

LSL Living Responsibly Report 2022





About our reporting

This report provides a summary of LSL's Living Responsibly Programme which includes our Environmental, Social and Governance (ESG) performance for the year ended 31 December 2022.

Our work contributes to a number of the UN Sustainable Development Goals (SDGs) and where relevant we have highlighted this link within the report.

This report complements our Annual Report and Accounts 2022 which includes our Taskforce on Climate-related Financial Disclosure (TCFD) and the Environmental Agency's Energy Saving Opportunity Scheme (ESOS) disclosure statement.

How to navigate this report

Use the navigation bar at the top of each page to jump to sections of interest.

We use a colour coding system throughout our reporting, so you can see which of our priorities we are referring to:



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Our 2022 Impact

In 2021 we established our Living Responsibly Priorities, and during 2022 we have been working to embed the programme and build momentum across the Group. We are proud of the progress we have made, but know there is more to do.

The Right People

Increasing Diversity

- Group-wide Inclusion, Unconscious Bias and Hiring Manager training.
- Building data capability for analysis of demographics.
- Improvements and introduction of key diversity policies.
- Achieved Disability Confident Employer status.
- Signed up to the Confederation of British Industry's (CBI) Change the Race Ratio.

Doing the Right Thing

Inclusive Culture

- Inclusion and Diversity Forum ready to launch initial wave of colleague affinity groups (LSL Voices).
- Refresh of Employee Engagement Forum composition to strengthen feedback channels and engagement across the Group.
- Improvements in annual survey data collection and analysis.

Investing in Communities

- Four coordinated Group-wide community focussed activities
 - Spring clean week.
 - Act of kindness week.
 - Foodbank week.
 - Goodwill month.
- Matched funding pilot.
- Volunteering day pilot in Financial Services.

In the Right Way

Environment

- Environmental Working Group progressing Scope 3 emissions analysis.
- Good progress made against environmental targets.
- Updated supplier code close to launch.

Excellent Governance

- Director training undertaken and Director toolkit development in process.
- Board composition reviewed and recruitment for vacancies underway.
- Audit of subsidiary governance undertaken, with improvements being implemented during 2023.

Progress*

14% of new colleagues identify as minority ethnic

13% increase in the proportion of colleagues identifying as minority ethnic

60% response rate in employee annual survey

7% increase in Group Learning and Development investment

120 apprentices across the group

200% increase in Group charitable donations

£7k colleague matched fund raising in pilot scheme

4 successful Group-wide community engagement initiatives

Scope 1 emissions reduced
21%

From 2019/20 baseline

Scope 2 emissions reduced
98%

From 2019/20 baseline

Emission reduction in line with
1.5°C trajectory

Executive Director remuneration includes explicit ESG performance-related component

* ESG reporting year is January to December however emissions data reporting is October to September.



Foreword



“ I’m delighted to introduce you to LSL’s Living Responsibly Report for 2022. In it you will find further information about the steps we’ve taken to limit our impact on the environment, to make a positive contribution to the communities in which we operate and become a better place to work. In it, I also hope you will find evidence of our real commitment to bringing these important issues to life, so that we deliver on the substance and not just the form of our Environmental, Social and Governance strategy.

To do this, I’m incredibly grateful for the enormous support that has been given by staff right across our business. Whilst we have policies and targets to back up our strategy, it is the many colleagues that have so enthusiastically stepped forward to work with the Board and Senior Management Team that are the heart of our programme and its driving force. From our Employee Engagement Forum, to dedicated working groups looking at Inclusion and Diversity, Community Action and the Environment, through to the recent launch of LSL Voices, I have been struck by the quality of challenge provided and insight added. I’d like to place on record my sincere thanks to everyone involved.

I’d also like to thank our shareholders and our business partners for their support. We know how important these issues are for so many of you, and once again I would like to emphasise the Board’s commitment to placing Living Responsibly at the heart of our business.”

David Stewart
Group CEO

“ It has been a privilege to take on the leadership of our Environmental, Social and Governance work during 2022. Feeling a great affinity with our social priorities, it has been particularly exciting to see these move forward and the difference it’s making to our business. Whilst it’s fantastic to see the progress we are making against our climate objectives, I know that the environment is more than emissions and I’m committed to seeing us challenge ourselves to be the best we can be, to really play our part in addressing the current crisis.

I’m also under no illusions that we still have a long way to go. To really make LSL a great place to work for our colleagues, we have to set social objectives that push us forward. I’m committed to working on this, and together with the help of my team and colleagues across the business, I know we can be successful and be part of something we’re proud to put our names to.”

Debra Gardner
Group HR Director and Head of ESG





Living Responsibly Strategy

In 2021 we launched our Living Responsibly Strategy, which established five priorities covering People, Place and Governance.

Embedded within our Priorities is our commitment to our desired Group culture. This means having:

- **The right people:** who accept accountability for their actions
- **Doing the right things:** which deliver customer expectations
- **In the right way:** being open, challenging themselves and supporting others.

The right people:

An inclusive and diverse workforce which reflects our businesses' communities.

Whether gender, ethnicity, class or those with disabilities – we want everyone to thrive at LSL.

Doing the right things:

Our commitment to our colleague community and our investment in the communities they are working in.

In the right way:

We are committed to working in the right way for our colleagues.

We use colleague forums to ensure that voices are heard throughout the Group.

Beyond thinking about people, our commitment to doing the right things in the right way extends to the way we interact with our communities, minimising our impact on the environment and our commitment to excellent governance. Our Communities Forum and Environmental Working Group drive our work in this area, alongside our Divisions and Head Office locations.

We will continue to consider ways that we can work with our customers and clients to limit the impacts of climate change.

PEOPLE

Increased diversity
Inclusive workplace

PLACE

Stronger communities
Minimised environmental footprint

GOVERNANCE

Excellent governance

With people at the heart of our Living Responsibly Strategy, we ensure we have opportunities for colleagues to guide our work across the Group.



Action

We set ambitious goals because we know action is necessary to become the responsible business we aspire to be. We know that goals alone are not enough and it takes learning, teamwork and action to drive forward.

Increasing the diversity of our Board and workforce



Priorities

Increase the ethnic diversity of the workforce, and ensure the leadership team has a gender and ethnicity balance that reflects the wider workforce.

Delivered in 2022

Unconscious bias and inclusion training across the Group

14% new starters identify as minority ethnic

13% increase in the proportion of colleagues identifying as minority ethnic

Became a Change the Race Ratio signatory demonstrating our commitment to change

Improvements to diversity data capture

Targets for 2023

Review and embed high quality and relevant inclusion training across the Group

16% new starters identify as minority ethnic

Achieve year-on-year growth of the workforce identifying as minority ethnic

Become an active part of the Change the Race Ratio signatory community

Launch HR system upgrade to enable improved diversity data capture and analysis

2024 and beyond

At least one Board member from a minority ethnic background

Leadership team reflects the gender and ethnicity composition of the workforce

Continue to increase ethnic diversity of the workforce overall

Review and report on ethnicity pay gap

Review internal promotion and progression pathways to ensure equality

Building an inclusive culture where colleagues are supported to thrive



Create an excellent training and development landscape for colleagues to support continued development and progression.

