

Valuing difference and individuality



Foreword



Knowing your community and responding to its diverse needs is at the heart of delivering any service. As a public corporation we play a vital role in protecting millions of people's financial futures and we're always conscious of the trust our members and levy payers put in us.

We believe that treating people equally, fostering diversity and being inclusive are morally and socially the right thing to do. We all have a responsibility to help level the playing field and a part to play in creating a culture where everyone feels able to be themselves.

Being more inclusive also happens to make us better at what we do. Better at delivering a great service to the people who make up our membership. And a better place to work for all our employees.

As this strategy sets out, we've already built a strong foundation. But at senior levels our representation of women and ethnic groups is not where we'd like it to be. So we still have some work to do.

We pride ourselves on our values and take our responsibility to make sure our members receive the compensation they are entitled to, at the right time, and in a way that suits them, very seriously.

Hand in hand with that goes our commitment to being a great place to work, and to creating a culture where everyone feels respected, valued and appreciated.

Oliver Morley
Chief Executive Officer

Our ambition



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I'm committed to making
sure we challenge ourselves
to make sure people feel fully
understood and heard.
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Katherine Easter, Chief People Officer

We aim to foster a diverse and inclusive culture where people feel respected, appreciated and valued for their differences and individuality. We promote, support and embed diversity of thought across all levels of the organisation as a powerful enabler to help us:

- ▶ Manage risk
- ▶ Drive innovation
- ▶ Deliver excellence in customer service
- ▶ Nurture a culture which reflects the best of financial and public services sectors



Our ambition

continued



Personally I'd like to create a safe environment where people can have a conversation about sensitive subjects and not let their fear of which words to use prevent them from doing so.



Sue Hall, Director of Human Resources & Organisational Development

Our people

We aim to be an employer of choice. Having the right people working with us helps us to achieve our mission. It is critical for us to be a diverse and inclusive place of work at all levels. We believe this will improve our performance and support our strategic priorities.

This is how we'll provide a better service to our members, boost innovation, improve how we identify risk, and bring insight and efficiency to our operations.

It's also how we'll continue to attract, recruit and retain a diverse employee population that's more representative of the communities we operate in. So we'll continue to foster a culture where people feel respected, appreciated and valued for their differences.

Our members

We want to excel at recognising and engaging with different members in ways that reflect their diverse needs. We'll continue to improve the experience for members with disabilities or other vulnerabilities to make interacting with us as easy as possible, while applying the highest levels of information security.

We're aware that over time the diversity of our membership will increase, and change, and we're committed to continuing to respond to those changes.



Why diversity and inclusion matters to us



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I believe we should treat people the way we'd like to be treated ourselves, and this is a rule I try to live by.
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Dana Grey, D&I Chair, Director of Legal, Compliance and Ethics

In order to serve our members, and attract and retain the right people to help us achieve our mission, fostering diversity and inclusion is a priority for us.

The significance we place on D&I is exemplified by the Board's approval of our D&I strategy and their review of our progress each year.

There's no denying there's been a heightened interest in diversity and inclusion (D&I) in recent years, particularly with the emphasis placed on pay gap reporting.

This increased awareness has thrown into sharp focus where we, as an organisation, sit on that spectrum.

We have a great deal to be proud of. We enjoy a 50:50 gender split and a good representation of ethnic minorities up to mid-management level. But we're not doing so well at senior levels.

All of this has driven D&I up our strategic agenda.

Being open to new ways of thinking, and new ways of tackling the challenges we face, creates more opportunities for us to grow as people, and as an organisation. By embracing difference we'll be able to continue delivering our strategic objectives and excellent service for all our members and levy payers, no matter who or where they are.



What diversity and inclusion means to us



436

PPF employees in two sites
Croydon and Cannon Street
London

(Figure as of March 2020)

To us, diversity and inclusion (D&I) is about valuing difference and individuality, and making it integral to everything we do. By welcoming each person's uniqueness, different viewpoints and new insights we'll stimulate creativity, improve problem-solving, drive innovation, and increase efficiency across all levels of the organisation.

Championing diversity means representing the differences that exist in society and our local communities, and not just the obvious ones. So it isn't limited to age, disability, gender, race, ethnicity, sexual orientation and socio-economic background. It's also about diverse experiences and ways of thinking.

Harnessing all of that will make us stronger. Which is where inclusion comes in. D&I isn't about box-checking, it's about fostering a culture that enables each person to be themselves, and where our differences are embraced and treated with dignity.

It's about creating a culture where everyone feels empowered to speak-up and where every voice is heard.

