

LSL Group Modern Slavery Statement 2022

In accordance with the Modern Slavery Act 2015 (Act), LSL Property Services plc (LSL), published this statement on behalf of itself and its subsidiary companies e.surv Limited and your-move.co.uk Limited (Subsidiaries) which are included within the scope of the Act (Statement).

This Statement sets out the controls relevant to all members of the LSL group of companies (LSL Group) with a focus on the steps that LSL and the Subsidiaries have taken during the financial year ending 31st December 2022 to prevent modern slavery and human trafficking from occurring within our businesses and supply chains.

This Statement builds on the last statement published by the LSL in June 2022 (for the financial year ending 31st December 2021).

While this Statement relates to the financial year ending 31st December 2022, since the end of 2022 the LSL Group has gone through a period of significant change arising from the delivery of our strategic objectives. The impact of these changes are noted in this Statement.

Introduction

We recognise the continued existence of slavery and human trafficking, the significance of its impact on its victims and society and the part we play in eradicating it from society and the businesses with which we work. This is why our businesses are working hard to detect it as part of a permanent, ongoing process of review and improvement which is organised by LSL.

During 2022, in line with our commitment to conduct business in a socially responsible and sustainable way, we continued to focus our attention on identifying and monitoring potential risks of modern slavery within our businesses and supply chains, and on taking steps to manage and eliminate any such risks.

LSL Group Businesses

LSL is one of the largest providers of services to mortgage intermediaries and franchised estate agencies and provides valuation services to many of the UK's largest mortgage lenders. For further information about our businesses please visit lsps.co.uk.

We report, for financial reporting purposes, in three segments:

- Financial Services,

- Surveying & Valuation, and
- Estate Agency.

At the date of this Statement:

- The Financial Services Division incorporates all of our Financial Services businesses, including the PRIMIS Networks and TMA.
- The Surveying & Valuation Division includes e.surv, which trades as Walker Fraser Steele in Scotland
- The Estate Agency Division includes our franchised networks. During 2022 the Division also included branches owned and operated by Your Move, Reeds Rains, Marsh & Parsons and LSLi.

As at 31st December 2022 we, through all LSL Group businesses, employed circa 4,000 people across the UK. At the date of this Statement, and following the disposal of Marsh & Parsons and our D2C financial services broker business and the franchising of our owned Estate Agency network, the LSL Group businesses employ circa 2,000 employees.

LSL Group Approach

The LSL Board assesses overall exposure to modern slavery for the LSL Group businesses to be lower than other sectors given the markets in which our businesses operate in and the types of services they procure. Further, our business operations and those of most of our suppliers are primarily based in the UK. Notwithstanding this, the LSL Board recognises that risk still remains and that, for example, certain supplier types and engagement with other industries present a higher risk than others, such as recruitment, facilities services and the use of subcontractors.

Our risk mitigation measures are detailed below under Subsidiaries' Supply Chains and Activities.

While accountability for the above rests with LSL responsibility for local arrangements rests with each of the Subsidiaries.

LSL Group Due Diligence

During 2022 we continued to identify our supply chains as the main area of risk and exposure to modern slavery. During 2023 we will continue to develop and enhance our processes and controls to ensure that our due diligence framework addresses suppliers and supply chain engagement throughout the LSL Group including the Subsidiaries.

Our risk assessment criteria and processes prioritise suppliers for assessment via first and second stage risk assessments, and those identified as 'of concern' will be subjected to detailed due diligence surrounding the supplier's own mitigation of modern slavery risks, as well as their business practices and supply chains.

We are in the process of continuing to develop the Group's approach to risk and within this we will continue our focus on detection and prevention of modern slavery risk throughout our supply chains.

LSL Group Policies and Contractual Provisions

LSL Group addresses anti-slavery and human trafficking within our Combined Ethics Policy (Policy). It works in combination with LSL Group's established whistleblowing and speak up policies.

The Group's Combined Ethics Policy applies to all LSL Group employees and the Subsidiaries and a summary is available on our website.

