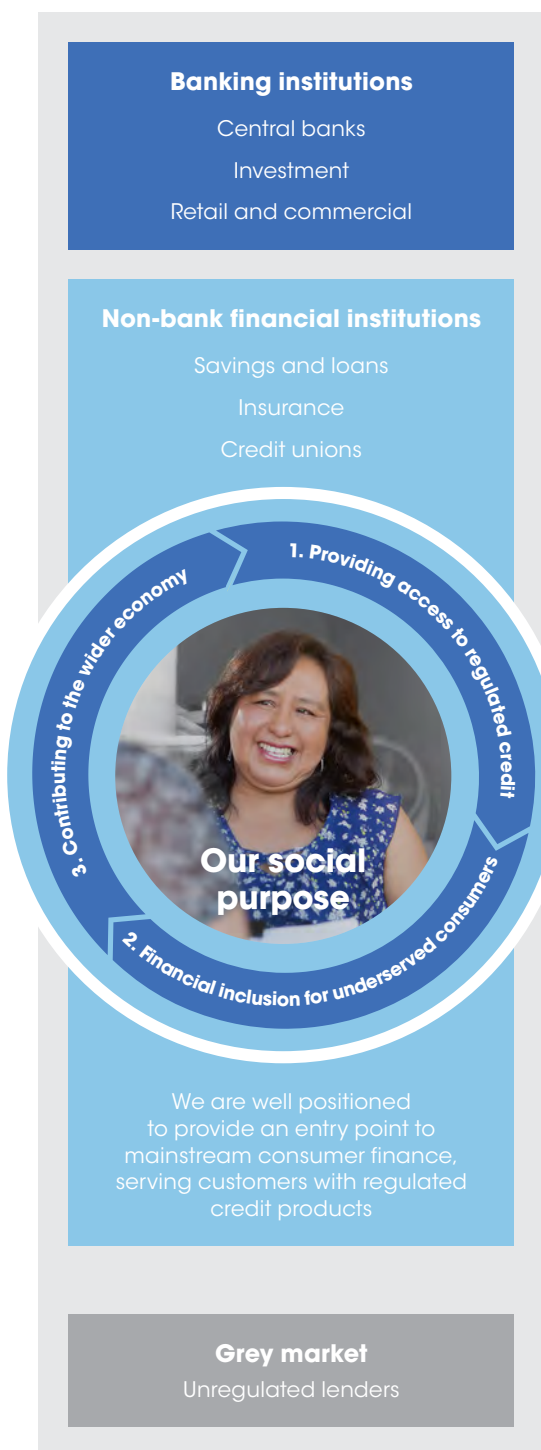


Our positive role in society

We play a positive and important role in society by providing consumers with access to affordable credit, which they would find difficult to obtain from banks and mainstream lenders. We do this by responsibly lending small sums, offering forbearance and repayment flexibility, and the opportunity to develop a credit profile. Despite the pandemic, credit remains an important social need and we will continue to provide access to transparent and affordable credit in a responsible, inclusive and sustainable way.

Credit market structure



1. Providing access to regulated credit

We provide access to regulated finance in a transparent, responsible way giving consumers with low to medium incomes an alternative to the unregulated practices of the “grey” market. We have built a reputation for responsible lending providing customers with financial products and services that are tailored to their circumstances, supporting them if they face difficulties and creating opportunities to build a credit profile.

65%
home credit
customer retention

61%
IPF Digital
customer retention

2. Financial inclusion for underserved consumers

We help underserved consumers access affordable credit. For many of our customers a home credit loan is their first experience with the regulated financial market. Our approach is to lend smaller amounts over shorter periods of time and as customers prove their ability to repay their loan, they build a positive credit history in the financial market, enabling more credit choice in future – including digital products.

57%*
of consumers said we support financial inclusion
by helping customers create a credit history profile

* IPF Reputational Tracking Survey 2020

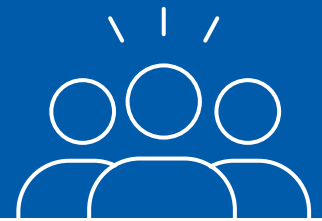
3. Contributing to the wider economy

We are an active corporate citizen with more than 22,000 employees and agents contributing to the wider economy through taxes and spending on goods and services. We also invest in financial skills development to enable customers and the general public to engage with the financial services sector with more confidence, and make responsible, informed decisions about their long-term financial planning.

£148m[†]
Total taxes paid

£678,000
Investment in our
communities

† Comprising £80 million taxes paid (representing a cost to the Group) and £68 million taxes collected on behalf of governments such as payroll taxes and employees’ social security contributions. The £80 million taxes paid excludes a refund of c. £45 million of tax and interest received from the Polish Tax Authority in August 2020.



The foundations of our business and social approach

Ethics

Our culture requires ethical behaviour and puts our customers' interests at the heart of everything we do. As part of the Group's Code of Ethics, all our people and business partners must act with integrity and comply with the law at all times. This involves conducting ourselves in a way that demonstrates our core values of being respectful, responsible and straightforward. The Code is communicated to all employees and agents, and is common across the business regardless of location, function or employee level. We bring this to life through our International Ethics Week and all employees and agents complete business ethics training during their induction and once a year thereafter.

96%

employees completed business ethics training

94%

agents completed business ethics training



Ethics is extremely important and should be discussed regularly to ensure our responsible lending principles are always met.

Mari Merilo, Customer Care Leader, IPF Digital in Australia



Responsible lending principles



Ethics and our responsible lending principles go hand in hand. Behaving ethically and lending responsibly are core to the sustainability of our business model and embedded in everything we do from strategic decision-making and product design to millions of everyday interactions we have with customers each year.



Advertising and marketing

We advertise our products in a clear and appropriate manner.



Affordability

We thoroughly assess a customer's ability to repay the loan. We won't offer another loan to a customer if we do not think they will be able to repay it.



Product suitability

We provide customers with products that are best suited to their needs.



Pricing

We offer customers fair and transparent pricing. Late payment fees, if used, are designed to re-engage with customers rather than as a primary revenue stream.



Customer communications

We communicate with customers in a clear manner and uphold their right to confidentiality. We select and train our agents so that they can serve customers to a high standard.



Collections and debt recovery

We collect loan instalments in a responsible manner and do what we can to avoid affecting a customer's credit history adversely. In the case of external debt recovery we only co-operate with reputable agencies.

Responsible lending in action

- ▶ For more about how we protected our people see page 6
- ▶ For more about how we've protected agent commission see page 4