

Shaping a better future

Our purpose is to shape and support safe, robust and well-understood pension schemes for the benefit of people and society. It follows, therefore, that sustainability is integral to delivering on our purpose. With this in mind, we made significant progress towards further embedding sustainability across our business last year.



“Doing the right thing lies at the heart of XPS. In line with this, during the year we reviewed what is material to our business and stakeholders, strengthened our sustainability framework and continued to advance sustainability across our business, working closely with clients, communities and colleagues as we did so.”

Snehal Shah
Chief Financial Officer

Sustainability supports the Group’s mission and strategy. It is embedded into our business model so that by delivering on our mission to be leaders in pensions, investment consulting and administration, we are able to achieve better outcomes for all our stakeholders. This is not just for our clients and members, but also for our colleagues, the communities in which we operate and the environment.

Reviewing our material issues

Last year, XPS conducted a dynamic materiality review to assess whether the material issues underpinning our sustainability framework were still relevant. The process involved engaging with internal stakeholders as well as conducting a thorough peer and landscape review. This has resulted in a re-confirmation of our material issues.

Driving sustainability action

Ultimate responsibility for our sustainability strategy rests with the Board of Directors. Oversight of the implementation, progress and performance of the strategy has been delegated by the Board to the Sustainability Committee. You can read a report on the activities of this Board Committee, which met five times last year, on pages 70 and 71. Supported by Executive sponsor Snehal Shah, a dedicated Working Group is responsible for implementing the sustainability framework as well as measuring and reporting progress and performance.

Our material topics

Governance:

- Business ethics and values
- Corporate governance
- Cyber security and data privacy
- Human rights and modern slavery

Clients:

- Sustainable products and services
- Responsible investment
- Advising clients and members

Environment:

- Climate change and our environment
- Environmentally friendly culture

People:

- Employee engagement
- Inclusion, equality and diversity
- Learning and development
- Employee health and wellbeing

Communities:

- Community engagement
- Charitable giving
- Supply chain engagement

Strengthening our framework

Building on the findings of the materiality assessment, we refreshed our sustainability framework to ensure it reflects our corporate priorities. Working with external advisers, we developed a stronger narrative around “shaping a better future” within the framework as well as clear ambitions for each of its pillars.



Ambitions and targets

Empowering our people to thrive	XPS promotes a diverse and inclusive culture, enabling people to realise their full potential Ambitions and targets: <ul style="list-style-type: none"> Reach 37% female senior managers by 2028 Maintain employee approval rating of at least 90%
Strengthening our communities	XPS supports the people living near our business operations with the challenges they face Ambitions and targets: <ul style="list-style-type: none"> Increase our charitable giving and employee volunteering
Protecting our environment	XPS works to mitigate climate change by minimising its impact on the environment Ambitions and targets: <ul style="list-style-type: none"> Achieve net zero by 2050
Supporting our clients and members	XPS supports its clients and members to optimise outcomes Ambitions and targets: <ul style="list-style-type: none"> Maintain satisfaction level of at least 80% Encourage sustainable investment

Empowering people to thrive

Our people are fundamental to our success. XPS is committed to fostering a positive and collaborative work environment, one in which all our people are valued members of diverse and inclusive teams. Our goal is to enable colleagues to flourish and excel.



“XPS has cultivated an environment where “doing the right thing” and trust are not just valued, they are the bedrock of our culture. It is an ethos that empowers colleagues to contribute meaningfully, driving impactful innovations that resonate across our organisation and beyond, and helps shape a better future.”

Rachel Gillion
HR Director

We empower colleagues to take control of their careers, whilst aligning with organisational goals. An important part of this is considering the specific needs of each individual so that their full potential can be unlocked and positive outcomes can be achieved. As such our strategy is to foster a culture of autonomy and trust within a diverse and inclusive workplace. We do this by clarifying our vision and goals, encouraging open feedback, supporting colleagues to set personal and professional targets and recognising and celebrating their achievements. This way we help our people to meet their goals and at the same time we maintain a strong and resilient talent pool and pipeline.

