



Shepherds Friendly Society: Mutual Diversity Alliance Report

November 2024

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Introduction



- The Shepherds Friendly is a modern mutual society owned by our members, offering a variety of adult and children's financial products and services
- Shepherds Friendly is a signatory of the Mutual Diversity Alliance, and therefore commits to reporting annually on the activity it is undertaking in support of the Alliance, and its commitment to Diversity and Inclusivity.
- Shepherds Friendly is a medium sized organisation, with approximately 115 employees. This report focuses on the initiatives undertaken to ensure we maintain a culture of Diversity and Inclusivity.
- This is our third annual report.

Our Commitment

Mutual Diversity Alliance

As a member of the Mutual Diversity Alliance, we are committed to maintaining a culture in our organisation that allows all our employees to thrive, and which avoids barriers to our customers, partners and suppliers effectively engaging with us.

Our business should be accessible to everyone, and we are committed to demonstrating inclusive behaviours, and to embracing diversity in all its forms¹. We recognise the business benefits of having a truly diverse workforce, that is representative of the wide diversity of our membership.

In order to do this, members of the Mutual Diversity Alliance adopt the following good practices:

- Appointing a senior leader in the organisation to lead our work on mutual diversity across the business;
- Treating all customers and employees with respect, dignity and courtesy;
- Making reasonable adjustments to, and maintaining, an appropriate working environment, where employees from diverse backgrounds enjoy an equality of opportunity, and to demonstrate this through equality of pay, the capacity for agile working, fair recruitment and other HR policies;
- Maintaining an effective culture via our Board, that promotes diversity and sets the right example;
- Working with other members of the Alliance to support problem solving, to sponsor training of our people on inclusivity and diversity, as well as on conscious inclusion, and to share good practice, as necessary;
- Reporting each year in September on how we have met the expectations of the alliance.

¹ This is likely to include via race, religion, gender and gender preferences, age, disability or infirmity, sexual orientation and education. We also seek to promote a culture of diversity in thought, experience and background, and through this, to support social mobility.



How we are responding (1)



What the MDA expects	Action taken and planned
Appointing a senior leader to lead our work on mutual diversity	The Society's Director of People & Culture has overall responsibility for the implementation of the Society's Diversity and Inclusion strategy which is overseen by the appropriate Board committee. The Director of People and Culture is responsible for regular reporting on the Society's progress.

How we are responding (2)



What the MDA expects	Action taken and planned
<p>Treating all customer and employees with respect, dignity and courtesy</p>	<p>The Society is fully committed to promoting a positive and inclusive culture in the way we work with each other as well as with our members and third parties.</p> <p>Shepherds Friendly aims to provide services and products which meet our member needs. The feedback from our members is very positive about the products and services they receive, and this is reflected in our customer satisfaction scores. Most recently these are 87.6% CSAT score and 64.5 NPS score, both of which are significantly higher than the market average.</p> <p>The Society was recently reassessed and our Investors in People (IIP) platinum status was renewed for a further 3 years until 2026. IIP reflects organisations that are committed to investing in people by means of training & development, well being, reward & recognition as well as treating people with respect, dignity and courtesy.</p> <p>We have dedicated Diversity and Inclusion Champions whose role is to be ambassadors for the Diversity and Inclusion agenda and help to launch and drive initiatives across the Society. The Champions meet regularly to discuss and provide feedback on our Diversity & Inclusion strategy.</p> <p>We have a Diversity & Inclusion framework which outlines the Society’s commitment to creating and maintaining a diverse and inclusive workplace for everyone. The framework is aligned to our brand values. We have also run various DEI training sessions for all our people in 2024, including a lived experience discussion about autism, a session on Creating LGBT+ Inclusive Spaces and mandatory training on Respectful Workplace Behaviour and the Prevention of Harassment.</p>

How we are responding (3)



What the MDA expects	Action taken and planned
<p>Making reasonable adjustments to, and maintaining, an appropriate working environment, where employees from diverse backgrounds enjoy an equality of opportunity, and to demonstrate this through equality of pay, the capacity for agile working, fair recruitment and other HR policies</p>	<p>Our HR system allows us to report on various demographic characteristics so we can get a better understanding of our people. As our headcount has grown, we have maintained or improved the diversity of our people across all demographic characteristics including gender, ethnicity, religion/belief, sexual orientation, marital status, carers status and disability status. Of the people recruited in 2024, 18% are of ethnic minority and 14% declared a disability. 25% of our people have caring responsibilities; 30% state that their religion is non Christian and 7% have declared that their sexual orientation is non-heterosexual. We use multiple methods to recruit individuals including websites targeted at minority groups and we encourage recruitment agencies to actively search for candidates of differing backgrounds to diversify the candidate pool presented to us. We require agencies to submit “blind” cv’s to us at the first stage, having removed identifying personal information about candidates.</p> <p>We have engaged with local colleges and organisations to support young people from disadvantaged backgrounds with routes into the workplace and provide better career opportunities.</p> <p>We also offer flexible working practices, such as part-time working and compressed hours, and enhanced family leave to attract a diverse range of candidates. We are certified as an accredited Living Wage employer and are committed to ensuring all our people receive equitable pay. In 2024, we were also accredited as a Living Pension employer. The Society is a signatory firm of the Women in Finance Charter which aims to promote gender diversity at all levels across financial services organisations. We produce a gender pay gap report each year, with the latest report showing a further improvement of 6.4% between 2023 and 2024. We regularly review all salaries to ensure that there are no disparities in pay whereby men are paid significantly higher than women when undertaking similar roles within a function, other than for reasons of experience or additional qualifications.</p>

How we are responding (4)



What the MDA expects	Action taken and planned
Maintaining an effective culture via our Board, that promotes diversity and sets the right example	<p>The Society has reviewed and updated its DEI policy which applies to both the Board and our people. We have a Board approved DEI strategy which is aligned to the regulatory requirements outlined by the PRA and FCA. The strategy will be launched once the final rules are published.</p> <p>The remit of our Remuneration Committee has been extended to include engagement and the Committee has oversight for ensuring that the Society has a culture that engages with and is inclusive of, all our people and members.</p>

How we are responding (5)



What the MDA expects	Action taken and planned
Working with other members of the Alliance to support problem solving, to sponsor training of our people on inclusivity and diversity, as well as on conscious inclusion, and to share good practice, as necessary	Shepherds Friendly are an active member of the Mutual Diversity Alliance forums. We regularly share good practice and collaborate with other AFM members on training.

How we are responding (6)



What the MDA expects	Action taken and planned
Reporting each year in September on how we have met the expectations of the alliance	This report is published on our website http://www.shepherdsfriendly.co.uk/mutual-diversity-alliance/ and Shepherds Friendly are included on the list of signatories to the Alliance on the AFM website: https://financialmutuals.org/events-training/mutual-diversity-alliance/