



LSL Living Responsibly Report

Published April 2024



About our reporting

This report provides a summary of LSL's sustainability ambition and Environmental, Social and Governance reporting data for the year to 31 December 2023. In addition, where relevant it refers to activities and events before or after this period.

Emissions data reporting is 1 October 2022 to 30 September 2023.

All references to our Annual Report and Accounts are to our 2023 financial year.

Find out more

Our climate-related financial disclosures in response to reporting requirements are included in the Non-Financial and Sustainability Information Statement in our Annual Report and Accounts 2023.

External support and assurance

During 2023 and in Q1 2024 we have received third party support with our climate-related reporting. In addition to this we have worked with Energise – net zero consultant and sustainability experts, to support improvements in our carbon accounting and Scope 3 disclosures.

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About us

2023 has been significant for the Group as outlined in our Annual Report and Accounts. We have restructured our Financial Services Network and created a new Estate Agency Franchising Division. Both are now focused on business-to-business services.

Our Living Responsibly programme started in 2021 and continues to be a strategic priority for our business. The programme, and this report, reflects our Group ESG and sustainability strategy. We continue to work to embed Living Responsibly in our Divisional structures. Our Group CEO meets regularly with forum chairs to listen and support their priorities.

Our Financial Services Division have an ESG lead who achieved a “Change Maker” award for their contributions in 2022 and this was renewed in 2023. See the environmental update for more information. Our Surveying & Valuation Division has an ESG steering committee to support their activity and collaboration with Group Forums. Our Estate Agency Franchising Division’s Managing Director is the Group’s Executive Sponsor for our environmental programme.

This report covers 2023 and the period leading to its publication and includes our Greenhouse Gas (GHG) emissions reporting for the period from 1 October 2022 to 30 September 2023. In our Annual Report and Accounts 2023 we reported actual emission data for the year. In this report we report our new baseline data for our emission reduction targets.

As a Group we strive to be more than the sum of our parts and we believe that what we can achieve collectively will have longer lasting benefits. Like many other organisations on their sustainability journey, data has been a significant focus for us in 2023.

We have made improvements in our data collection, interpretation and reporting of diversity as well as investing in improvements to our environmental reporting. These changes will support us to ensure the comparability and integrity of our future reporting. As part of our commitment to best practice we have used the Global Reporting Initiative to inform the KPIs and data we include in this report.

Financial Services

One of the UK’s largest mortgage and insurance networks

Surveying & Valuation

One of the UK’s largest surveying and valuation businesses

Estate Agency Franchising

One of the UK’s largest providers of estate agency franchise services



Our 2023 progress

We shared commitments across our 5 priorities in the Living Responsibly Report published in April 2023.

Here are some highlights of our progress. Further information relating to these highlights is contained in the rest of the report:



Increasing the diversity of our Board and our workforce

33% increase in the proportion of our people who are ethnic minority

17% new colleagues are ethnic minority

Building an inclusive culture where colleagues are supported to thrive

3 colleague affinity groups launched

33% increase in colleague diversity data disclosure

77% colleague survey response rate



Supporting colleagues to connect with our communities

4 Group-wide community initiatives embedded

£48k charitable giving



Minimising our environmental footprint

Scope 3 emissions calculated for the first time

300% increase in proportion of EV and Hybrid in our fleet compared to 2021



Ensuring excellent governance

Climate Risk working Group established

Delivered **climate-related reporting** improvements





Foreword



I'm delighted to introduce our Living Responsibly Report. Our Living Responsibly programme is wide ranging and sets out the work we have in train to make LSL an inclusive, collaborative and engaging place in which to work and to ensure we have a positive impact on the communities we serve.

There's much we still have to do.

However we have made considerable progress and I can only emphasise the personal commitment of myself and all Board members to making sure Living Responsibly is embedded in everything we do.

I'm grateful for the hard work and commitment of all those colleagues who volunteer their time to support our various forums and working groups and everyone at LSL for their support in this.

I hope this reports helps demonstrate that Living Responsibly sits at the very heart of LSL.

David Stewart

Group Chief Executive Officer



In a world where sustainability and responsible business practices are more important than ever I continue to be delighted with the progress we're making with our Environmental, Social and Governance work.

For me Living Responsibility isn't a box to tick – it's a fundamental part of who we are and how we do business. One of the areas we've seen great strides is in data collection and analysis. This has helped us gain valuable insight into our people and their engagement which helps us to make things work better for them. Along side this we can set meaningful targets, track progress and make informed decisions for the years to come.

