

Board statement on fraud prevention

The Board has noted the requirements of the Economic Crime and Corporate Transparency Act 2023 and is fully committed to upholding the highest standards of integrity, transparency, and accountability. Fraud is never acceptable, even if it results in delays or missed/lost business opportunities over the short-term. Fraud prevention is a critical component of our governance framework and essential to maintaining the trust of our stakeholders, including employees, customers, partners, and the wider community.

“Fraud” includes various specified offences which involve dishonesty for deception and gain, such as false representation, failing to disclose information, abuse of position, false accounting, fraudulent trading and cheating the public revenue. Aiding and abetting commission of those offences also constitutes fraud. We recognise that fraud—whether internal or external—poses a significant risk to our operations, reputation, and financial health, as well as being a huge drain on the UK economy as a whole. As such, the Group has recently reviewed and updated its Fraud Prevention Policy. This is set out in the LSL Group Combined Ethics Policy and is reflected in the LSL Group Risk Framework. The arrangements now recognise that, in addition to other more traditional views of fraud, fraud can be carried out with the intention of benefitting the Group or its clients, as well as where the Group is the intended victim. They also recognise that fraud may not necessarily be financial and that fraud affecting the Group can be carried out by third parties.

The Board is committed to resourcing fraud prevention over the long term and to ensuring that all our colleagues and partners are adequately trained in fraud prevention; we are updating fraud training across the Group to ensure all colleagues know what to look out for and when and how to speak up. The Group has also reviewed fraud risk assessments and registers, is updating arrangements with third parties and enhancing fraud controls across all its operations.

Fraud prevention measures are reviewed at regular intervals to ensure effectiveness and will be scrutinised by the Board. The Board holds management at all levels accountable for implementing and maintaining effective fraud prevention measures and for reporting regularly on their effectiveness. The LSL Audit and Risk Committee has oversight of fraud risks. We also expect every employee, service provider, contractor, franchisee and partner to play their part in safeguarding our organisation from fraud. Colleagues are actively encouraged to speak up and report any potentially fraudulent behaviour.

Key elements of our fraud prevention strategy include:

- **Internal Controls:** We maintain systems and processes to detect, prevent, and respond to fraudulent behaviour.
- **Culture of Integrity:** We foster an ethical culture through leadership example, employee training, and open communication.
- **Whistleblower Protection:** We provide secure and confidential channels for reporting suspected fraud, with assurances of non-retaliation.
- **Regular Risk Assessments:** We continuously evaluate our exposure to fraud risks and adapt our controls accordingly.

- **Swift and Fair Action:** All allegations of fraud are investigated thoroughly and impartially, with appropriate disciplinary or legal action taken when necessary.

Adrian Collins

Non-Executive Chair

September 2025