Re-developed and re-focussed suite of management training

Achieved Disability Confident Employer status

Piloted Disability and Mental Health Champions in parts of the Group

Launched Accessibility Passport

Create an internal careers page and progression framework

Attain Disability Confident Employer - Committed status

Review impact of Disability and Mental Health Champions and explore Group roll out

Launch initial LSL Voices chapters and embed them within colleague structures

Reduce experience gap between colleagues from different demographics

Achieve Disability Confident Employer - Leader status

Build actions in response to LSL Voices chapters with the aim of improving inclusion

Supporting colleagues to connect with our communities



Provide opportunities across the Group for colleagues to connect and support the communities they are based in.

Four successful Group-wide community focused initiatives

Successful pilot of colleague volunteering day in Financial Services

Matched fundraising initiative, investing £7k in colleague nominated charities

Increase engagement in Group-wide community initiatives

Explore the roll out of the community day to other divisions

Review success of matched funding initiative and increase by 50%

Further build momentum and engagement around Group-wide community events

Embed colleague volunteering within the Group

Continue to support and embed colleague fundraising across the Group



Action

Minimising our environmental footprint



Priorities

Limit emissions in line with the Paris agreement, maintaining reduction along 1.5°C trajectory

Minimise wider environmental impact at Divisional level

Delivered in 2022

Scope 1 emissions reduced by 21% from 2019/20 baseline

Scope 2 emissions reduced by 98% from 2019/20 baseline

Work begun to quantify Scope 3 emissions across the Group

e.surv made 12 Green Commitments

e.surv achieved Bronze EcoVadis award

Real estate improvements – LED lightbulbs and smart meters

49% waste recycled and 100% confidential waste recycled

Targets for 2023

Create divisional emissions targets and reduction plans

Complete Scope 3 emissions analysis and engage with SBTi for formal verification

Create a costed Climate Transition Plan

Further embed environmental focus in Group communications

Silver EcoVadis award for e.surv

Further increase LED lightbulbs and reduction strategy for water and waste

Recycle 55% waste

2024 and beyond

Meet annual science-based targets

Create a plan for managing supply chain emissions

Consider Group approach to climate-focussed learning and development

Ongoing review and reduction of environmental impact across the business

Continue to reduce overall waste volumes and increase recycling to 70%

Ensuring excellent governance



Continuous review and improvement of governance across the Group

Planning for Chair succession and Executive Director retirement taking place in 2023

Appointment of Sonya Ghobrial – Board member with ESG experience

Director training undertaken by legal, and foundations laid for Director Toolkit

Reviewed approach to TCFD reporting in-line with FCA feedback

Review and development of supplier code of conduct initiated

Explicit component of Executive Director remuneration linked to Group ESG performance

Engage with recruiters to ensure diversity of shortlists for senior appointments

Create recruiter briefing pack for senior roles conveying commitment to I&D

Complete and launch Director Toolkit

Further review and integrate the management of climate-related risks

Complete and embed reviewed supplier code of conduct

Further review, embed and refine ESG KPIs to ensure ease of assessing ESG progress

At least one minority ethnic Board member

At least 40% of Board is female

Continue to review Board and maintain appropriate skill and independence balance

Undertake detailed climate scenario planning

Use supplier code of conduct to effectively manage supply chain risks and impact



13%

increase in proportion of LSL colleagues
from an minority ethnic background

14%

new starters identify as minority ethnic

10 REDUCED
INEQUALITIES



*Throughout the Group we are undertaking
initiatives which are designed to promote
equal opportunity, diversity and inclusion*

DIVERSITY



People

People are at the heart of our businesses. We know that we need the right people, doing the right things in the right way, and our people priorities have helped us start our journey towards this. At LSL, we believe the 'right people' are a diverse mix that represent the communities we work in. We are at the start of our diversity data collection journey, and currently have prioritised ethnicity and gender diversity, but we will keep learning and adapting our focus. For us, 'doing the right things' is about building a culture which is inclusive and helps everyone to thrive and we will listen to colleagues to establish that we are working in the right way.

Increasing the diversity of our Board and our workforce

Key results:

13% increase in the proportion of colleagues from minority ethnic backgrounds

14% new starters in 2022 from a minority ethnic background

We are proud of the progress we are making, but we know that there is more to do. We have not yet made significant changes to the composition of our leadership teams, but have set ourselves stretching targets.

During the year we compared the geographical workforce composition of our workforce to the 2021 Census data, and concluded that to match the UK working age population, we would need 16% of our workforce to identify as minority ethnic, which would be a nine percentage point increase on 2022.

As new signatories to the CBI's Change the Race Ratio we intend to work to refine our targets and pathway over the course of 2023.

In our 2021 Living Responsibly Report we launched our Inclusion, Diversity and Equality strategy. The next page summarises the actions we have taken against this during 2022.

In 2021 we shared our three part Inclusion, Diversity and Equality strategy:

1. Creating Awareness
2. Continually Improving our Practices
3. Promoting Opportunity





Progress against our Inclusion, Diversity and Equality Strategy:

Creating awareness

- Designed and launched a three part inclusion and unconscious bias training which has been rolled out across the Group.
- Hiring managers have completed 'Passport to Recruit' training, supporting them in making fair and consistent hiring decisions. At year end 447 hiring managers had completed this programme, representing 83% hiring managers.
- Inclusion and Diversity (I&D) Forum has gone from strength to strength, meeting regularly and inputting on key actions and decisions. It is now established as a source of expertise internally and is involved in regular consultation exercises as we develop our policies and arrangements.
- Recruited and trained 14 Disability Champions across the group in partnership with Disability Rights UK.
- Recruited and trained 25 Mental Health First Aiders within our Surveying & Valuation Division.
- Published our first inclusion calendar celebrating the diversity of colleagues – this will be further developed and integrated by our I&D Forum in 2023.
- We will continue to improve our diversity data and information capture through 2023 with our upgrade to our HR data management system, which will enable a deeper understanding and analysis of workforce demographics.
- Integrated anonymous diversity disclosure into our application process, to enable a better understanding of our recruitment pipeline and processes and identify any inconsistencies.
- Analysed annual survey sentiment questions using diversity characteristics to identify significant differences between minority groups.
- Reviewed the volumes of employees on parental leave and those returning to work from parental leave – we will look at this annually.
- Reviewed gender pay gap data to identify opportunities for improvement at a business unit level.

Continually Improving our Practices

- Reviewed our Family Friendly Policies including improving our parental leave offering, introducing a Baby Loss Policy, a Fertility Policy, Menopause Policy and a Pregnancy Toolkit (accessible anonymously).
- Laid the foundations for better diversity data capture.
- Designed and launched a 'Accessibility Passport' where colleagues can transfer reasonable adjustments as they move roles within the organisation.
- Signed up to the CBI's 'Change the Race Ratio' which will provide us with a peer group seeking the same inclusion and diversity improvements in their organisations.



Promoting Opportunity

- Achieved 'Disability Confident Employer' status signalling to existing and future colleagues our commitment to the development of all.
- Our Financial Services Division has been working with the Royal National Institute of Blind People (RNIB) to ensure the accessibility of our roles to those with sight loss.
- PRIMIS within Financial Services has grown its 'Leading Ladies' network, now reaching over 450 individuals. This network, working within mortgage and protection advice firms, developed by the PRIMIS leadership team, and supported by women from across the industry is six years old. The latest conference at the close of 2022 had 250 attendees (40% remote). It is now an integral part of the development model, and in 2023 a female mentoring programme will complement the network.
- Careful selection of recruitment partners who are committed to the Government's voluntary code of conduct for executive search firms or the Recruitment Employment Confederation (RECs) code of professional practice or equivalent standards.
- Built our applicant tracking system to include diversity information to support better analysis of candidates applying for roles and to support more targeted action to diversify our workforce.