Engaging our people

XPS believes creating a positive and collaborative work environment is essential to achieving business success and meeting client expectations. Engaging with colleagues through various channels, such as the Employee Engagement Group, ensures that their voices are heard and their interests are considered in the decision-making process, while regular communication from leadership, including regular messages from our Co-CEOs and town halls, promotes transparency and trust.

The use of tools such as “The Happiness Index”, a comprehensive feedback platform, exemplifies the Group’s commitment to constant improvement and employee wellbeing. Tools such as these not only provide a platform for and facilitate continuous feedback, but also drive engagement and organisational agility. They also ensure employees are motivated to contribute to the overall success and sustainability of the business.

The positive feedback received from XPS colleagues is a testament to the Company’s commitment to creating a supportive and rewarding work environment. With 98% of employees affirming that XPS is a good place to work (FY 2023: 98%) along with a 99% commitment rate to the Company’s success (FY 2023: 99%), our culture fosters a strong sense of belonging and dedication.

Our Values in Practice (VIP) Awards, which have now been running for four years, provide us with a formal platform with which to recognise and reward employees’ contributions, further embedding the values of excellence and teamwork within the Company’s culture. This year we had over 110 nominations from across the business.

In terms of incentivising employees, we have adopted a comprehensive approach to ensure personal achievements are aligned with the Company’s broader business objectives. Our holistic strategy, which includes bonus schemes, share plans and competitive remuneration packages, motivates colleagues, and also aligns their efforts with the Company’s goals, fostering a unified drive towards continued success and growth.

Promoting learning and development

This year, our commitment to empowering colleagues in their career development journey has been stronger than ever. Through increasing the suite of third-party learning and development opportunities, we have seen our colleagues flourish and our organisation thrive.



98%

think "XPS is a good place to work"

111

apprentices at XPS in FY 2024

31,000+

hours of training in FY 2024

The Group's learning and development approach centres around nurturing the skills our people need to execute our organisational strategy effectively. Our goal is twofold: firstly, to establish a strong pipeline of emerging talent; secondly, to prepare future senior leaders. Both goals are achieved by fostering behaviours that are aligned with our core values.

In addition to our graduate Actuarial and Administration programmes, we continued to support early career talent through our fast-growing apprenticeship programme. Apprentices are integral to every aspect of our business and by the end of FY 2024 we had welcomed 111 apprentices across various disciplines, an 85% increase on the previous year.

We already have an established induction programme, but FY 2024 saw us launch our internal XPS Mentoring Programme to help individuals become their best and to encourage a high-performance culture that is underpinned by continuous learning and development. Currently, we have 40 pairs engaged in this programme.

We support the development and career aspirations of our people at all levels through technical training as well as management development programmes for our more senior colleagues. Support is also provided for colleagues studying for professional qualifications via bespoke technical programmes across all areas of our business. During FY 2024, we recorded over 31,000 hours of training, 13% higher than FY 2023.

Empowering people to thrive continued

XPS is committed to promoting equality, diversity and inclusion in the workplace. We foster a culture of belonging, where everyone within XPS is encouraged to share, with confidence, their opinions and ideas in a way that respects the value of our differences.

Improving gender equality

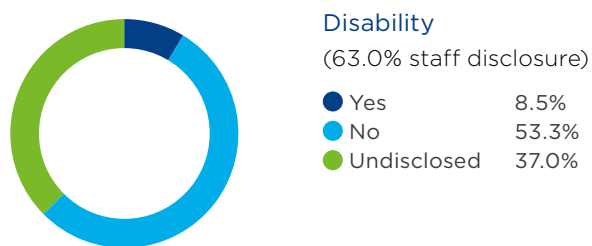
Our journey towards a more diverse workplace is marked by tangible actions and measurable progress. Last year, for example, XPS launched its gender equality plan. Endorsed by the Co-CEOs, the plan sets out specific measures to drive diversity. To underline this, we became a signatory of the Women in Finance Charter in FY 2024 and we set ourselves the target to have 37% female representation in senior management by 2028. We are already making progress here - by the end of FY 2024, 35% of our senior management positions were held by women (FY 2023: 31%).