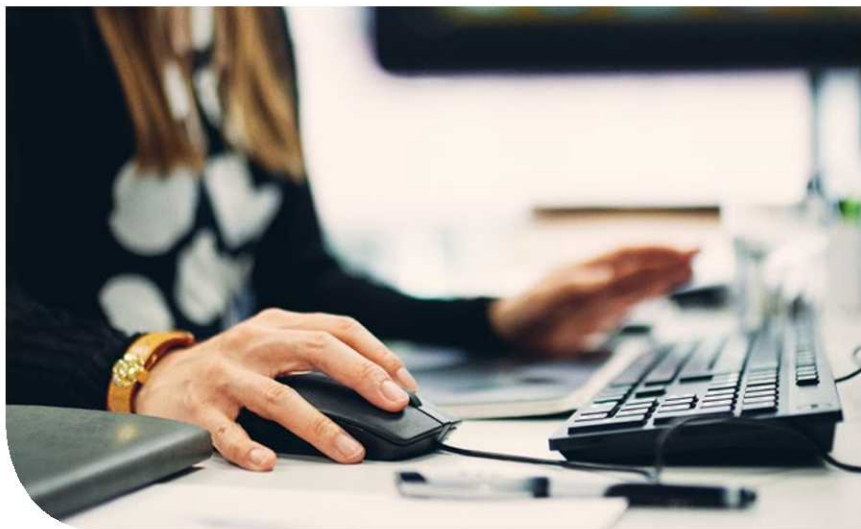
Our diversity and inclusion challenges

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I want to see how I can help cast the net wider to help increase the number of women in senior roles. It's made harder for us as the proportion of women in this industry overall is low, particularly at senior levels.

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Jayne Nickalls, Non-Executive Director



We're working hard to address areas of under-representation in our organisation. We know:

- ▶ We don't have enough women in senior positions or in certain high earning areas of the business.
- ▶ Our proportion of non-white staff does not reflect the ethnic diversity of our local area.
- ▶ Only a minimal number of staff self-declare as having a disability, although more declare long-term health conditions.

While we're doing our best to address these areas of under-representation we're part of an industry where attracting diverse talent is a challenge. For instance, the diversity of our investment team reflects the inherent profile of the sector. We're trying to address this by becoming a member of The Diversity Project.

We can't change the industry we're part of, but we can be part of the solution. However it will be some time before our statistics, such as our gender pay gap, start to reflect the effort we're putting in.

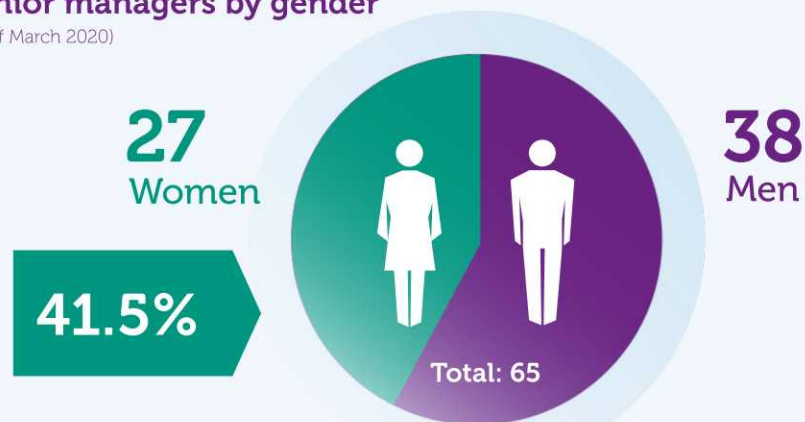


Not every disability is visible

Our challenges at a glance

Senior managers by gender

(As of March 2020)



Percentage of senior managers by ethnicity

(As of March 2020)



Employees by disability

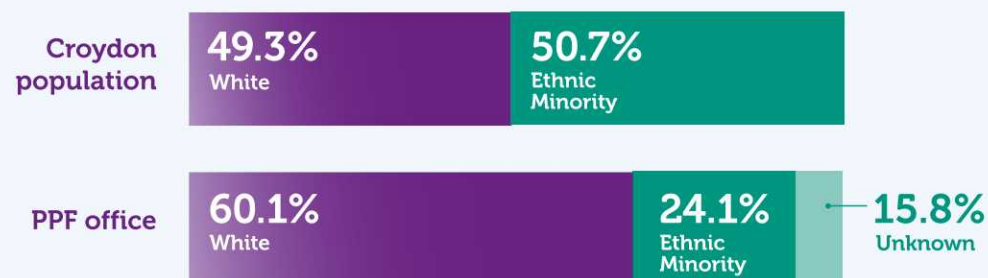
(As of March 2020)



A further four said they had a medical condition but didn't consider themselves disabled.

How do we compare to the local population

(democracy.croydon.gov.uk 2017)



What we've achieved



// **Diversity brings a richness and wealth of thought, which will help us grow as an organisation and as individuals.** //