Our Inclusion and Diversity (I&D) Forum met monthly throughout 2022 and played a central role in supporting initiatives to promote increased diversity in the organisation.



"I have been honoured to Chair the I&D Forum since January 2022 and it has been a privilege to connect with so many colleagues across the Group."

"As a forum we have seen some positive changes to the way we do things and to the support we give colleagues. Following our recommendations, for example, the Group's Parental Leave Policy was enhanced and LSL signed up to the Change the Race Ratio. We've also championed numerous policy improvements and training events."

"We hope to build on this progress with the launch of our new colleague networks – LSL Voices - and find new ways of working together that recognise, celebrate, and respect diversity, to help create a more inclusive culture; for the benefit of our business, our people and the communities we operate in - because, we truly believe, everyone should feel included."

Kev Keane, 2022 I&D Forum Chair

LSL Voices

The I&D Forum has been working hard during 2022 to lay the foundations for the all new affinity group network – LSL Voices.

What are LSL Voices?

Networks of people from across the Group who come together to help promote inclusive and diverse cultures in each of our businesses. Over time we hope to establish Voices for Race and Religion, Gender, Disability, LGBTQI+, Age, Working Families and Social Mobility. Each chapter will be led by passionate colleagues and populated with people who either identify directly with the Voices network or those who have an interest in the group and wish to become an ally.

What will Voices networks do?

The Voices networks will provide safe spaces for colleagues to share experiences and build a community with shared goals and interests. They will be encouraged to identify changes that can help to make LSL businesses more inclusive places to work and where people of all backgrounds feel able to develop their careers and contribute fully.



How will the Voices networks be structured?

Each Voices network will be chaired by a colleague who will also sit on the I&D Forum so that recommendations can be shared across different networks and then presented to the Executive committee in a timely and structured way. A Group Executive sponsor will also provide support to each network.


We are excited about the launch of LSL Voices in 2023 and see the chapters as central to making LSL an even better place to work.








Diversity indicators


In 2021 we adopted the FCA targets around Board and workforce diversity and during 2022 have been working to align ourselves with those priorities.

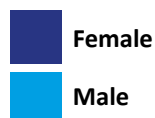
 **Target:** at least 40% women on the Board

 **Target:** at least one woman in the role of Chair, Group CEO, Group CFO or Senior Independent Director

 **Target:** at least 33% of senior managers are women by 2023

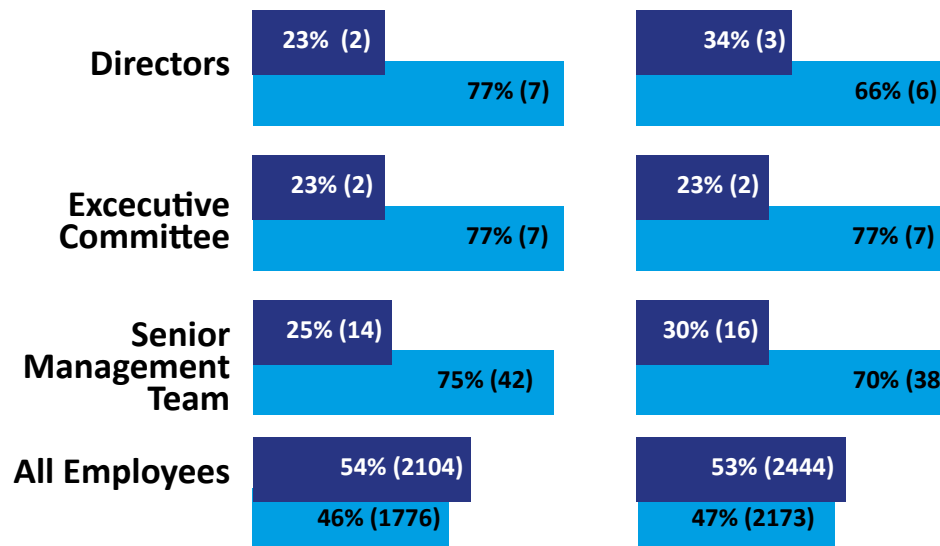
 **Target:** at least one Director from a minority ethnic background

 **Target:** at least 11% of senior managers are from a minority ethnic background



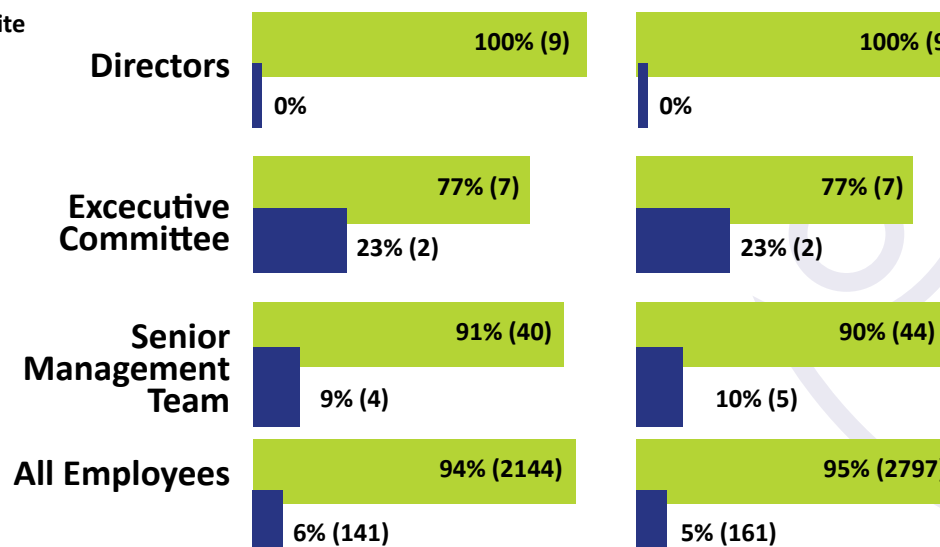
April 2023

December 2021



April 2023

December 2021





Disability Confident Employer status achieved

LSL Voices launching in 2023



10 REDUCED
INEQUALITIES



We aim to empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

INCLUSION



Building an inclusive culture where colleagues are supported to thrive

As well as increasing the diversity of our workforce overall, we want to build an inclusive culture where all colleagues are supported to thrive. This is central to working in the right way and we know that diversity and inclusion are integral to each other.

Engaging with our colleagues

Our Employee Engagement Forum has gone from strength to strength during 2022. We have reviewed and refreshed its membership to ensure that we have representation across different demographics and locations. We have also reviewed the role of members to support two way communication between the forum and colleagues across the Group. During 2023 we will review the timing, communication and provider of our survey to achieve response rate improvements.

We compared sentiment data between demographic groups of colleagues and will be working with LSL Voices in 2023 to address the differences in experience highlighted.

Understanding colleagues

In 2021 we shared that we were piloting ways to accurately measure sentiment using artificial intelligence to track engagement with training. The prototype developments did not have the functionality we were looking for, so we are now exploring using alternative products and will continue this work into 2023.