Progress is also being made in terms of closing the mean gender pay gap across the Group - this was reduced by a further 2.1% to 22.1% last year. We also rolled out mandatory diversity training for managers, respectful behaviour training for all colleagues and internal and external mentoring programmes, and we reviewed our people policies to ensure family-friendly commitments such as flexible working, the buying and selling of holiday and swapping bank holidays are firmly established across the Group.

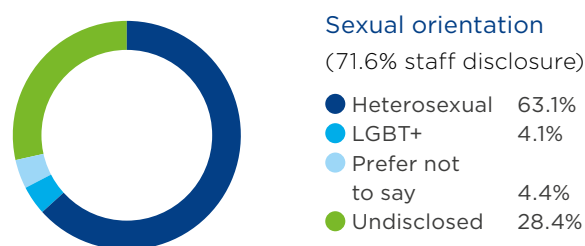
Gender diversity at XPS

	Males		Females		
	No.	%	No.	%	
Board	5	56%	4	44%	
Group	890	50%	904	50%	
Partners & Managing Consultants	85	65%	45	35%	Excludes NEDs
Other employees	802	51%	859	49%	

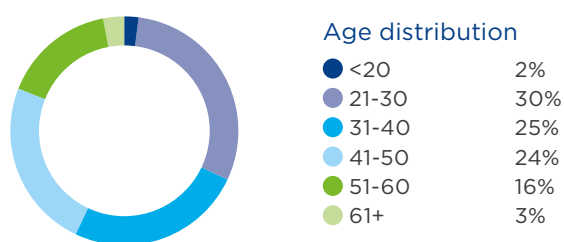
Disability diversity at XPS



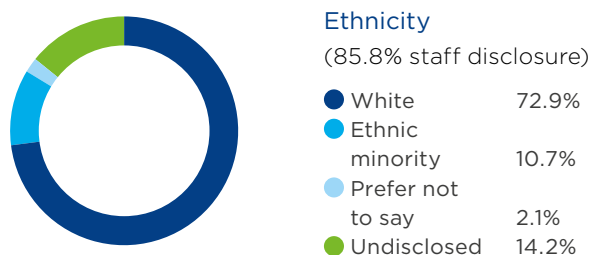
Sexual diversity at XPS



Age diversity at XPS



Ethnic diversity at XPS



Promoting disability inclusion

In addition to gender, we enhanced our approach to disability inclusion. We have put in place a workplace adjustment policy. We provide reasonable adjustments for disabled job applicants and we guarantee interviews for disabled candidates who meet the essential job requirements. We were recognised for our efforts by achieving Disability Confident Employer Level 2 in FY 2024.

Becoming a menopause-friendly employer

Last year, XPS initiated comprehensive menopause training for managers, focusing on engagement, culture enhancement and policy improvement. Additionally, we launched new tools and guidance on our intranet. We also spread awareness with the introduction of menopause champions. As a result, XPS achieved Menopause in the Workplace accreditation in FY 2024.

Celebrating inclusion and diversity

Alongside our diversity action, XPS promotes an inclusive workplace so that everyone feels welcome and involved. Actions taken include investing in our six employee networks. Over the course of the year, our networks organised over 23 webinars with experts covering issues such as gender equality, menopause, mental health, disability, neurodiversity, ethnicity and LGBTQIA+. Our networks also ran monthly discussion groups and podcasts where colleagues share their views on subjects including allyship and what inclusion means to them. Reflecting our colleagues' efforts to foster a culture of inclusivity, we were honoured to receive the Diversity and Inclusion Excellence Award at the UK Pensions Awards last year.



“Being recognised with the Diversity and Inclusion Excellence Award at the UK Pensions Awards underscores our commitment to promoting diversity and inclusion within both XPS and the broader industry.”

