usage (tonnes CO ₂ e)	22	31	Not measured	Not measured
Scope 1 and 2 associated 'well-to-tank' emissions (tonnes CO ₂ e)	332	409	327	500
Waste collection and management (tonnes CO ₂ e)	13	15	102	13
Water treatment (tonnes CO ₂ e)	3	2	24	Not measured
Air travel (tonnes CO ₂ e)	96	2	16	91
Rail travel (tonnes CO ₂ e)	62	26	4	77
Grey fleet (tonnes CO ₂ e)	22	228	2,073	5,218

Metric	2022	2021	2020	2019
Other travel (tonnes CO ₂ e)	13	4	Not measured	Not measured
Hotel stays (tonnes CO ₂ e)	29	8	Not measured	Not measured
Scope 3 associated 'well-to-tank' emissions (tonnes CO ₂ e)	287	74	440	1,367
Employee commuting to work (tonnes CO ₂ e)	981	Not measured	Not measured	Not measured
Employee homeworking (tonnes CO ₂ e)	1,408	Not measured	Not measured	Not measured
Downstream leased assets (market-based) (tonnes CO ₂ e) ³	0	0	Not measured	Not measured
Financed vehicles (tonnes CO ₂ e) ⁴	227,524	Not measured	Not measured	Not measured
Intensity ratio*	0.79	1.02	0.88	1.16
Air travel (miles)	163,728	4,334	45,669	288,776
Rail travel (miles)	1,090,520	466,452	297,290	1,167,100
Grey fleet (miles)	80,565	828,918	5,945,671	18,305,919
Other travel (miles)	15,362	14,707	Not measured	Not measured
Absolute waste arising (tonnes)	187	256	389	397

1 When calculating electricity emissions, we have applied both market and location-based methods. Where electricity suppliers can provide us with the relevant conversion factor, we implemented the market-based method; otherwise, we used the location-based method. We also calculated the average electricity and gas consumption in December 2022 for one of the Vanquis Bank offices as the invoices for that period are still outstanding at the time of reporting. The market-based emissions from two suppliers are in CO₂ and not CO₂e (i.e. do not include non-CO₂e emissions); however, the variance between CO₂ and CO₂e is considered to not be material.

2 When calculating the suppliers' carbon emissions using the spend-based method, we used the UK Government Department for Business, Energy & Industrial Strategy which was published in June 2022 and present data from 2019. However, due to inflation, an inflation rate of £1.19 has been implemented to ensure accuracy and transparency.

3 We used the market-based method to calculate the electricity emissions related to an operating lease that the Group runs.

4 The emissions from the vehicles that are financed by the Group are based the number of vehicles that are on a contract that is active as at 31 December 2022. In addition, these emissions do not include the non-CO₂e emissions which are considered to be not material to the business.

* We changed the measurement in 2019 from CO₂e/£1,000 of receivables to CO₂e per customer.



Data table continued

Metric	2022	2021	2020	2019
Environment continued				
Recycled (tonnes)	121	136	113	206
Sent for energy recovery (tonnes)	47	98	59	138
Landfill (tonnes)	19	23	216	53
Paper usage for admin and marketing (tonnes)	24	36	95	Not measured
Suppliers paid according to the Prompt Payment Code				
Corporate office	94%	92%	91%	90%
Credit card division	99%	99%	100%	89%
Vehicle finance division	99%	99%	99%	99%
Investor indices				
Dow Jones Sustainability Indices	55	57	61	61
FTSE4Good score	—	—	4.7/5	4.5/5
Carbon Disclosure Project	B- Management	B- D Disclosure C Awareness Management		



Vanquis Banking Group

No. 1 Godwin Street
Bradford
BD1 2SU
United Kingdom

+44 (0)1274 351 351

www.vanquisbankinggroup.com

Company number 668987

Produced by

designportfolio