

Our 2024 commitment to Sustainability

We are a purpose-led organisation, proudly supporting our community of customers and partners in creating opportunities through convenient payments. Our purpose is underpinned by four corporate values; Stand Together; Stand Up; Stand True and Stand Out, which we apply to our strategy and the way we operate every day as a responsible business employing colleagues across the UK and Ireland.

We have agreed to operate a focussed Sustainability agenda aligned to our Purpose and strategy, appropriate for a financial services business of our size, with a robust understanding and visibility of our material issues and impacts, whilst ensuring we are a force for good today and in the future.

Background:

Following a peer, regulatory and risk review of our ESG performance in 2021, we established a new 'Sustainability Committee', replacing the previous CSR Strategy. The Sustainability Committee drives Environmental, Social and Governance (ESG) action that is relevant to our business model and practices, ensuring Premium Credit is socially and ethically accountable, contributing to the communities we serve.

An ESG Framework was established, and a set of appropriate focus areas have been selected by the Board. These are aligned to the key ESG risks and opportunities for the business, and progress on each area tracked via corresponding KPIs and reported to the Board.

We agreed to review relevant standards and begun to align KPIs to SASB (Sustainability Accounting Standards Board) Standards issued by the International Sustainability Standards Board (ISSB) and Task Force on Climate-related Financial Disclosures (TCFD). We developed and published our story and roadmap in our annual report, and use Ecovadis, an external business sustainability assessment tool, to audit our progress annually.

Committee Review:

In 2023, we refreshed the ESG Framework (and three pillars) has evolved to become four pillars, Our Planet, Our Colleagues, Our Customers & Partners and Our Responsibility. The previous focus areas under the ESG framework have been aligned to the new pillars. Additional focus areas of supply chain (Our Planet) and learning & development (Our Colleagues) have been added.

As a result, the composition of the Sustainability Committee has changed. Firstly, ExCo members have become the sponsors for each of the four pillars of our Sustainability Strategy. We have also refreshed the membership of the Committee, releasing members of the Senior Leadership Team from attending each meeting. Instead, Sponsors will engage with subject matter experts as required. The Chief Financial Officer remains the overall sponsor for Sustainability for the business.

The Committee meetings operating rhythm has changed from monthly to quarterly. The meeting is chaired by the Strategy, Marketing & Communications Director, supported by the new Sustainability Manager role, with the Committee reporting monthly to the Chief Executive and Executive Committee, and into the Board Audit, Risk & Compliance Committee.

We recognise that to effectively tackle and make progress on our Sustainability Strategy, participation, and engagement by all parts of the business is key for change.

Committee Responsibilities

The Premium Credit Board has overall responsibility for our Sustainability Policy, and the Chief Financial Officer will act as the Executive sponsor with regular progress reports provided on a quarterly basis.

- Define the Sustainability strategy, gaining ExCo approval
- Execute the agreed initiatives and provide quarterly progress reporting to ExCo
- Measure the performance of activity against agreed metrics
- Identify and propose appropriate and beneficial corporate partnerships
- Champion the Sustainability agenda and raise the profile internally and externally
- Work with colleagues to generate active engagement for Sustainability activities
- Provide constructive guidance for ideas and suggestions from around the business

The Sustainability Committee is authorised by the Executive Team to:

- Oversee the Sustainability strategy including a review material topic linked to our corporate strategy
- Monitor the delivery of the Sustainability strategy throughout the business and externally
- Establish and monitor KPIs and targets for internal and external reporting
- Oversee the Company's disclosures relating to Sustainability in the Annual Report or other ESG documents
- Perform such other functions as the Executive Committee may from time to time assign to the Committee
- Establish a Climate Action plan in line with the UK Net Zero target for 2050 for approval at full Board.

Our Sustainability Pillars:



Please visit our Annual Report and Accounts which provides progress on our Sustainability agenda.