Charlotte West
Head of Employee Engagement

4.6/5 stars

XPS rating on Glassdoor for diversity and inclusion

Our partnerships



See more information about our partners on our website:
www.xpsgroup.com/sustainability/employees/

Empowering people to thrive continued

Driving health and wellbeing

Our commitment to colleague wellbeing underpins our efforts to foster a supportive environment for all at XPS. Our comprehensive approach includes providing our employees with the resources, tools and advice they need to achieve a healthy body and mind, a fair work-life balance, healthy relationships and sound finances. In our FY 2024 survey, we observed a promising improvement in work-life balance. Favourable work-life balance scores increased by 4%, a positive result that can be attributed to several strategic actions taken by XPS:

- The business proactively focused on allocating resources and recruiting to bridge gaps. By strategically addressing talent shortages, we ensured that colleagues received the necessary support.
- Our flexible working arrangements empowered colleagues to balance their professional and personal commitments effectively to help achieve a healthier work-life equilibrium. We gave colleagues the option to use bank holidays flexibly as well as greater flexibility around their precise working hours between 8.00am and 6.30pm. Colleagues are also able to reduce their working hours if it suits their personal needs. We were early adopters of the new legislation on the rights for employees around flexible working and paid and unpaid leave.
- We have actively promoted an environment where colleagues can have transparent conversations about work-life balance with their line managers. We have launched wellness initiatives that address physical, mental, financial and emotional wellbeing, recognising that a balanced life encompasses more than just work.

Looking ahead

For FY 2025, we will continue to invest in tailored training and development initiatives to encourage continuous learning, upskilling and increased use of technology (including AI). Our focus is on health and wellbeing centres, enhancing manager effectiveness with an emphasis on people skills and providing robust support for team wellbeing, prioritising employee mental health through wellness events and cultivating an environment of active listening.

Action plans developed in response to the FY 2024 employee engagement survey target key areas such as career progression, learning and development and a request for stronger office communities. Inclusion and diversity efforts continue to shape our culture.



Strengthening our communities

XPS is deeply committed to supporting its local communities, not just because the talent we need to attract (and therefore our continued success) depends on the communities in which we operate, but also because it is the right thing to do.



“I am proud that we increased our employee volunteering last year. It has a measurable impact on engagement for our people and of course delivers positive impacts for our charitable partners.”

Charlotte West
Head of Employee Engagement

Our proactive approach aims to create positive change. Through active community involvement, fundraising initiatives and responsible supplier management, we can collaboratively tackle the challenges our local communities face.

Encouraging volunteering

The XPS Volunteering Initiative was successfully launched in FY 2023 and we were able to increase our support of local communities further in FY 2024. As part of the Initiative, 40 employees from across the country took the opportunity to take a day's paid leave to take part in a volunteering activity organised by XPS (FY 2023: 15 colleagues). Activities ranged from beach cleaning in Lough Shore, Northern Ireland, to renovating a community centre in Leeds and handing food parcels to the homeless in London.

Supporting communities financially

At XPS, we support charities nationally. We also undertake fundraising activities for charities in the local communities where we operate. Last year, we introduced a matched fundraising commitment to encourage our employees to support charities of their own choosing. As part of our commitment, funds raised are matched by XPS up to a certain value.

During the year, more than 50 employees and teams raised funds for 30 different charities including the Roxburghe House Day Care Centre, Portsmouth Down Syndrome Association, Maddy's Mark and many more. In total, the Group contributed over £67,000 (FY 2023: £58,000).

30

charities supported in FY 2024

From abseiling down buildings and running marathons to head shaving and sleeping out, our employees have gone above and beyond to raise money for these worthy causes and more. Our biggest fundraising effort this year saw employees raise over £5,000 for Macmillan Cancer Support in September, a sum which was matched by the Company.

Creating a sustainable supply chain

We continue to improve procurement governance to extend our diversity and sustainability goals further into the supply chain. In FY 2024, we updated the Supplier Code of Conduct to include references to modern slavery and over the coming years we will include environment, social and governance and diversity, equity and inclusion references too.