TalentMatters

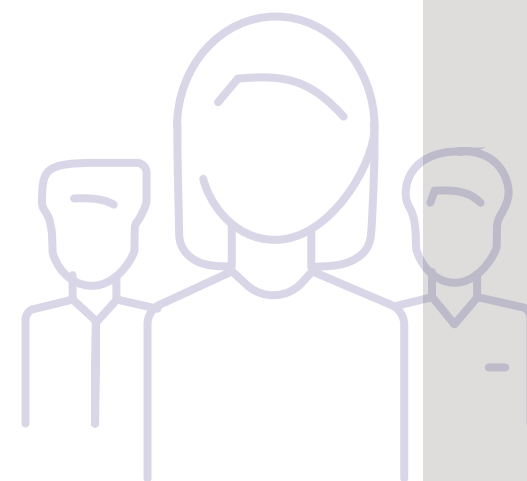
We simplified our Estate Agency development portfolio into TalentMatters - aimed at those with high potential or exceeding expectations, and two cohorts have complete it to date. In addition we have developed AgencyMatters, which is a more technically focussed programme for which we are exploring accreditation with City & Guilds.

ManagementMatters

ManagementMatters is now well established and we are currently introducing it into our Financial Services Division. To date we have had 250 managers though one or more modules. The manager upskill piece that sits alongside has seen Pregnancy At Work, Performance Management, Data Protection for Managers and Absence management released in bitesized e-learning. This will continue to grow during 2023.

Compliance learning

Compliance learning has been simplified during 2022, Anti-money laundering, Data Protection Act and Preventing Financial Crime have role specific elements ensuring information is relevant to specific responsibilities.





The **I&D Forum** has continued to be central to the way that we engage with and understand the experiences of colleagues. During 2022 they worked to support the Nominations Committee in identifying a relevant charter to support us in improving our inclusion and diversity. As a result, at the end of the year we became signatories of the CBI's Change the Race Ratio. We have already started benefitting from the experiences of others and are looking forward to how this can support our continued improvements.

Disability Confident Employer

In addition to work led by the forum, Bridget Charlton, our Head of HR for Surveying & Valuation, has led work focusing on inclusion in relation to disability.

During 2022 we worked closely with Disability Rights UK and colleagues completed a range of training programmes, including in Q4 for our Board. We are delighted to have achieved **Disability Confident Employer** status, and will be working during 2023 to gain 'Disability Confident – Committed'.

Disability Champions

As part of our journey to be a more inclusive workplace, during 2022 we launched Disability Champions. These are 14 trained individuals across the Group who are a point of contact for colleagues wanting help or advice around disability and reasonable adjustments in the workplace. To date we have seen an increased number of colleagues contact the individuals requiring support in this area.

Accessibility Passport

In addition to our champions, we are also in the process of launching accessibility passports. This is a document that can be agreed between an individual with a disability and their line manager, to document any reasonable adjustments needed for them to fulfill their role. As a result of the passport, on changing roles within the Group or changing line manager, these adjustments can be carried forward without the need to re-visit or negotiate. We believe this is an important way that we can support colleagues with a disability in their day-to-day work and are looking forward to seeing the impact of this in 2023 and beyond.

As well as a suite of guidance for colleagues and managers, in 2023 we will be developing an e-learning module for line managers to support them in implementing this.





Good Recruitment Charter

During 2022 we joined the Recruitment & Employment Confederation's (REC) Good Recruitment Collective and became one of 500+ signatories of its Good Recruitment Charter.

This is a great opportunity for us to examine and improve our recruitment practices. We have completed the self-assessment against the nine principles of the charter and are using this to drive improvements in recruitment across the Group.



Mental Health Champions

During 2022 our Surveying & Valuation business piloted the introduction of mental health first aiders to support improved wellbeing across the business.

During 2023 we will evaluate their success and consider their expansion across the Group.





300

hours of volunteering as part
of the Financial Services pilot

4

successful Group-wide
community initiatives

COMMUNITY





Supporting colleagues to connect with our communities

The roots of our businesses are firmly situated within local communities. We have a long history of investing in community initiatives and our Board recognises that good community relations are fundamental to our sustained success. Through our communities programme, we support our businesses and their investment in the communities in which they operate. We are sensitive to local communities' cultural, social and economic needs and are committed to acting responsibly wherever we operate.

We believe that working in partnership with communities consistently is the most effective way to achieve objectives and lasting change.

Our Communities Forum drives our priorities around community engagement as a Group which complements local branch and colleague initiatives.

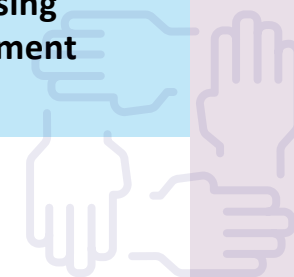
During 2022, we:

- Launched a 'colleague volunteering day' across our Financial Services Division. This provided individuals and teams with time off work to support a local initiative. This was a pilot scheme and consideration is being given to rolling the initiative out across our other Divisions and our Head Office/ Group offices.
- Piloted a matched funding initiative across the Group, inviting colleagues who are undertaking a personal fundraising initiative to seek matched funding for the causes that matter to them. In total the Group matched £7,170 of colleague fundraising.
- Ran four Group-wide community focussed initiatives – Litter Picking week (March), Act of Kindness week (June), Food Bank week (September) and Goodwill month (December). This was the second year for all of these initiatives and the same four are in planning for 2023.

2023 priorities

- Continue our four Group-wide community focused initiatives and build on their success from 2022.
- Continue plans to roll out matched-funding and colleague volunteering initiatives which were piloted in 2022, across the Group.

In total the Group made £156,000 charitable donations during the year, including the matched fundraising donations. The following pages share some divisional fundraising and community engagement highlights.





Financial Services

PRIMIS was proud to support Marie Curie as its Charity partner through 2022 and raised an impressive £14,150 in donations throughout the year.

PRIMIS held regular charity events across all its offices including a Halloween Charity Event, which raised £260 and a Bake Sale across the Solihull and Chippenham offices organised by the Marketing team which raised £302. At its annual conference Jo Blackburn shared how donations can make a difference to the charity and during the event brokers had the opportunity to make cash donations or donate to the company's JustGiving page.

Together **PRIMIS** raised over £4,700 at the conference which was then matched by LSL, through the matched funding initiative.

First2Protect's, chosen charity partner in 2022 was Devon Mind, raising a fantastic £10,500. They arranged Skydives, sponsored walks, raffles, bake sales, a sponsored leg wax, and a charity game of pub golf.





Surveying & Valuation



Congratulations to e.surv colleagues who've been busy taking part in, or planning, fundraising activities – with some fantastic amounts raised.

Six colleagues spent the morning planting trees for the Woodland Trust.

