

The Housing Finance Corporation Limited

Diversity, Equity and Inclusion (DEI) Strategy and Action Plan



Letter from the Chief Executive

Having served as THFC's Chief Executive for many years, I've learned that investing in people always generates high returns. That's why, when we embarked on our official Diversity, Equity and Inclusion (DEI) journey in autumn 2022, I knew this work would be all-encompassing and at times challenging, but worthwhile.

Nearly a year later, we are delighted to officially launch our DEI Strategy and Action Plan. This work represents a culmination of many months of listening to each other, learning from each other, and exploring our shared vision for a diverse, equitable, and inclusive workplace. As we head into the next phase of implementation, we believe that these commitments will unite us in our ambitions for the future.

This document covers several key areas: our official DEI commitment, an overview of the methodology we used throughout the process, a breakdown of our DEI governance, our six strategic DEI pillars, and a summary of our DEI action plan.

This strategy is a basis for uplifting all of us - our staff, Board, customers, and other stakeholders. Through this work, we aim to build equitable and inclusive foundations to support our desired culture. The contents of this document will serve as a living compass as we continue this work.

I would like to thank The Inclusive Village for providing guidance and direction over these last several months. The professional support we have received in developing our DEI strategy has been invaluable.

Whilst we are proud of what we have already achieved, this work marks the beginning of our journey. We look forward to taking its next steps together.

Piers Williamson
Chief Executive, THFC



Our DEI Commitment

THFC's diversity, equity & inclusion ("DEI") ambition is to cultivate an environment where everyone can contribute to the Group's success.

To us, DEI means coming together, feeling empowered to be ourselves at work, and celebrating what makes us unique. We are therefore committed to achieving a diverse workforce and Board, fostering an inclusive culture, and promoting these values so we better serve our customers and wider stakeholders.



Methodology

We have taken a 'bottom-up' approach to devising our DEI Strategy and Action Plan, working with individuals at all levels in the organisation so the final Strategy and Action Plan reflects the unique circumstances, challenges, and ambitions of THFC. We have used a combination of desk-based, quantitative, and qualitative research methods throughout this process, split broadly into three stages:

Diagnostics – collation and analysis of internal DEI- and culture-related data. This included focus groups, 1:1 interviews, a DEI awareness survey, previous staff survey results, a review of staff and HR policies and procedures, and findings from previous DEI & Board reviews.

Actions, Solutions & Goals – workshops with staff and Board members, led by our external advisors, to review findings and brainstorm ideas for change. Our internal DEI Committee, which comprises five members of staff and one Executive Team member, has overseen the collation of this work and the development of this DEI Strategy and Action Plan.

Progress, Measurements and Sustainability – we have established a robust DEI governance structure to ensure accountability, which includes an internal DEI Committee with Board-level oversight. We are developing an evaluation framework to assess progress over time.



Psychological Safety and Inclusivity

Ensuring that our employees felt psychologically safe throughout the process of creating this DEI Strategy and Action Plan was of the utmost importance. Working with our external advisors enabled us to adhere to the key principle of anonymity: no piece of data can, or has been, attributed to any individual. Confidentiality has also been granted when requested.