Looking ahead

As part of our ongoing commitment to strengthening our local communities, we plan to expand our volunteering opportunities further. Upcoming initiatives include local conservation projects, job coaching with Business in the Community and career planning sessions in schools. From a procurement point of view, we will continue to include additional sustainability considerations in our Supplier Code of Conduct.

Protecting our environment

We are focused on mitigating our environmental impact and promoting a green and stable future for our business and communities through effective stewardship. Through decisive and meaningful actions, especially regarding our climate impacts, we are building a strong foundation for a sustainable future.



“This year we formally submitted our climate plan and commitments to the Science Based Targets Initiative (SBTi), a major milestone in our journey to net zero.”

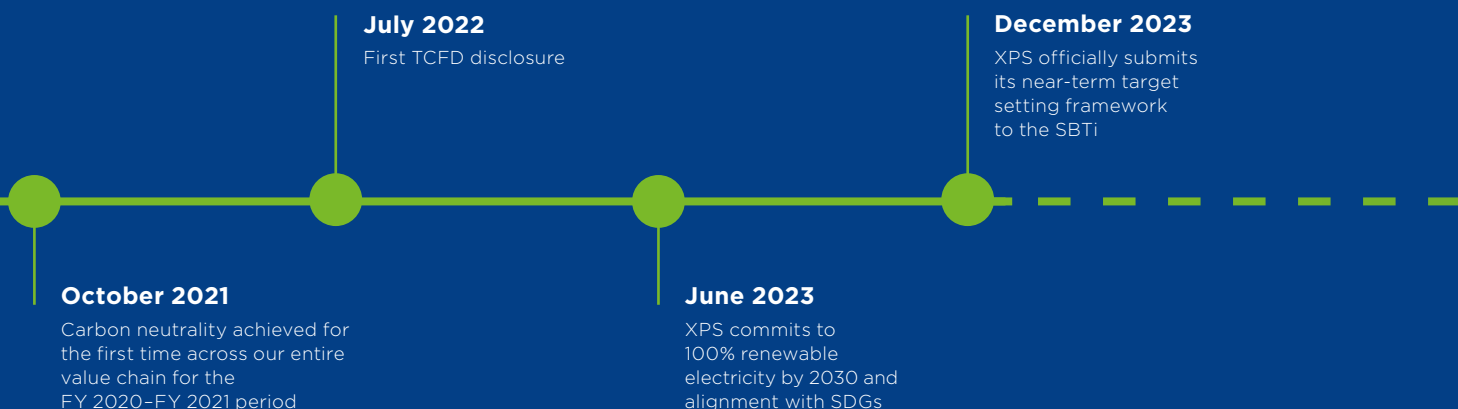
Matt Wellbelove
Environmental System Manager

As part of our commitment to have a positive impact on the environment, XPS deployed the XPS Planet Group, a Group-wide Environmental Management System, to address our environmental risk and compliance obligations as well as drive performance. The XPS Planet Group, which was externally certified to ISO 14001 in seven of the Group's offices by the end of FY 2024 (FY 2023: four), utilises the integrated risk management and internal control framework to manage risks. We are aiming to obtain certification for all our office locations by the end of FY 2025.

Developing our net zero pathway

Last year, XPS developed a net zero roadmap in accordance with current scientific demands to limit warming to a level consistent with a 1.5°C core temperature increase by 2100. This formed the basis for the formal submission of our ambitions to the Science Based Targets initiative (SBTi) for review and certification. Our submission underscores our dedication to operating in a manner that is both environmentally responsible and economically sustainable. In future we anticipate that, with the support of the SBTi, we will be in a position to disclose our net zero pathway in more detail.

Our net zero journey to date



60%

60% of our square footage is supplied by certified renewable energy in FY 2024

We are currently working towards hitting the interim milestones we have set ourselves: achieving 100% renewable electricity by 2030; and retiring gas heating from our direct emissions inventory by 2040. Our climate ambition therefore relies on our continued efforts to secure renewable electricity and heating sources for our offices, and also the deployment of efficient property technology. By the end of FY 2024, 60% of our electricity consumption across our estate was generated from renewable sources.