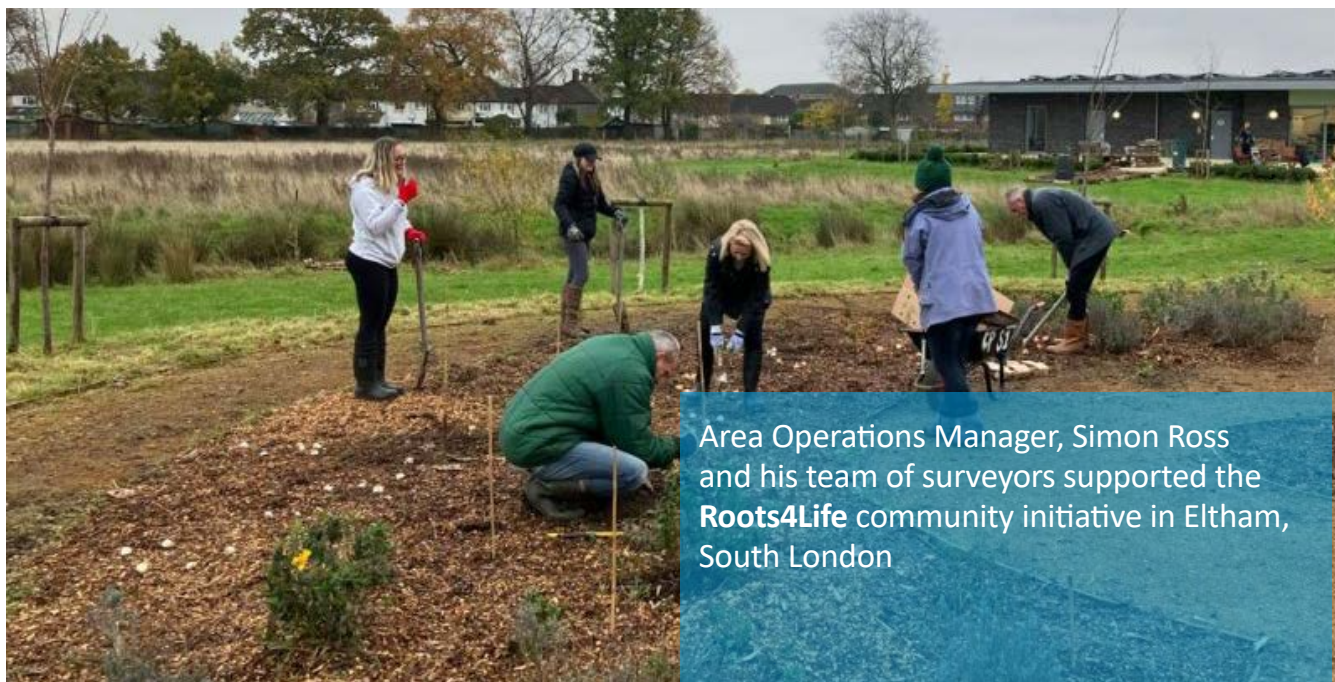


For this year's Make a Difference event, 98 colleagues walked, cycled, swam or ran to complete their 2,023-mile trip and raise funds for charity.

Together they completed almost 9,000 miles and raised £3,250 for Disability Rights UK and £3,090 for Mind.

Together e.surv raised £2,360 through sponsoring a Teenage Cancer Trust quiz.

In addition, through supporting a four man rowing team, e.surv donated £1,000 to Veterans at East - a fund established to support veterans experiencing mental health challenges as a result of active service.



Area Operations Manager, Simon Ross and his team of surveyors supported the **Roots4Life** community initiative in Eltham, South London



Estate Agency

With a strong presence on the local high street, our Estate Agency division has continued to engage with the communities it works in. At a branch, brand and Divisional level there has been a wide range of engagement and fundraising. In 2022 this has included:

Reeds Rains – Cash for Kids

Reeds Rains proudly supported Cash for Kids for the 5th year. They raised more than £24,000 through a variety of adventures. Fundraising included completing the “5k a day in May” challenge, their annual “Mission Christmas” campaign, along with bake sales, quizzes, sponsored walks, dressing up and Marathon running!



Braving the elements for charity

colleagues from our estate agency brand, Thomas Morris, slept on the streets of St Neots, Cambridgeshire to raise £2,000 for 3 Pillars – Feeding the Homeless Trust, which feeds and supports local homeless people and the most vulnerable. A fantastic effort Thomas Morris.



Your Move’s 2022 community initiative was the “Your Club Your Kit” competition resulting in more than 135 kits being donated to children and adult community and school football teams across the UK.





1,634

tonnes of CO₂ removed from
operations since 2019/20

68%

reduction in volume of CO₂ per
£1m revenue since 2019/20

13 CLIMATE
ACTION



*We are taking urgent action to combat
climate change and its impacts*

ENVIRONMENT





Minimising our environmental footprint

We are committed to working in the right way and that includes minimising our impact on the planet and the environment. Whilst the emissions from our operations are relatively low, we also understand the importance of considering our environmental impact more holistically. Our business relies on the housing sector, which is one of the top four carbon contributors, and we therefore recognise we have an opportunity to take steps to protect our planet.



What will *you* do to
make a difference?



Our Climate Transition Plan: emissions from direct operations

In our 2021 Living Responsibly Report we set out our commitment to reduce our emissions in line with the internationally agreed target to keep the global temperature rise to 1.5°C above pre-industrial levels. Our Climate Transition Plan (CTP) includes targets from a 2019/20 baseline*. The CTP and headline progress against targets are illustrated in the table below:

Scope 1

Emissions from operations that are owned or controlled by the organisation.

Targets

Limit emissions in line with Paris agreement, maintaining reduction along 1.5°C trajectory.

2022 Achievements

Achieved

Scope 1 emissions 336 tonnes under 1.5°C trajectory

GAS

From mid-2022, we will procure 100% of gas from renewable sources only.

Not yet achieved:

99% of managed locations transitioned to renewable gas in 2022

COMPANY VEHICLES

We will transition 57% of leased petrol and diesel vehicles to hybrid and electric (EVs) in a phased approach, by 2025.

On track to achieve:

45% of vehicles have transitioned, with a further 26% on order

Target

We are actively engaging with our landlords across various site types to determine the correct EV charging solutions for sites.

Charging points installed at Financial Services Head Office with discussions ongoing in further estate

We are planning consultations with car allowance scheme users, with a view to implementing a plan to incentivise a transition away from internal combustion engine vehicles.

Car allowance scheme data has been collated and is to be reviewed by the Environmental Working Group and HR in 2023

Scope 2

Emissions from the generation of purchased electricity, steam, heating or cooling consumed by the company.

Targets

Achieve zero emissions by 2023 and maintain this for the foreseeable future.

2022 Achievements

Not yet achieved

Emissions at 30/9/2022 at 24 tonnes of CO₂

ELECTRICITY

From 2021, we began procuring the majority of our electricity from renewable sources. In 2022, we are seeking to procure this for 100% of our locations.

Achieved:

100% electricity procured from renewable sources

Indirect Emissions

Targets

2022 Achievements

Scope 3

All indirect emissions that occur in the value chain, including upstream and downstream emissions.

Target

To quantify Scope 3 emissions across the Group.

Not yet achieved.

We have begun the work to quantify our emissions. We have identified which categories of emissions apply to our business and begun to collate and analyse the data. We will complete this during 2023 and submit to SBTi for verification.

*Emissions analysis from 1 October to 30 September



Minimising our environmental footprint

We know that reducing our emissions is an important part of minimising our environmental impact, but that emission reduction alone is not enough. Our climate plan includes communication and education, tackling our waste and our water use.

We are proud of the work we have done to reduce our emissions to date. In 2023 we are committed to quantifying our Scope 3 emissions and working with SBTi to verify our science-based targets.