Additionally, our focus on the Environment is a top priority. We've made improvements in this area at a Group level this year - calculating for the first time our Scope 3 emissions and improving our climate-related reporting. We know that numbers is only the start, but having these will enable us to set targets and track progress with greater confidence.

I'm on a mission to make LSL a better place to work for our colleagues – people are our greatest asset. I'm committed to creating a workplace where everyone feels valued, have opportunities for growth and development and have their voice heard. Colleagues across the business and our forums have worked hard this year to support a positive workplace culture, and you'll see examples of this work in the report.

Debra Gardner

Chief People Officer

Our Group sustainability strategy



Our People

We will become a better place to work

People are our greatest asset and central to securing our sustainability into the future.

Our targets:

- ⊙ Achieve People Insight Outstanding Workplace award by 2026
- ⊙ Achieve bronze accreditation for Better Health at Work award
- ⊙ Senior Management Team reflects the gender and ethnicity balance of our workforce by 2027
- ⊙ Double the ethnic minority proportion of our workforce by 2032



Our Community

We will support colleague initiatives & give back

We want to have a positive and lasting impact on the communities we work in.

Our targets:

- ⊙ Create more opportunities for colleagues to volunteer for charities
- ⊙ Review Give As You Earn opportunities for colleagues
- ⊙ Continue to evolve and embed Group-wide community campaigns which are led by our Communities Forum



Our Environment

We will reduce our environmental impact

This is our responsibility, and our stakeholders are keen for us to play our part.

Our targets:

- ⊙ Create net zero 2040 plan for emissions in our direct control
- ⊙ Create full climate transition plan
- ⊙ Further improve climate-related risks and opportunities management



Our Governance

We will keep improving our governance

It's the right thing to continue to improve how we work.

Our targets:

- ⊙ Develop a supply chain governance framework
- ⊙ Further improve the Group's climate-related reporting

Underpinned by our culture: Having the right people, doing the right things, in the right way.

Guided by stakeholders – Colleagues, Customers, Shareholders and Regulators.



PEOPLE



COMMUNITY



ENVIRONMENT



GOVERNANCE



PEOPLE



Our People

We will become a better place to work

The strategic changes that took place in 2023 have changed the size and composition of our workforce. Our 2023 colleague survey took place in October after these organisational changes were completed. Many of our homebased colleagues are surveyors and with the business changes in the year, these form a higher proportion of the workforce. The impact of the changes on our workforce is highlighted below.

Our People in 2023



3,880
Colleagues



54%
Female



6%
Ethnic minority



6%
Disability or long term health condition



27%
Homebased

Our People in 2024



1,724



46%



8%



17%



54%

Debra



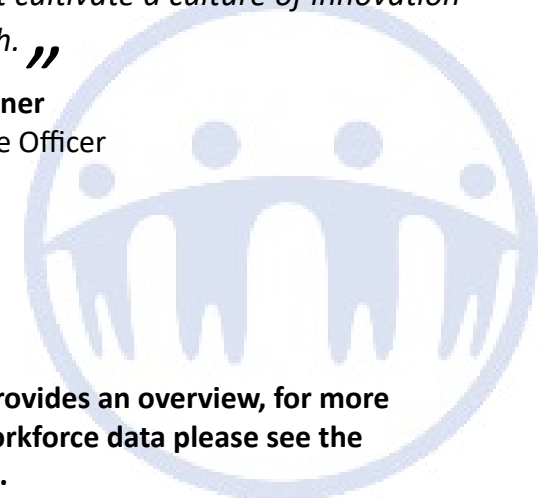
“
Our People strategy is our commitment to nurture, empower and invest in our people.

We will do this through fostering a culture of inclusion, providing opportunities for growth and development, engaging through recognition and supporting colleague wellbeing.

Our colleagues are our greatest asset and when we prioritise them we not only drive success but cultivate a culture of innovation and growth.”

Debra Gardner
Chief People Officer

This data provides an overview, for more detailed workforce data please see the appendices.



Our People Strategy

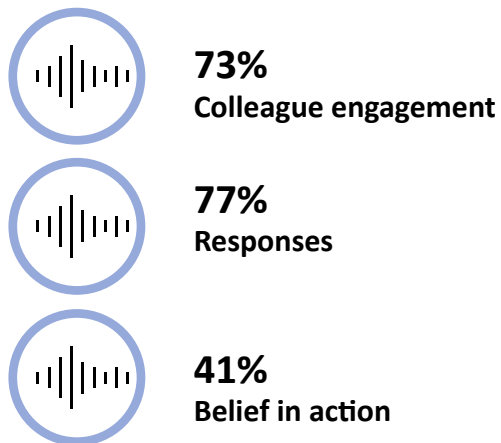
Last year we created our People Strategy to align our business priorities with our people. We decided to run our colleague survey in October to best capture the experience of current colleagues.