Additionally, we recognise we must tackle our indirect emissions by applying greater scrutiny to our suppliers, evolving our product offering and improving our technological efficiency.

Our approach is to deliver net zero at the soonest opportunity whilst avoiding adverse impacts on our operations, quality and cash flow. In line with this and for the third year in a row, FY 2024 saw us offset our remaining direct and indirect greenhouse gas emissions, retiring high quality Gold Standard carbon credits for sustainable projects that support the group's commitment to global sustainability and the UN's Sustainable Development Goals. Our most recent projects include investment in sustainable biofuel solutions and clean wind energy.



Our future goals

2030

Achieve 100% renewable electricity

2040

Achieve complete phase-out of natural gas in all properties

2035

Reduce direct emissions by 60% and indirect emissions in supply chain by 40%

Improving our environmental performance

Reducing our emissions in FY 2024

During FY 2024, XPS achieved a fourth successive year of combined Scope 1 and 2 carbon reductions, owing to our focused transition to renewable electricity and more sustainable properties. We made the strategic decision to decommission two of our legacy properties - Wokingham and Bristol Cote House - as the facilities no longer aligned with our brand ethos or sustainability objectives, or met our threshold for commercial justification.

Scope 1 emissions for FY 2024, relating to gas-fuelled heating, increased slightly due to the changing carbon intensity of natural gas as a result of the Ukraine war. We expect this to decrease next year to reflect a full year without the two legacy properties mentioned above.

Scope 2 emissions for FY 2024 decreased year on year due to more efficient equipment and office capacity use. Adjusted for renewable electricity, they decreased even more as we increased our renewable consumption.

There was a slight increase in FY 2024 in Scope 3 emissions from business travel and employee commutes. This can be attributed to the resurgence of office-based work following the Covid-19 pandemic and the expansion of our business. Nonetheless, emissions from travel have maintained a significant downturn compared to the baseline figures of FY 2020, with the intensity of travel emissions per full-time equivalent employee continuing to decline year over year.

Annual greenhouse gas emissions and energy use data from UK-based activities under SECR for FY 2024:

	FY 2024	FY 2023	FY 2022
Scope 1 emissions (tCO ₂ e)	161	157	212
Scope 2 emissions – Defra location based (tCO ₂ e)	193	215	350
Scope 2 emissions adjusted for renewable energy ¹	106 ¹	185 ¹	350
Energy consumption used to calculate emissions (kWh)	1,812,093	1,976,286	2,655,443
Scope 3 emissions (tCO ₂ e)	1,191	1,189	1,928
Total gross emissions	1,545	1,561	2,490
Total net emissions	1,458	1,531	2,490

Intensities	FY 2024	FY 2023	FY 2022
Revenue intensity – Scope 1 & 2 (tCO ₂ e/£m)	1.7	2.1	3.2
Revenue intensity – Scope 1, 2 & 3 (tCO ₂ e/£m)	7.7	9.2	14.2
FTE intensity – Scope 1 & 2 (tCO ₂ e/FTE)	0.2	0.2	0.3
FTE intensity – Scope 1, 2 & 3 (tCO ₂ e/FTE)	0.9	1.0	1.4

Notes:

All activities are UK based. tCO₂e = tonnes of CO₂ equivalent. Unless otherwise noted all conversion to carbon is based on current Department for Education, Food and Rural Affairs ('Defra') factors. Calculations are made in accordance with the SECR guidance and the GHG Protocol. FTE = Full time employees as at 31 March 2024.

¹ XPS has transitioned to certified renewable energy in a number of its locations, enabling the Group to claim zero-emissions relating to associated energy consumption, as per the market-based accounting method. In addition to the progress made on renewable electricity, our market-based Scope 2 emissions declined further last year, reflecting the adoption of the more accurate supplier "fuel-based" conversion rate as supported by the GHG Protocol. This conversion rate uses data direct from suppliers (where available) to better estimate non-renewable supply. We have applied this methodology to prior disclosures and found that a discrepancy of less than 1% occurred.