The Policy has two main aims:

- set out the responsibilities of the LSL Group and LSL Group employees in observing the Policy and to provide information and guidance to those working for the LSL Group in observing and upholding the Policy; and
- provide information and guidance to those working for the LSL Group on how to identify and escalate potential modern slavery issues.

The Combined Ethics Policy was reviewed during 2022. No changes were proposed to the modern slavery component.

In addition, the LSL Group continues to implement provisions within supplier agreements which place prevention, control and notification measures on key suppliers. This language is reviewed periodically. We are continuing to work on a comprehensive Supplier Code of Conduct (Code) which will outline these provisions and requirements clearly.

LSL Group Training

We continue to strive to raise awareness and ensure that our colleagues are well equipped to identify and report any potential incidences of modern slavery.

During 2022, our Group HR Team continued to create and deliver in-house training to colleagues with training focussed on roles with the most vulnerability to modern slavery, for example those with particular exposure to supply chain risk (e.g. recruiting cleaning contractors).

All Group colleagues are made aware of the requirements under the Act and how to identify and report issues of modern slavery through the Policy.

Subsidiaries' Supply Chains and Activities

The Subsidiaries have established direct relationships with a number of primarily UK-based suppliers who deliver a variety of services including: professional services[1], utilities and telecoms, and facilities management. As part of service delivery, members of the Subsidiaries procure services not just for themselves, but also for the benefit of some of the customers of other group companies (including property management services and contractors).

The vast majority of services are procured via specialist individuals employed or engaged by members of the LSL Group.

To mitigate the risk that stems from supply chains, as relevant to this Statement, the Subsidiaries have focused on increasing the visibility of the requirements within its suppliers, promoting its aims and objectives for anti-slavery and human trafficking and ensuring that they are properly adhered to.

The Subsidiaries continue to place stringent checks and safeguards on recruitment agencies and monitor their own internal recruitment processes to ensure that they meet the minimum legal requirements.

As part of this, and as relevant to this Statement, Subsidiary companies comply with relevant legislation including the Immigration, Asylum and Nationality Act 2006 and apply frameworks to ensure that appropriate checks are carried out to maintain compliance.

KPI Monitoring

Set out below is a summary of the Subsidiaries' performance against the KPIs set by the LSL Board in the previous year's Statement. We appreciate that these KPIs are qualitative and, as addressed below, we are engaging with suppliers who will provide us with the ability to significantly enhance these and the method through which we conduct due diligence and risk assessment:

KPI from the 2021 Statement

Performance during 2022

(1) Enhance our supplier management framework in a scalable way, from onboarding, through in-life monitoring and off-boarding, including detection, tracking, auditing, transparency and establishing a framework to address supplier non-compliance.

We have refined our assessment of Modern Slavery risk exposure in line with KPIs (1) and (2).

We have also started to consider more sophisticated tools to integrate with our due diligence processes as well as considering external data sources; in-line with KPI (3).

(2) Continue to develop our focus on significant risk areas through better understanding.

(3) Benchmarking our practice against the (inter)national, regional and industry landscapes.

Following the recent changes that have been made in our business – in particular – the increased prominence of Financial Services, and the move towards B2B, in 2023, we will consider the implications this has on our risk exposure for the suppliers that we continue to use, whilst also continuing to build on 2021 priorities (1-3).

Over the next year we will focus on:

- Reviewing the modern slavery risk of all remaining suppliers and consider adjustments to be made to our practices
- Continued enhancement of supplier framework ensuring that it scales to the various businesses and covers the whole supplier management lifecycle, (i.e. onboarding, through in-life monitoring and off-boarding, including detection, tracking, auditing, transparency and establishing a framework to address supplier non-compliance)
- Building on understanding of higher risk areas
- Continuing to consider new processes and tools used to improve our understanding and visibility of high-risk suppliers

This statement has been approved on behalf of the LSL Group and the Subsidiaries by the LSL Board on 25 May 2023.

Signed by:

David Stewart, Group Chief Executive Officer on behalf of LSL Property Services plc and the Subsidiaries.

[1] IT, accountancy, insurance, legal, marketing, consultancy and recruitment services