



# Broadstone 2025-26 Sustainability Report



I am delighted to share our fourth Sustainability Report, which details how we are improving sustainability for our clients, our people, our environment and our firm.

This year's update reflects the progress we've made on key goals, including our long-term carbon reduction targets set through the Science-Based Targets initiative (SBTi), and our commitment to closing the gender pay gap.

We're not standing still. This report also sets out the ambitious targets we are aiming for in the year ahead.

We will continue to track our progress closely and share updates over time, ensuring we stay focused and accountable.

**Tony Gusmao, Chief Executive Officer**

# Introduction

## **Empowering people's prosperity**

At Broadstone, we are committed to empowering people's prosperity. This drives a mindset that doesn't just look at financial performance but focusses on long-term, sustainable prosperity for our clients, our people, our environment and our firm.



# Key highlights

Each year we set ourselves a range of targets to improve sustainability across our business and here is how we have performed against each.

Target	Achieved?	Comments
To maintain our median gender pay gap below 7.5%.	✓	As at the end of June 2025, this was 6.7%. Broadstone has published its gender pay gap report and at that date its median pay gap was substantially lower than its peer group.
Increase the percentage of our workforce from minoritised ethnic groups to 13%.	✓	As at end June, this was 13.1%.
To aim for 50% of our workforce being female.	✗	As a result of acquisitions, Broadstone's staffing mix has changed over the year. As at end June 2025, 46% of employees were female, 52% male, with 2% transgender or non-binary.
To undertake climate scenario analysis on at least 10 clients' portfolios.	✓	We have achieved this target in less than a year, giving clients the information to make informed decisions on how their investments may be impacted by climate change.
Long term carbon reduction targets across Scope 1 (direct), Scope 2 (purchased fuel) and Scope 3 (indirect) emissions.	✓ / ✗	We are on track to meet our Scope 2 and 3 targets, which are the bulk of Broadstone's emissions. Scope 1 emissions (approx. 2% of total) were slightly higher than the baseline.

For our **clients**, this year we supported charities and non-profit organisation by delivering an eight-part series on the 2025 Charity Investment Governance Principles and launching a new industry group to improve investment practices across the sector. We have also been rated the UK's best third-party pensions administrator, for the fourth year in a row.

For our **employees**, we've taken steps to support inclusion, wellbeing and development across the business, including publishing our first Gender Pay Gap report and improving our training, mentoring and health initiatives. Staff feedback on respect and inclusion also continues to improve.

Regarding the **environment**, we have made strong progress in carbon reductions towards our long term Science-Based Target initiative (SBTi) goals. We are on track to meet these for our Scope 2 and Scope 3 emissions, which are the bulk of Broadstone's carbon emissions.

To make sustainability part of how we work as a **firm**, we track a wide range of ESG measures and report them monthly to our Board. This helps us spot any issues early and take action quickly when needed.

## Always aiming to do better

We set high standards for ourselves and are committed to improving over time. This Sustainability Report outlines the targets we plan to meet over the next year, and we will share our progress in future updates.



# Sustainable prosperity for our clients

To give our clients the best advice across pensions, investment, insurance, credit risk and employee benefits, we need to understand the long-term factors that could shape their future.

## Broadstone's sustainability beliefs

**Excellent customer service** benefits our clients and helps them stay with us for longer.

Environmental, Social and Governance (ESG) factors, including climate change, are **financially material**.

Clients should understand the risks, **and also opportunities** as a result of climate change.

Effective **engagement and stewardship** can positively influence behaviours.

**Reporting is key:** effective reporting highlights where actions need to be taken by decision makers.

## How we turn this into action

**Pension scheme administration.** The first point of contact for pension scheme members is often the administration team. That means it is important to get each interaction right. In 2025, Broadstone were again rated the UK's best third-party administrator by Professional Pensions. This was based on a survey of over 250 clients across a range of factors including data accuracy, flexibility, customer service and technology. The stand-out part of this?

**Broadstone has now won this award four years in a row!**



**TOP  
THIRD-PARTY  
ADMINISTRATOR**

**FOURTH YEAR RUNNING**

We continue to be recognised elsewhere for outstanding customer service and our sustainability credentials:

**Investor in Customers (IIC).** For the sixth consecutive year, we have been awarded a Gold assessment by IIC, covering both customer experience and employee engagement.

**External sustainability accreditation.** Our clients understand the importance of sustainability and look to us to prove our credentials. To show this our Insurance, Regulatory & Risk division was assessed by the external firm EcoVadis across the categories of Environment, Labour and Human Rights, Ethics and Sustainable Procurement. A score from EcoVadis of 45% is considered 'Good', while we significantly exceeded this with a score of 58%.