In addition to this, we intend to set divisional emissions targets to support increased ownership and action.

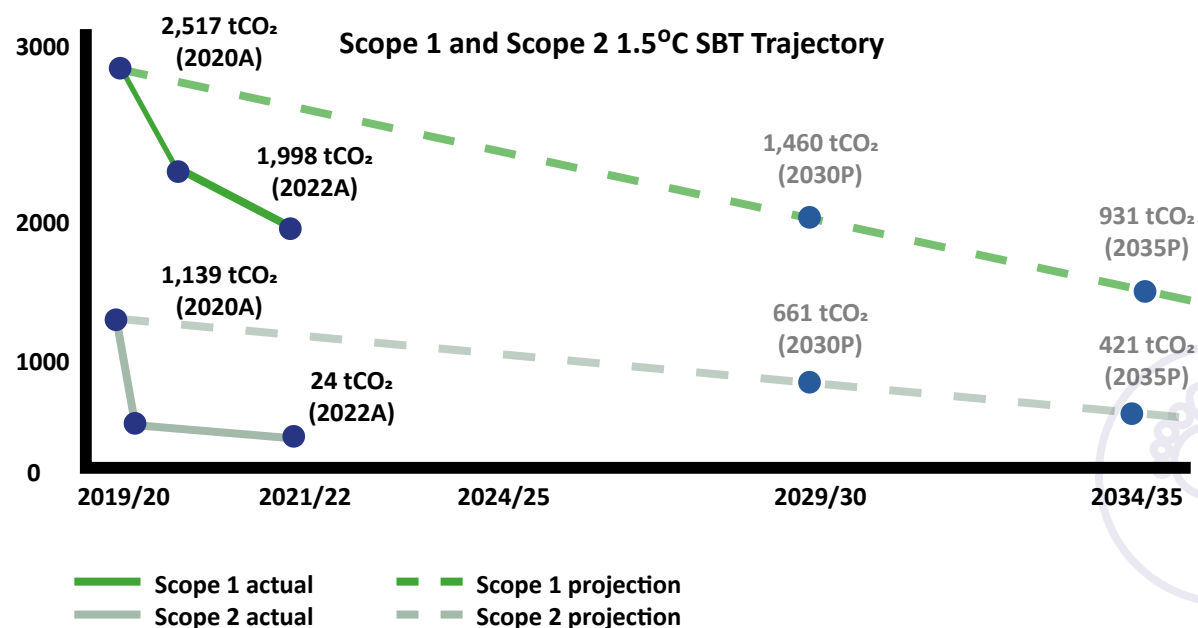
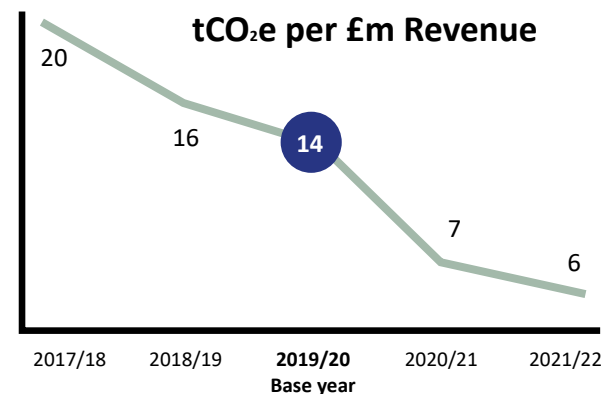
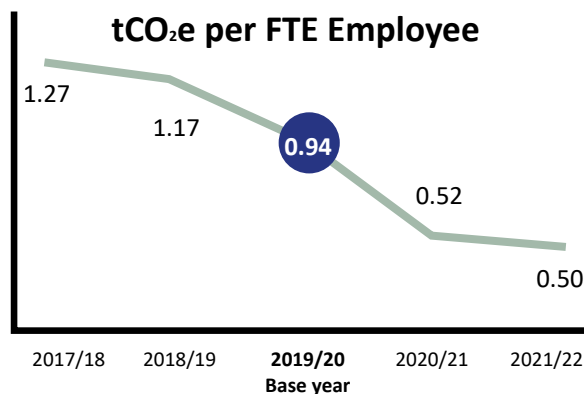
21%

Reduction in Scope 1 emissions

98%

Reduction in Scope 2 emissions

(tCO ₂ e)	2021/22	2020/21	2019/20	2018/19	2017/18
Combustion of fuel and operation facilities - Scope 1	1,998	2,125	2,517	3,420	3,705
Electricity, heat, steam, and cooling purchased for own use - Scope 1	24	39	1,139	1,535	2,625
Total Scope 1 and 2	2,022	2,165	3,656	9,955	6,330
tCO ₂ e per FTE employee	0.50	0.52	0.94	1.17	1.27
tCO ₂ e per £m Revenue	6	7	14	16	20



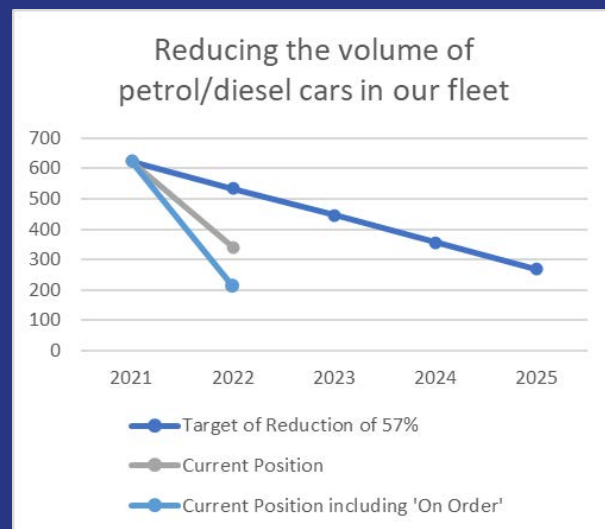


Reducing our emissions further

A key part of our success in reducing emissions to date has been the move away from petrol and diesel within our fleet. The graph shows a significant reduction to date, and a continuing positive trajectory when accounting for cars on order.

As stated in the Climate Transition Plan, quantifying our Scope 3 emissions has been a significant focus for 2022. We are committed to completing this and submitting our data to SBTi for verification in 2023.

We know that in order to make meaningful emissions reductions, we will need to set Divisional targets. We will do this in 2023.



Waste

In 2022 we recycled 49% of waste in our managed offices, narrowly missing our 50% target. Overall the absolute volume of waste has reduced and our waste management contractor commits to no waste going direct to landfill. We are therefore confident we did not send waste to landfill from managed locations in 2022.

We continued to achieve 100% recycling of our confidential waste in 2022.

To support our waste reduction in 2022 we installed new recycling bins to make recycling easier and reduced the size and frequency of general waste collections across managed locations. We produce no hazardous waste within our operations.

In 2023 we are committed to increasing the proportion of our waste that is recycled, whilst continuing to reduce the volume of waste overall.

Read on to hear about the progress our Divisions are making on our Group environmental commitment to reducing our environmental impact.

WASTE

49%
waste recycled

100%
confidential waste recycled

No hazardous waste generated
through operations





Divisions reducing their impact on the environment

Financial Services

Mortgage Climate Action Group

We are delighted to have partnered with colleagues across the industry as part of the Mortgage Climate Action Group (MCAG). The group's aim is to interpret new climate change legislation and engage with industry stakeholders to provide guidance and practical help for advisers.

