

How We Implement The Global Compact Principles



International Personal Finance has been a signatory to the United Nations Global Compact (UNGC) since December 2008. Over the last year we have further aligned our business with the ten Global Compact principles by providing key employees with training on modern slavery issues. To inform our stakeholders about how we are advancing those principles within our sphere of influence, we have developed our 2017 Communication on Progress. Our Communication on Progress (COP) submission can also be downloaded from the sustainability section on our public corporate website. I welcome this opportunity to express IPF's continued support for the work that the Global Compact does to challenge businesses around the world to operate in ways that meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. I am pleased to confirm that we will continue aligning our business with these principles.

Gerard Ryan
Chief Executive Officer – International Personal Finance PLC

International Personal Finance PLC ("IPF") is a London Stock Exchange listed company headquartered in Leeds, West Yorkshire. It is the ultimate holding company of a number of overseas subsidiaries ("the IPF Group") which provide straightforward consumer finance across 11 markets. The IPF Group operates in two divisions: Home Credit (in Poland, Czech Republic, Hungary, Romania, Mexico) and Digital (in Finland, Estonia, Latvia, Lithuania, Australia, Poland, Spain and Mexico).

The following table is structured according to the COP minimum requirements and is compiled from our 2017 Annual Report and the ipfin.co.uk website. This report covers the period January 2017 – December 2017.

Principles

What we do

HUMAN RIGHTS

Principle 1 Support and respect the protection of international human rights within their sphere of influence.

Principle 2 Make sure their own corporations are not complicit in human rights abuses.

We work to promote a culture that supports internationally recognised human rights and seeks to avoid complicity in human rights abuses. Our [Code of Ethics](#) and Group policies reflect our commitment to act ethically in all our business dealings and to follow leading international standards in relation to employment, human rights, and core labour standards. We actively encourage our employees and agents to raise concerns on unethical business practices and offer an independently operated whistleblowing hotline for those who, for whatever reason, choose not to use internal reporting methods.

We have a zero-tolerance approach to modern slavery and provide training on the risk our business faces from modern slavery in its supply chains to employees who are more exposed to such risks. We have undertaken a risk assessment of all existing suppliers to the IPF Group based on a number of risk-factors including the nature of services and spend. All new suppliers are assessed following the same methodology.

LABOUR STANDARDS

Principle 3 Freedom of association and the effective recognition of the right to collective bargaining.

Our Group policies cover core labour standards. Membership of trade unions is not common within the consumer credit industry; however part of our office personnel are members of unions in Poland and Mexico, where we engage in dialogue with the unions to discuss the company progress in addressing labour standards. In Poland, our Social Dialogue Manager ensures that company policies affecting labour standards are

Principle 4	The elimination of all forms of forced and compulsory labour.	consulted with the unions; additionally, trade unions are invited to cooperate with the local Health and Safety Committee.
Principle 5	The effective abolition of child labour.	As a financial services provider, the businesses within the IPF Group have relatively straightforward supply chains compared with those of other sectors. Forced, compulsory, or child labour is not a direct issue for the business as we are office-based, and employ mainly skilled staff. Agents need to be over 18 (21 in some markets). Nonetheless, we have communicated our commitment to oppose slavery and human trafficking in our direct operations and in the indirect operations of our supply chains and have provided employees in human resources, agent support and procurement with training on our standards and processes and how to spot forced labour and how to react. Moreover, we are taking steps to reduce as far as possible, any indirect impacts through our Responsible Supply Chain Management Policy.
Principle 6	The elimination of discrimination in respect of employment and occupation.	

We are committed to promoting equality of opportunity for all employees and work to create an environment, free from discrimination and harassment in which cultural diversity and individual differences are positively valued and where decisions are based on merit. Our Code of Ethics and annual business ethics training covers employees' duty to treat colleagues with dignity and respect at all times as well as the procedures to raise a concern about discrimination.

ENVIRONMENTAL PROTECTION

Principle 7	Support a precautionary approach to environmental challenges.	As a consumer financial services business, our direct environmental impact is lower than some other organisations but we recognise that our day-to-day use of transport, energy and natural resources used to run our business should be conducted in a way that creates the least harm to the environment we operate in. We measure our resource use and publically report our carbon footprint on an annual basis.
Principle 8	Undertake initiatives to promote greater environmental responsibility.	The majority of environmental issues associated with our business are indirect and we seek to manage these through our Responsible Supply Chain Management Policy.
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	All aspects of the Group's business and related administrative activities are conducted in such a way as to minimise, as far as possible, any environmentally harmful activities or processes and to drive resource efficiency.

ANTI-CORRUPTION

Principle 10	Work against corruption in all its forms, including extortion and bribery.	<p>Our Anti- Bribery and Corruption policy sets our commitment to conducting our affairs so as to combat bribery and corruption. The Group's trading activities must be conducted with honesty and integrity and in accordance with the law, ensuring that the Group is compliant with the anti-bribery and/or anti-corruption legislation of any jurisdiction applicable from time to time to any Group company. The Group operates controls and procedures to ensure that no one acting on its behalf:</p> <ul style="list-style-type: none"> • offers, promises or gives a bribe; • requests, agrees to accept or receives a bribe; nor • bribes a public official to obtain or retain business or an advantage. <p>All companies, employees and agents are required to comply with the relevant anti-bribery and corruption legislation in their markets. In addition, because of the extra-territorial application of the UK Bribery Act 2010 to overseas subsidiaries, all employees and agents are also required to comply with the provisions of this Act.</p> <p>We have internal reporting procedures in place for those employees who have concerns regarding any aspect of bribery or corruption by themselves or by others, as well as the external whistle-blowing hotline.</p>
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