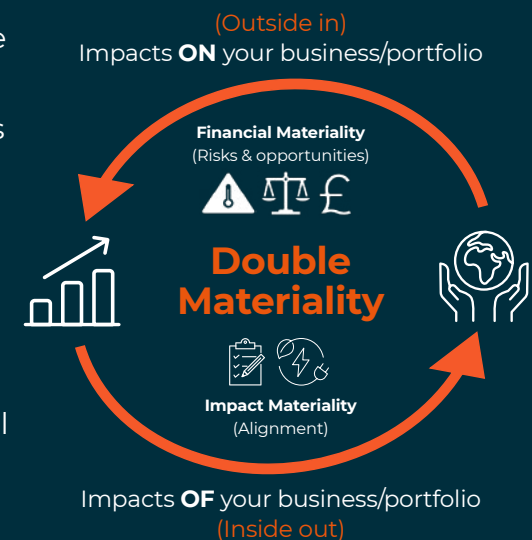
**Charities and non-profit organisations.** This year we have continued to invest in advising charity and non-profit organisations and a key part of this is to improve education on the evolving landscape. To help this we delivered an 8-part online series to inform charities on the Charity Investment Governance Principles which were launched in 2025. Training topics included Decision-making, Risk and Control, Leadership, Effectiveness and Integrity.

Our Charities and Investment Director has also set up and chairs the Charity Investment Consulting Partnership, a group which aims to drive better investment practices in the non-profit industry.

**Climate scenario modelling and portfolio alignment.** At Broadstone we believe that clients of all sizes should have access to industry-leading climate modelling solutions. We have therefore developed a suite of options for pension schemes, insurance companies and corporates to help decision-makers measure, monitor and manage climate risk.

These focus on two separate impacts:

- The impact of climate change on asset returns, using climate scenarios from Ortec Finance; and
- The impact of investment decisions on the environment. This involves analysing historical carbon emissions as well as showing the extent to which the underlying companies in a portfolio are aligned with the Paris Agreement to limit emissions in the future.



# Sustainable prosperity for our people

At Broadstone, our success is built on the talent, energy and commitment of our people. In a competitive market where professionals have real choice of where they work, we focus on creating an environment where people feel supported, motivated and proud to be part of the team.

## The Broadstone Advantage

The Broadstone Advantage captures what sets us apart. It is built around four key themes that define our culture, our values and the experience we offer our people.

<b>Valuing people</b>	As well as competitive salaries, our family friendly policies and flexible working arrangements support our employees' work-life balance. Together, these encourage a collaborative, friendly and high performing workplace.
<b>Supporting growth</b>	Our performance and progression framework ensures that employees are given the tools, training, support and opportunities to achieve their potential, whatever stage people are at in their career.
<b>Making an impact</b>	We believe that all colleagues can and should have the opportunity to directly improve the experience clients receive. We also encourage change and continuous improvements to the way we work.
<b>Belonging</b>	We are a Living Wage employer, Disability Confident and a member of Neurodiversity in Business. We encourage all our employees to be part of our Diversity & Inclusion initiatives, to improve their own working lives and that of others.



## How we turn this into action

- We published our first Gender Pay Gap report, with an effective date of April 2024. This showed a median pay gap of 9.2% and compared very favourably against our competitors, where the gap ranged from 13% to over 24%.
- Broadstone are members of Race Equality Matters and Neurodiversity in Business. Our focus over the past year has been to raise awareness and education of Diversity and Inclusion matters with our employees, with at least one theme a month highlighted on our intranet pages. We also look to reduce bias in the workplace through both online and face to face training and this has now been incorporated into recruitment skills coaching.
- In the past year there have been 25 on-site BUPA health checks across our offices. This has led to well over half our employees taking advantage of this chance to look after their health.
- As a professional services firm, we understand the importance of developing our staff. Career development has been built into end of year reviews and we are encouraging everyone in the business to have a learning and development objective for the upcoming year. As well as this, our latest mentoring scheme has 42 partnerships across Broadstone's 690 staff.

- Continually developing the professionalism at Broadstone and in our industry is key. As at the end of June 2025 we had 74 trainee actuaries and a further 18 colleagues working towards the CFA qualification.
- We have introduced an updated management skills workshop called Management Essentials and are developing a new programme for our Administration staff called "Explore, Develop, Build", which is a mix of skills, experience, workshops and masterclasses.
- The proportion of our employees from minority ethnic groups has increased to above 13%, up from 11% two years ago.
- We regularly survey our staff to gather feedback and identify any concerns people have. In our regular employee surveys, we ask people to rate the statement: "Our organisation treats everybody with dignity and respect, regardless of gender, race, sexuality, age etc". In our latest survey, the score improved further, reaching a very positive score of 8.8 out of 10.



## Targets we have set ourselves over the next year

We have set the following targets across Broadstone, which may be impacted by acquisitions that occur over 2025-26.