Embedding sustainability in our culture

Integrating a sustainability philosophy and embedding a green culture throughout the business is fundamental to the Group achieving its environmental ambitions. The business continues to incentivise the green cultural transition by offering benefits as part of the Group's salary sacrifice options including cycle to work, electric car and tree planting schemes.

During the past year, XPS organised its first environmentally focused volunteering day, led and organised by our local XPS Planet Group Champions. The successful pilot scheme contributed to the development and roll-out of the new Group-wide Volunteering Policy, which encourages and facilitates local volunteering across the UK for causes that are meaningful to our colleagues whilst continuing to align with the Group's culture and values.



Looking ahead

For FY 2025, we will continue to develop our net zero roadmap, which will be submitted for verification with the SBTi. In addition, we will focus on gaining additional ISO 14001 certifications across our property portfolio. We will continue to develop and deploy our sustainable procurement policies. We will also prepare the business ahead of forthcoming environmental and climate regulatory demands such as the IFRS Sustainability disclosure standards S1 and S2 and Transition Plan Taskforce disclosure requirements.



Supporting our clients and members

We are trusted advisers of pension funds on which millions of people depend. To support our clients best, we aim to develop long-term partnerships with them. Sustainability and stewardship increasingly play an important role in these partnerships. During the year, we made significant steps to integrate sustainability considerations further into our service offering.



“The investment markets play a significant role in addressing pressing societal challenges such as climate change, and considering these issues is key to ensuring secure long-term outcomes for scheme members. We provide our clients with comprehensive information and advice on sustainability considerations to inform how they manage their schemes.”

Alex Quant FIA
Head of ESG Research - Investment

Our goal is to help clients and scheme members achieve positive long-term outcomes. Our culture and values help us promote sustainable services for our clients. We incorporate sustainability into our client services and solutions, and we ensure sustainability considerations are embedded in all our investment research and advice. We also focus on keeping all our clients' money safe from scams and fraud.

Helping clients navigate sustainability

Sustainability considerations are embedded into all the investment recommendations and client advice we provide for the £104 billion assets we have under advisement. We deliver detailed sustainability reporting to all clients. In addition to feedback on their sustainability ratings, we detail wider sustainability factors (such as exposure to sin industries, climate transition alignment and engagement on sustainability across the portfolio) as well as carbon emissions reporting. We have partnered with a market-leading climate change data provider so that we can provide enhanced reporting and analysis of climate change risks - we have used this to support certain clients with their regulatory climate change reporting requirements, aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework.

During the year, we carried out our fourth annual sustainability ratings exercise, which involved reviewing 227 funds run by 53 investment managers. In the interest of transparency and raising the bar for the industry, we provided feedback to all those managers who submitted. We also held follow-up face-to-face meetings with those managers who received a red rating, as well as many others, to discuss areas for improvement.

Driving sustainable investment

For those clients who wish to go further, we have a growing number of buy-rated funds that target environmental and social outcomes alongside their financial objectives. In FY 2024, we formalised our Impact Designation, which is a label we award funds that achieve our Sustainable Designation but go further by having explicit non-financial targets alongside their financial objectives. For example, funds that set net zero targets can earn our Sustainable or Impact Designations. We awarded three investment funds our Impact Designation. We have now awarded our Sustainable Designation to 39 funds across all asset classes (FY 2023: 34) to help our clients meet their financial objectives whilst targeting long-term social and environmental outcomes.

At the end of FY 2024, XPS had 36 clients in sustainable funds representing £2.6 billion (FY 2023: 23 clients, £1.9 billion) in assets under advisement.