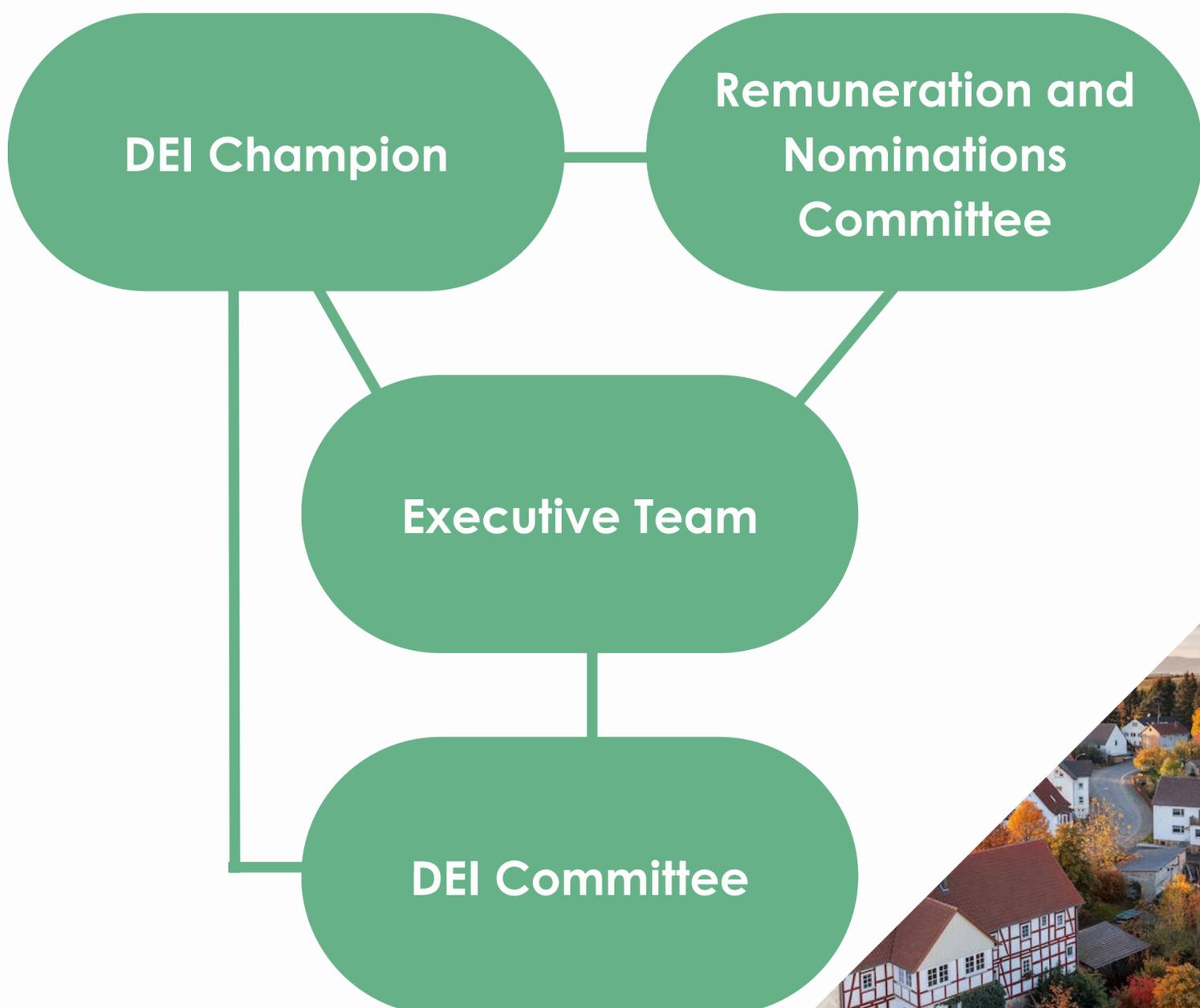
Our DEI Governance Structure

We recognise the importance of having in place robust accountability and oversight structures to support our DEI work.

THFC's DEI Strategy has been approved by the Board, with oversight delegated to the Remuneration & Nominations Committee. The Board has also nominated a DEI Champion to ensure our DEI values and ambitions are championed at the highest level.

The Executive Team is also responsible for championing DEI, executing the DEI Strategy, and implementing its actions.

The DEI Committee works with the Executive Team to discuss actions, make recommendations on the implementation of the DEI Strategy, monitor progress, and hold the organisation to account. The DEI Committee comprises a revolving panel of five members of staff and a representative from the Executive team.



Our Six Strategic DEI Pillars

We have identified six key strategic pillars that underpin our DEI statement, with specific commitments made in relation to each pillar. These will help us achieve our DEI ambitions by focusing our efforts where the most impact can be generated.