- To aim for 50% of our workforce being female or non-binary.
- Our median gender pay gap remains well below that of its peers and we are maintaining our target to limit that gap to 7.5%.
- To maintain regretted employee turnover (i.e. people who Broadstone would want to re-hire) below 5%.
- To further increase the proportion of our workforce from minority ethnic groups to 13.5%. Our longer-term target will be to increase it to 14%, broadly in line with the 2021 census of people in the UK working in the 'Banking and Finance' industries.
- Focus on engagement and our employees recommending Broadstone as a good place to work:
  - Maintaining employee engagement score at 7+ out of 10
  - Maintaining employee net promoter score (eNPS) above +21



# Sustainable prosperity for our environment

To achieve our goal of empowering people's prosperity, we consider not just financial outcomes but the broader environment in which we live and work.

## Targets we have set ourselves

Last year we agreed stringent carbon reduction targets to be achieved by 2032, which have been agreed by the **Science-Based Target initiative (SBTi)**. Broadstone has committed to the following targets, from a base year of 2023:

- Reduce **scope 1 greenhouse gas emissions** 50.4% by Financial Year 2032.
- Increase **active annual sourcing of renewable electricity** from 63% to 100% by Financial Year 2030;
- Reduce **scope 3 greenhouse gas emissions** from fuel and energy-related activities, business travel and employee commuting 58.1% per full time equivalent employee by Financial Year 2032.

## How we turn this into action

**Employee involvement.** We know that to achieve the SBTi targets we have set, all our employees need to be involved. We do this through a range of methods including all-staff briefings, providing detailed information on an intranet hub as well as annual surveys to understand commuting habits and gather ideas for how the company can further reduce its carbon emissions.



## Measuring progress towards our SBTi targets.

While the SBTi targets are designed to be met by 2030/32, we are already looking to measure our progress towards these goals.

We are estimating our carbon emissions for the fourth year: not just the emissions we control directly, but including the 'Scope 3' emissions from the indirect activities we perform as a business.

This takes time to calculate so in the meantime the following shows our progress from the baseline year of 2022-23:

<b>Scope 1</b>	✗	Direct Scope 1 emissions are small proportion of our total emissions. They increased over the year because we acquired an office which was heated by gas rather than electricity.
<b>Scope 2</b>	✓	Renewable energy supplied 83% of the company's electricity in Financial Year 2024.
<b>Scope 3</b>	✓	The bulk of Broadstone's emissions are Scope 3. The relevant carbon emissions per full time equivalent employee fell slightly year-on-year.

**Offsetting our carbon emissions.** Our main goal is to reduce carbon emissions in line with our SBTi commitment. Where we can't reduce emissions directly, we continue to offset our Scope 1, 2 and 3 emissions through a mix of projects around the world.



# Sustainable prosperity for our firm

At Broadstone, we believe that sound governance is essential to our long-term success.

## Our commitment to doing the right things

We run our business honestly and treat people fairly. Acting with integrity is part of who we are and is built into the way we work. Our internal policies and everyday practices help guide our decisions and support this commitment.



## How we turn this into action

**Sustainability reporting.** We bring our values to life through regular ESG reporting to senior leaders. Each month, we provide updates on key metrics including carbon emissions and broader ESG indicators, highlighting progress against our targets and identifying any emerging risks or challenges.

Climate change	HR	Diversity
Carbon footprint	Employee turnover	Gender diversity
	Absenteeism	Equal pay
	Training spend	
	Employee engagement	Ethnic diversity

**Cyber security.** At Broadstone, cybersecurity is embedded in how we work and we have recently made significant investments in new cyber security solutions. These investments bolster our ability to protect sensitive data and maintain the integrity of our systems. As well as these technological advancements, we have implemented a comprehensive training programme for key cyber staff: this ensures they are equipped with the latest knowledge and skills to effectively manage and mitigate cyber threats. It includes obtaining relevant certifications, which further enhance our team's expertise and readiness. These efforts are part of our broader strategy to ensure that we not only meet but exceed industry standards and regulatory requirements. By investing in both technology and people, we are building a more resilient and secure organisation, capable of adapting to the ever-evolving cyber threat landscape.

We are proud to hold the **Cyber Essentials Plus (CE+)** certification and **ISO 27001** accreditation, demonstrating our adherence to rigorous external frameworks. These certifications reflect our dedication to safeguarding the security, confidentiality, integrity, and availability of our systems and data, which help protect our clients, our people, and our business.



**Compliance.** At Broadstone, we are committed to maintaining the highest standards of integrity and professionalism across all areas of our business. We adhere to the rules and principles set out by legislation and our regulators such as the Financial Conduct Authority (FCA), ensuring we act in a manner that is fair, transparent, and responsible. Across the whole organisation, all colleagues are expected to uphold our core policies, which include a zero-tolerance approach to bribery and corruption, and a confidential whistleblowing process that empowers individuals to raise concerns safely and without fear of reprisal.

To support this, all staff complete annual online training. This covers key topics like anti-bribery, data protection and cybersecurity, helping us stay compliant and committed to doing business the right way.





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