Creating a sustainable pensions industry

In FY 2024, we joined the Net Zero Investment Consultant Initiative and we worked to action the commitment we have made to take net zero considerations to all our investment clients and to embed these into our research framework. We also retained our status as a signatory of the UK Stewardship Code, having been successful at the first time of asking in 2021. We contributed to a number of public consultations relating to sustainability issues, including the DWP Taskforce for Social Factors guidance and the FCA consultation on Finance for Positive Sustainable Change.



Signatory of:



£104bn

assets under advisement with XPS clients

39

funds awarded Sustainable Designation by XPS

10,000+

members' transfers protected by XPS

Keeping members safe

We remain focused on keeping the members of the pension funds we administer safe. Our Scam Protection Service continues to support trustees and our clients' members by identifying and managing suspicious activity in relation to transfers. In particular, our Scam Protection team uses a phone call with scheme members to obtain robust information about their transfer and uses this to identify any suspicious activity. In addition, XPS is an advisory member of the Pension Scams Industry Board. Our service goes beyond what is required in the regulations and we continually look out for trends in behaviour to help spot warning signs of new potential scams. Our Scam Protection Service has helped protect over 10,000 members' transfers to date, totalling over £2 billion.

To minimise social engineering threats, XPS rolled out Abnormal Email Security, which uses AI and behaviour analysis to detect malicious emails. In FY 2024, all our colleagues undertook mandatory training on protecting client, employee and corporate information, including regular phishing awareness exercises. Our Information Security Management System (ISMS) was certified to ISO 27001 in FY 2022 and the effective deployment of our ISMS is independently verified through our Cyber Essentials Plus certification and BitSight risk scoring.

We recognise that many pension members we deal with may be experiencing one or more vulnerabilities, and that we must take care to listen to our customers' needs and identify when we should apply an extra duty of care. Our Dealing with Vulnerable Customers Policy provides guidance to all employees around vulnerabilities our customers may experience, barriers they may face when dealing with professional service providers such as us, and what we can do to make our services as accessible and inclusive as possible, adapting to customers' specific needs wherever possible.

Looking ahead

For FY 2025, our focus remains on further embedding sustainability within the advice and services we give to our clients, whilst keeping on top of the fast-evolving regulatory landscape.

Being a responsible business

Good governance underpins both our approach to sustainability and the purpose and strategy of our business. At XPS, we pride ourselves on our strong culture and values, which are fully integrated throughout our business. Both our culture and values promote the right behaviours, whilst delivering our strategy and supporting our stakeholders.

Ensuring strong governance

We are proud to comply with the UK Corporate Governance Code. Starting at the top of our business and our Board of Directors, we uphold high standards of governance. This year, we strengthened our Board with the appointment of two additional Non-Executive Directors, and are proud to have maintained the gender diversity of our Board at 44% female. You can read more about the governance and composition of our Board on pages 56 to 62.

During the year, we also continued to demonstrate our sustainability commitments by including sustainability within our Executive Directors' bonus objectives and share incentive award vesting criteria. You can read about remuneration on pages 72 to 95.



Maintaining a culture of compliance

We have core policies and procedures in place that ensure we uphold high standards of governance and act as a responsible business with all our stakeholders in mind. Our Business Code of Ethics outlines the principles and values that we expect all our people to adhere to in relation to matters such as treating customers fairly, inclusion and diversity, financial crime and dealing with vulnerable customers. We also have an Anti-Bribery and Corruption Policy in place, outlining our zero tolerance for activities and behaviours that are not in line with our values, especially in relation to financial dealings.

Each year, all our employees are required to complete modern slavery training, which outlines the expectations of our business and our suppliers to behave in a way that is respectful of human rights. This year our supplier onboarding process has been strengthened and adherence to our Supplier Code of Conduct is now a condition of doing business with XPS. We publish our Modern Slavery Statement annually and you can read it on our website at <https://www.xpsgroup.com/modern-slavery-statement/>.

All our employees are required to complete an annual programme of compliance training, covering topics such as financial crime, bribery and corruption, insider trading, modern slavery, data protection and cyber security. During FY 2024, the 100% training completion rate across the Group was maintained (FY 2023: 100%).

100%

compliance training rate in FY 2024