**Culture,
Values, and
Brand**



**Talent
Management,
Learning, and
Development**



**Alignment
with Business
Goals**



**HR Data,
Policies, and
Procedures**



**Leadership,
Governance,
and
Organisational
Structure**



**Measurement
and Reporting
Procedures**



Our Six Strategic DEI Pillars

The specific objectives for each of our six strategic DEI pillars are outlined below.



- ✓ Cultivate our organisational culture and values to ensure they align with our DEI ambitions.



- ✓ Create clear, up-to-date policies and procedures, using data where appropriate, that support our desired culture, behaviours, and outcomes.



- ✓ Understand our workforce better and strive to improve representation at all levels.
- ✓ Provide a safe and inclusive experience for all staff, with equitable development and growth opportunities.
- ✓ Spotlight and address any gaps that may undermine the letter and spirit of the culture we aspire to.
- ✓ Commit to a culture of DEI learning and continuous improvement.



- ✓ Foster leadership and governance structures, behaviours, and processes that value diversity, are accessible to all, and responsive to the changing needs of our staff and customers.
- ✓ The Board and Executive will champion and role model our DEI values and ambitions.



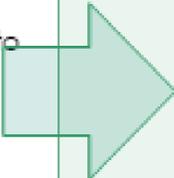
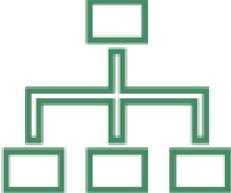
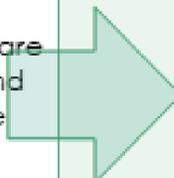
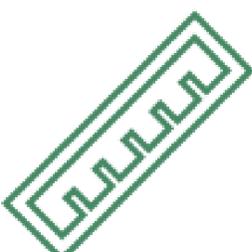
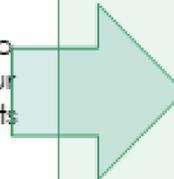
- ✓ Recognise the importance of DEI to our purpose, strategy, and operating model.
- ✓ Embed DEI principles in all organisational practices and behaviours to connect our staff, Board, customers, and other stakeholders.



- ✓ Evaluate our progress towards our DEI goals through regular reviews supported by both quantitative and qualitative data.



Our Group-wide DEI Action Plan

Pillar	Phase 1	Phase 2	Phase 3
	Review our values to ensure they support our DEI objectives long-term, in consultation with staff.	Add values sections to our website and staff intranet, with a focus on DEI.	Conduct a values "check-in" to assess the impact and effectiveness of work done in Phase 1 and 2.
	Undertake a policy review to ensure our policies and procedures reflect our DEI ambitions and objectives.		Review our existing staff engagement mechanisms to incorporate a diversity survey and ensure that questions fully capture our employees' experiences of DEI.
	Introduce a mentorship programme available to all staff. Upskill our managers in relation to DEI.	Introduce a CSR objective into the appraisal process to encourage staff to take up development opportunities beyond their core role. Introduce internship scheme for candidates from diverse backgrounds.	Trial a standardised and inclusive approach to recruitment which reflects our DEI ambitions and objectives. Review staff and executive DEI training requirements periodically.
	Nominate a Board-level DEI "Champion" to sponsor our DEI ambitions at the most senior levels of the organisation. Board to adopt agreed diversity targets.	Enhance Board diversity reporting in the Annual Report & Accounts.	Incorporate assessment of THFC values & DEI ambitions into executive team appraisals and objectives.
	Identify sector initiatives that are aligned to our objectives and support or join them where possible.		Introduce a volunteering scheme that aligns with our DEI and ESG objectives.
	Develop an evaluation framework and calendar to monitor progress against our action plan and evaluate its effectiveness.		Conduct an impact review to assess whether our DEI efforts are creating better representation and fostering more inclusive experiences across all demographics.