Simon Liste, Chief Technology Officer

- ▶ We've made D&I intrinsic to our strategic plan, our organisational KPIs and in each member of our Executive Committee's personal objectives.
- ▶ Focused on raising awareness of our D&I agenda and challenging mindsets across the organisations.
- ▶ Communicated our key messages, promoted our current initiatives and created opportunities for employees to share ideas.
- ▶ Reviewed and identified areas of improvement to our current recruitment process, to make sure it supports our ambitions and attracts diverse candidates.
- ▶ Given line managers the tools needed to make effective changes in decision making and ways of working, such as unconscious bias training, inclusive leadership and introducing mental health first aiders and mental health training for all line managers.
- ▶ Promoted and encouraged a diverse range of employee-led groups and networks including the Working Families Alliance and Kaleidoscope, a group for LGBTQ+.
- ▶ Delivered support at appropriate times, such as during recruitment and development planning to make sure we learn and improve our ways of working.
- ▶ We've succeeded in retaining valued members of staff living with disabilities or health conditions and achieved Disability Confident employer status.
- ▶ We signed the Women in Finance Charter in 2018 and met our 40% target early.
- ▶ Identified opportunities to create a speak-up, listen-up culture across the organisation.
- ▶ Provided our member-facing employees with Dementia Friends training to better understand the support we can provide.
- ▶ Committed to a flexible working environment by offering a variety of options for how, when and where our employees work.
- ▶ Offered coaching to those returning to work after an extended period.
- ▶ We've chosen to offer enhanced maternity, paternity and shared parental leave pay.
- ▶ Became a signatory to the Government's Race At Work Charter in 2019.
- ▶ Became a member of The Diversity Project, an initiative that champions a more inclusive culture in the savings and investment profession.
- ▶ Flexible working/return to work/shared parental leave.

Our goals for 2020-2025

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I'm passionate about creating a culture that makes us appealing to people from a wide range of backgrounds and I'll be sharing the best practices I see across the global financial industry.
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Kate Jones, Non-Executive Director



Goals

- ▶ Year-on-year we'll see an increase in our representation across all areas of diversity.
 - ▶ 85% of our staff will report a strong belief that we are a diverse employer that supports inclusion.
 - ▶ We'll be recognised externally as innovating in this area by doing more than just support established initiatives.
 - ▶ We'll look for ways to increase participation from under-represented groups at all points in their journey with us.
- ▶ Our strength in this area will become a 'unique selling point' that supports our ability to both attract and retain people and continue to deliver excellent customer service to our members.
 - ▶ As our membership grows and diversifies we'll continue to review our processes and services to make sure we're meeting our member's needs.

Our goals for 2020-2025

continued

Activities

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| <ul style="list-style-type: none"> ▶ Continue to challenge and change mindsets internally and externally. | <ul style="list-style-type: none"> ▶ Better attract more diverse candidates for our vacancies by implementing the recommendations from the recruitment audit. | <ul style="list-style-type: none"> ▶ Promote us, our people and our sector to the local community to demonstrate what's achievable. |
| <ul style="list-style-type: none"> ▶ Succession planning and talent management identifies and improves our talent pipeline by focusing/targeting development. | <ul style="list-style-type: none"> ▶ Build on our aim as an inclusive culture – creating a speak-up, listen-up culture and giving feedback in real time. | <ul style="list-style-type: none"> ▶ As part of the Retail Customer Financial Services Forum we'll work towards agreeing a set of principles for dealing with vulnerable customers and abide by them. |
| <ul style="list-style-type: none"> ▶ Using apprenticeships to introduce more diversity at entry levels – nurture and build our future talent pipeline. | <ul style="list-style-type: none"> ▶ Diversity Project – help to change the industry and raise our profile as an employer of choice. | <ul style="list-style-type: none"> ▶ We'll develop our Member Forum to gain insight into how we can adapt our processes to meet member needs. |
| <ul style="list-style-type: none"> ▶ Implement a formal mentoring programme, including reverse mentoring, focusing initially on our areas of under representation, to understand the challenges and nurture talent. | <ul style="list-style-type: none"> ▶ Review of internal processes from a D&I perspective. ▶ Become a disability leader by the end of 2021/22. | <ul style="list-style-type: none"> ▶ Continue to grow and improve our digital services, and introduce technologies that widen the ways in which people can engage with us. |



How we'll measure our progress

Data

We'll use our employee demographic information held on our HR database to measure our progress on increasing areas of under representation. To enable us to do so effectively, we'll continue to encourage employees to complete and maintain their sensitive personal information on the system. We'll continue to compare our data to external sources to understand how reflective we are of our members, local communities and the financial services sector.

Employee feedback

Our July 2018 employee pulse survey included D&I questions to enable us to obtain a baseline measurement, which we can use to measure our progress. The scores were as follows:

The culture at PPF allows me to be myself

**Scored
75%**

PPF actively encourages diversity

**Scored
82%**

Every year we'll publish survey results on the D&I page of our website to track our progress.

External standards

- ▶ We're currently measured against our commitments to the Women in Finance Charter, Race at Work Charter and the Disability Confident Employer scheme.
- ▶ As part of our commitment to the Women in Finance Charter, our goal is that 40 per cent of senior managers at the PPF are women by 2021.
- ▶ As our benchmark, we are working with the standards set out by the Race at Work Charter that specifies five calls to action.
- ▶ We will be building on our Disability Confident Employer status by achieving the Disability Leader employer standard.

Other measurements

For any new and developing initiatives, consideration will be given on how their success will be defined and measured.





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This document complies with our obligations under the Equality Act (2010).



#workwithme