MCAG will act as a source of support for intermediaries, helping them to understand and address green issues when dealing with mortgage applications. It will also ensure that advisers' interests are represented among lenders, regulators, trade bodies and government institutions.



"We are committed to the environment and making positive change together. This group encompasses what we are striving to achieve: to minimise our environmental footprint by limiting our impact on climate change and reducing our consumption of resources."

Vikki Jefferies – Propositions Director

During 2022 Vikki received the Mortgage Solutions Change Maker award for her work driving sustainability within PRIMIS. Successes across the division are discussed on the following page.





Electric vehicle charging points

As the move to electric and hybrid vehicles is integral to our journey to net zero, we know it is important for colleagues to be able to charge their vehicles at work.

In Q1 2022 charging points were installed in Chippenham and made available for Mortgage Gym employees. Discussions are ongoing in three further locations.

Offices

We have completed assessments across all Financial Services locations to identify opportunities for energy reduction and environmental improvements. All offices have stopped the purchase of new plastic cups, although a few are using up existing supplies.

Environmental advocacy

We have introduced an environmental focus within the monthly newsletter for all Financial Services colleagues.

Planting trees

Whilst our primary focus has been on reducing our impact, we know that where it is not possible to eliminate our environmental footprint completely, there is the opportunity to mitigate some of that impact.

Within Financial Services, the TMA club and PRIMIS have been working hard to reduce the impact of their events on the environment. Changes include going paperless, digital registration and a digital magazine.

During 2022 they have also funded the planting of 7,341 trees in partnership with Zurich, which will grow and absorb carbon well into the future.



RECYCLING BINS
IN ALL OFFICES



ECO OFFICE
PRODUCTS



EV CHARGING
POINTS



CYCLING
FACILITIES



A TREE
PLANTING
SCHEME



ESG RELATED
EDUCATIONAL
MATERIAL



OFFICE
ASSESSMENTS



E-CONSIDERATE
EVENTS



RESPONSIBILITY
TO REDUCE
PAPER USE



GREEN FS
PRODUCTS



EFFECTIVE
DIARY
MANAGEMENT
TO REDUCE
TRAVEL



A RECYCLING
TARGET OF 50%
TO START WITH



Divisions reducing their impact on the environment

Surveying & Valuation

The implementation of sustainable business practices have become a strategic priority for Surveying & Valuation to help support their commercial clients, many of whom have committed to net zero goals and targets.

Action:

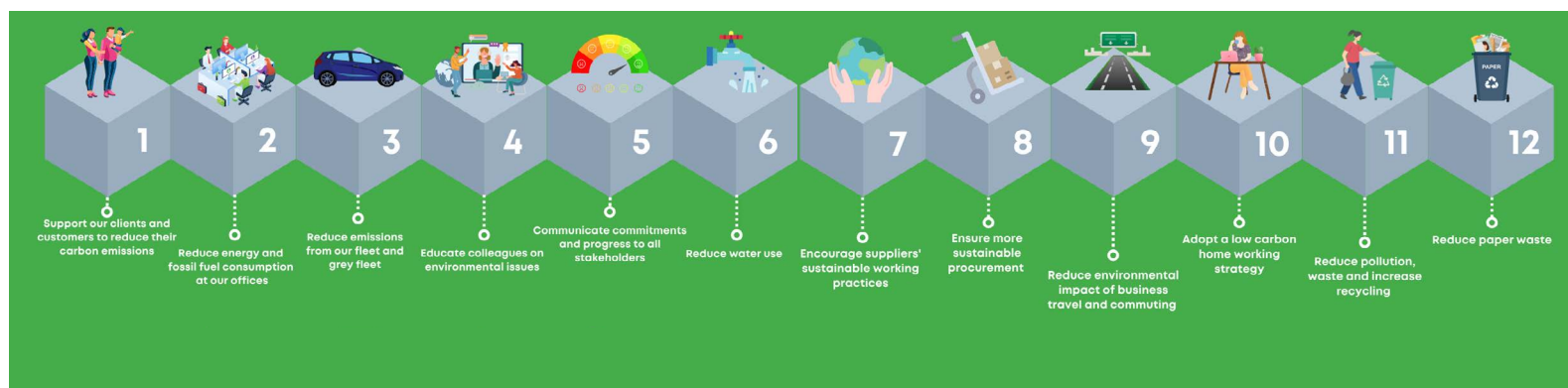
- Published **12 Green Commitments** which underpin and support the Group Environmental Policy and targets. The Green Commitments have been fully endorsed by the e.surv Senior Management Team and were identified as a result of work carried out by e.surv's environmental working group.
- Established a **Green Champions Forum** whose passionate members are working hard to help embed positive sustainable practices across the business.
- Working closely with the Royal Institution of Chartered Surveyors (RICS) and other stakeholders to formulate **industry guidance and standards** around sustainability issues.
- Launched a new **Energy Efficiency tool** from the Energy Saving Trust in the HomePlus Digital Home Survey product to help homeowners decarbonise their properties.
- Achieved an **EcoVadis bronze award**
- Launch of the consumer **Knowledge Hub** on the HomePlus website which includes blogs on energy efficiency and climate change.
- Provided increased incentives to encourage fleet drivers to **select electric and hybrid vehicles**.
- Installed **EV charging points** at Orion Park head office.
- Provided new **recycling bins** across office locations.

Communication and education:

- Delivered sustainability training module to all colleagues.
- Delivered regular presentations around sustainability to clients and industry forums including our own annual Lender Senate.
- Issued the monthly Green Watch newsletter which discusses topical green issues, provides insight, data, thought leadership and guidance.

Next steps:

- Achieve ISO14001 (Environmental management) in 2023.
- Work towards EcoVadis silver award





Divisions reducing their impact on the environment

Estate Agency

Real Estate

In 2021 we set out our commitment to address our energy and water use, as well as reducing our waste. We are proud of the progress we have made installing smart meters and LED lighting in our branches. We know that our next priority needs to be benchmarking and reducing our use. We are currently working with a third party consultant to undertake analysis of our usage and set targets. In parallel to this we are looking at mechanisms to communicate with colleagues to support them in making choices in their day to day work.

During 2022 we have been working with landlord clients to improve the EPC ratings of their rental properties through the use of EPC+. We will continue to work towards improvements in the portfolio.

All branches and offices now have recycling and general waste facilities and will continue to improve levels of recycling in 2023.

We continue to engage with landlords at our multi-tenanted offices to encourage the installation of EV charging points and improving arrangements for recycling.

ENERGY

68%

of Estate Agency property estate upgraded to LED lighting against 66% target

95%

of estate has smart meters against 90% target

WATER

97%

estate installed with water meters

Work in progress with a consultant collating data and usage levels





GOVERNANCE



Ensuring excellent governance

Part of our commitment to working in the right way includes our commitment to excellent governance practices across the Group. As a premium listed company we have arrangements in place to comply with the FCA's rules and regulations, the Corporate Governance code and other FRC guidance and best practice. Our Annual Report and Accounts 2022 includes all the information we are required to disclose in relation to Environment, Social and Governance (ESG).

Within our ESG programme we are looking to challenge ourselves further and ensure we are on a journey of continuous improvement to be the responsible and sustainable business that we aspire to be. During 2022, we focussed on the Board and wider ESG-related governance.