Our Board-specific DEI Action Plan

Our Board of Directors has agreed to take the following actions to support our Group-wide DEI ambitions and objectives:

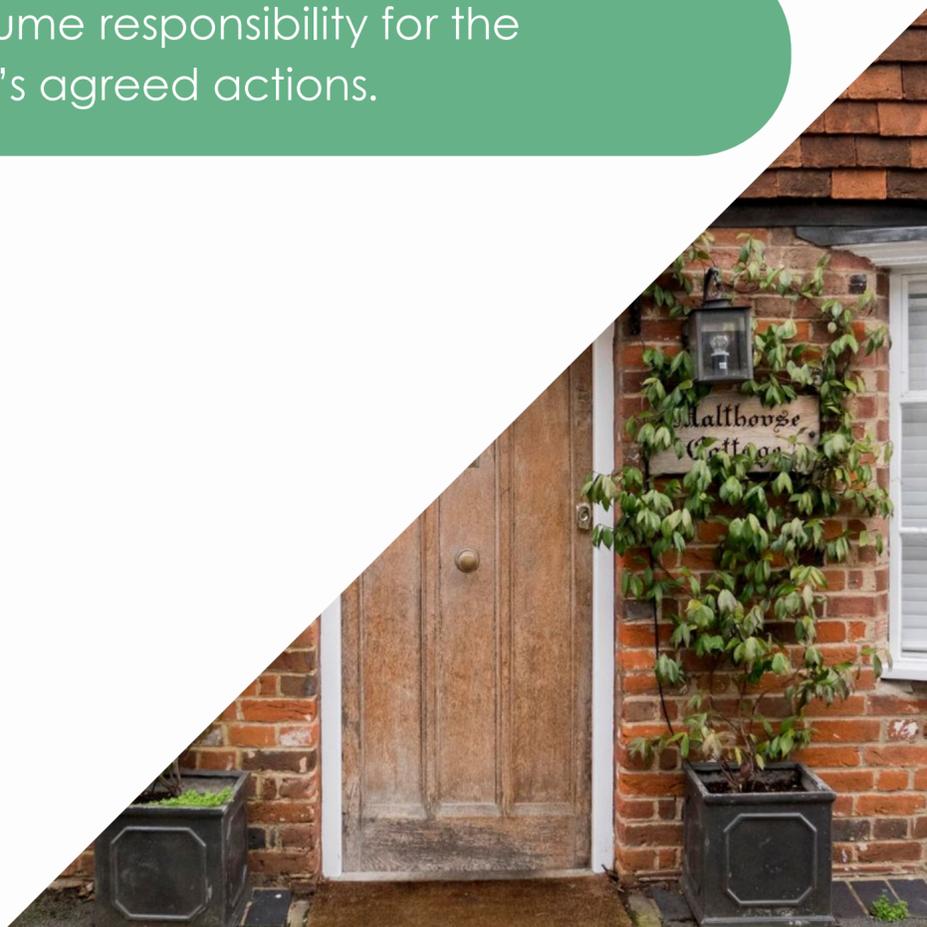
Incorporate DEI oversight into the Remuneration and Nominations Committee Terms of Reference and committee diary.

Voluntarily adopt the Financial Conduct Authority's (FCA) board diversity targets (listed below). Report on the diversity of the Board by gender and ethnicity in our Annual Report and Accounts.

- 40% of board members should be women
- At least 1 senior board position (Chair, Chief Executive (CE), Finance Director (FD), or Senior Independent Director (SID) should be a woman
- At least one board member should be from an ethnic minority background

Adopt revised DEI statement in the Annual Report and Accounts.

Nominate a DEI "Champion" to assume responsibility for the implementation of the Board's agreed actions.



Contact Us

If you have any questions about THFC's Diversity, Equity (DEI) and Inclusion Strategy and Action Plan, you can contact one of the individuals below.



Piers Williamson
Chief Executive
Piers.Williamson@thfcorp.com



Ella Hoareau
Company Secretary and Head of Compliance
Ella.Hoareau@thfcorp.com



Danielle Hughes
ESG Strategy and Communications Manager
Danielle.Hughes@thfcorp.com