We were encouraged that despite the significant changes colleagues have experienced as a result of the restructure, we achieved a good overall response rate (77%). In 2022 our response rate was 61%, we don't have a comparable data point for the engagement score.

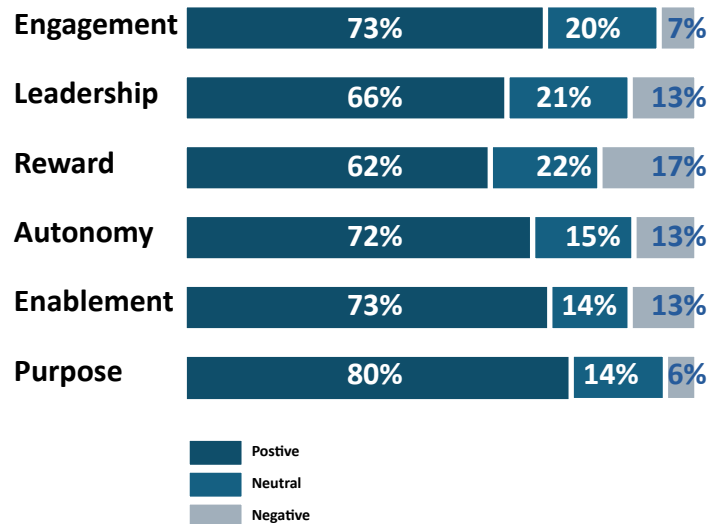
We are committed to maintaining our good response rate and achieve 85% colleague engagement which would earn us the People Insight "Outstanding Workplace award". We know that to do this we need to build our colleagues' confidence that we are actively building a better place to work. 41% of colleagues believed action would be taken because of their feedback – our people strategy will support us to improve this.

Survey feedback:

On our journey to being a better place to work, understanding and improving our data is a useful indicator of progress.



Response Favourability

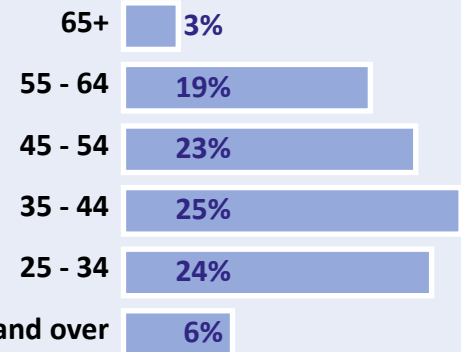


Our People

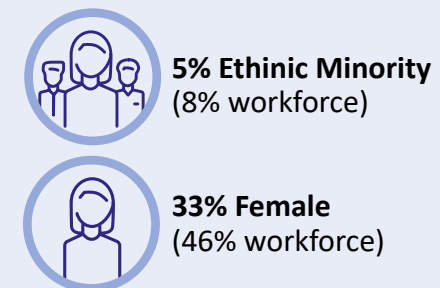
We are on a journey to improve the diversity of our workforce. You can see our data compared to the UK working age population here:

UK working age population composition	Our People population composition
81% White	92%
10% Asian or Asian British	5%
4% Black, Black British, Caribbean or African	1%
2% Mixed or multiple ethnic groups	1%
2% Other ethnic group	1%

Age Distribution



Senior Management Team



Talent and Reward

Reward is an area of focus for our People Strategy. We are committed to becoming a better place to work and this includes improving our reward and recognition strategy.

We delivered some positive changes in 2023 including working to make sure all colleagues are paid a Real Living Wage and calculating an estimated Group-wide ethnicity pay gap. Our diversity data collection takes place annually through our anonymous colleague survey. Like many other companies we are on a journey to accurately calculating ethnicity pay gaps for our workforce.

We reviewed our current pay gap using colleague survey and average salary data for our workforce. In 2023 the pay gap was 12% (in favour of white colleagues) for which the main driver is the increased ethnic diversity in lower graded roles. We are committed to continuing to improve our data collection and have, as part of Change the Race Ratio, committed to publishing our ethnicity pay gap data in the next year. We continue to publish our gender pay gap data at a subsidiary level for qualifying companies, but plan to review Group-wide gaps in 2024.