The Board

We are committed to building the Board that is best placed to lead our Group strategy. We know that a mix of skills and experience, gender, background and ethnicity are indicators of diversity that can effectively position us for the future. Although we had no new Board members appointed during 2022, in 2023 we have welcomed a new Non Executive Director (David Barral) who will go on to Chair the Board. In our search we ensured that our search partners had committed to the recruiters' Voluntary Code of Conduct (Conduct Code) which seeks to ensure a diverse mix (gender and ethnicity) of candidates are put forward for interview.

We instructed them to ensure that when proposing candidates they include at least 40% females in the long list, as guided by the Conduct Code, and we discussed additional diversity characteristics with them.

We are also preparing a briefing pack for recruiters to use, which outlines our aspirations and commitment to diversity.

2022 has been the first full year on the Board for Sonya Ghobrial, who has experience of ESG in her role as Head of Investor Relations at Haleon. We have been working with her to shape our programme and will continue to do this.

During 2022 we ran subsidiary director training sessions providing the opportunity for our subsidiary directors to further explore their role and responsibilities. This training was well received and we have since begun building it into a director toolkit including an online module.



Our Commitment

In 2021 we introduced an ESG component into the Executive Directors' non-financial measures for the annual bonus. Since then, the structure of this has developed along with our maturity in this area, and the proportion of the non-financial measures linked to our ESG performance has grown. See the Directors' Remuneration Report in the Annual Report and Accounts 2022 for further detail.

Policies

We are continuing to improve and align our policies across the Group. In particular, in 2022, we sought to develop our Supplier Code of Conduct and ensure our commitment to people and the environment within this. Our Surveying & Valuation Division has led the way with this and during 2023 we will look to embed this across the rest of the Group.

TCFD

We reported in line with the Taskforce on Climate-related Financial Disclosures (TCFD) for the first time in our Annual Report and Accounts 2021. During 2022 we have built our knowledge and capability in this area and completed a gap analysis, which highlights areas where we believe we can better embed the identification and management of climate-related risks and opportunities within our overall approach to governance at Group level.

We are committed to moving our TCFD reporting forward during 2023 and using this to demonstrate our commitment to reducing our environmental impact and supporting our customers to do the same.





Living Responsibly governance

As a business that is committed to doing the right thing in the right way, establishing an appropriate governance framework for managing our Living Responsibly programme is important to us.

The Board has overall responsibility for our environmental, social and governance (ESG) approach and our Living Responsibly strategy. David Stewart, as Group Chief Executive Officer, is the Board sponsor of the strategy and Debra Gardner, Group HR Director, leads the development of our programme.

In 2021 we established the Executive-level Living Responsibly Steering Committee, to drive and monitor the delivery of our plan and targets. All our priorities have Executive-level sponsorship, and the Group CEO represents the Board. Sonya Ghobrial is the nominated Non Executive Director for ESG and she is also invited to steering committee meetings.

We consider our colleague forums a key part of our Living Responsibly programme and in 2023, the colleague affinity groups, LSL Voices, will support our other forums and channels.





Appendices

Increasing the diversity of our Board and workforce

KPIs	Gender	2020	2021	2022*	Target	Met Target	Notes
LSL Board diversity: Gender	Female	29% (2)	34% (3)	23% (2)	40% of the Board female	No	Data correct as of 03/04/2023 reflecting changes in Q1 2023
	Male	71% (5)	66% (6)	77% (7)			
LSL Board diversity in senior roles: Gender	Female	N/A	25% (1)	25% (1)	At least 1 female in the role of Chair, Group CEO, Group CFO or SID	Yes	Data correct as of 03/04/2023 reflecting changes in Q1 2023
	Male	N/A	75% (3)	75% (3)			
Executive Committee diversity: Gender	Female	N/A	N/A	23% (2)	None	N/A	Data correct as of 03/04/2023 reflecting changes in Q1 2023
	Male	N/A	N/A	77% (7)			
Senior Management diversity: Gender	Female	35% (16)	30% (16)	25% (14)			Data correct as of 03/04/2023 reflecting changes in Q1 2023
	Male	65% (30)	70% (38)	75% (42)			
Workforce diversity: Gender	Female	51% (2,444)	53% (2,444)	54% (2,104)			Data correct as of 03/04/2023 reflecting changes in Q1 2023
	Male	49% (2,173)	47% (2,173)	46% (1,776)			

KPIs	Ethnicity	2020	2021	2022*	Target	Met Target	Notes
LSL Board diversity: Ethnicity	Minority ethnic	0% (Nil)	0% (Nil)	0% (Nil)	At least 1 member of the Board from an ethnic minority background	No	Data correct as of 03/04/2023 reflecting changes in Q1 2023
	White	N/A	100% (9)	100% (9)			
Executive Committee diversity: Ethnicity	Minority ethnic	N/A	N/A	23% (2)	None	N/A	Data correct as of 03/04/2023 reflecting changes in Q1 2023
	White	N/A	N/A	77% (7)			
Senior Management diversity: Ethnicity	Minority ethnic	N/A	10% (5)	9% (4)	At least 11% are from an ethnic minority background by 2023	No	Data correct as of 03/04/2023 reflecting changes in Q1 2023
	White	N/A	90% (44)	91% (40)			
Workforce diversity: Ethnicity	Minority ethnic	N/A	5% (161)	6% (141)	Increase minority ethnic proportion of workforce year-on-year	Yes	Currently workforce ethnicity data uses disclosure within annual survey, it is assumed the data is representative of the workforce
	White	N/A	95% (2,797)	94% (2,144)			

*Diversity metrics shared are uptodate as at 3 April 2023 following organisational changes that occurred at the start of 2023.



Appendices

Building an inclusive culture where colleagues are supported to thrive

KPIs	2020	2021	2022	Change	Target	Met Target	Notes
Total invested in learning and development across the Group	£1.64m	£1.82m	£1.95m	7% increase	None	N/A	
Proportion of colleagues engaged in annual survey	75%	76%	60%	16% reduction	None	N/A	
Apprentices across the Group	69	129	120	7% reduction	None	N/A	

Supporting colleagues to connect with our communities

KPIs	2020	2021	2022	Change	Target	Met Target	Notes
Total £ donations to charitable causes made by the Group	£43k	£70k	£156k	223% increase	None	N/A	Charitable donations includes only financial metrics and not other metrics
Colleague fundraising matched by Group	N/A	N/A	£7,170		None	N/A	





Appendices

Minimising our environmental footprint

KPIs	2020	2021	2022	Target	Met Target	Notes
Scope 1 emissions	2,517	2,125	1,998	1,460 by 2030 (without normalisation)	On track	Reporting period 1 October - 30 September
Scope 2 emissions	1,139	39	24	0 by 2024	On track	Reporting period 1 October - 30 September (tCO ₂ e)
Proportion of energy consumed from renewable sources	85%	99%	99%	100% by 2023	Yes	Reporting period 1 October - 30 September (tCO ₂ e)
Proportion of waste recycled	36%	41%	49%	50% in 2022	Near miss	55% recycled waste target for 2023
Proportion of confidential waste recycled	100%	100%	100%	100%	Yes	Reporting period 1 October - 30 September
Volume of hazardous waste	0 (Nil)	0 (Nil)	0 (Nil)	N/A		Reporting period 1 October - 30 September