We are looking forward to engaging with the Real Living Wage Foundation in 2024 to gain accreditation as a Living Wage Employer. In the meantime we are maintaining the standard, and have built this into our 2024 pay review principles.

We continue to review our benefits package, which now includes the opportunity for colleagues to take out a technology loan. In addition to this, following feedback from colleagues, during 2024 we are reviewing holiday and long service provisions.

In 2024 we launched an internal careers page to support us in retaining and sharing talent across the Group.



12%
Estimated ethnicity
pay gap



Inclusion

Our inclusion and Diversity (I&D) Forum has been central to the development of our approach to diversity and inclusion since its inception. Their aim is to embed ways of working that recognise, celebrate and respect diversity, to help create a more inclusive culture. An inclusive culture is one where all individuals can thrive and where there is no discrimination.

In 2023 the Forum established 3 colleague affinity groups which we call LSL Voices. These groups are still establishing how they will operate to ensure we can support colleagues to connect and engage on issues that matter to them.

During the year we appointed Elaenore Fom (Occupational Surveyor - e.surv) as our new chair and she has been reviewing the forum's purpose and priorities alongside Debra. Together they will ensure the forum supports our changing workforce.

“ I’m delighted to be leading the I&D Forum into 2024 and beyond having been a member for two years.



In response to feedback, we are excited to be adopting an ambassador approach to LSL Voices which is more closely linked to our I&D calendar.

The aim is to create more structure around the voices networks, enabling us to celebrate the diversity of our colleagues and also allow more collaborative working with the other LSL Forums. ”

Elaenore Fom
I&D Forum Chair



72%
colleagues agree the business ensures people are treated fairly and equally at work



Progress towards our I&D strategy

Creating awareness

- 🎯 Reviewing gender pay gaps and for the first time an estimated ethnicity pay gap to address disparities in pay
- 🎯 Survey data comparisons completed using diversity demographic data to highlight any differences in experiences
- 🎯 Diversity data capture undertaken through the application process
- 🎯 3 LSL Voices chapters established
- 🎯 Continued collaboration of the I&D Forum, including regular meetings with the Group CEO.

Continually improving our practices

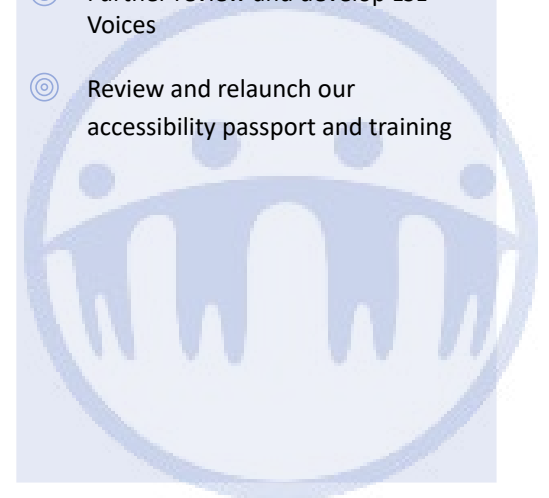
- 🎯 Continued active participation in Change the Race Ratio workshops and events, learning from other signatories and reflecting on our progress
- 🎯 HR IT system upgrade delivers capability to record colleague diversity data within the HR records
- 🎯 Significant review of Group HR policies in consultation with the I&D Forum to ensure they work better for all colleagues
- 🎯 Cascaded corporate objectives through the Group, with individuals all asked to ensure they have an ESG objective which could be related to promoting I&D
- 🎯 Reviewed colleague pay to ensure all are paid at least the real living wage
- 🎯 Reviewing holiday allowances across the Group including parity across roles and awards for longstanding service.

Promoting opportunity

- 🎯 Continue to hold Disability Confident employer status as recognised by the Government scheme
- 🎯 Launched internal LSL Careers Page
- 🎯 Ensured all senior appointments have included gender diversity within the shortlist of candidates. Of colleagues new to our senior manager population in 2023, 38% are female.

2024 commitments:

- 🎯 Our Senior Management Team reflect the gender and ethnicity balance of our people by 2027
- 🎯 Double the ethnic minority proportion of our workforce by 2032
- 🎯 Maintain 16% new colleagues from an ethnic minority background
- 🎯 Achieve Disability Confident 'Leader' status by 2026 under the Government recognition scheme
- 🎯 Calculate our ethnicity pay gap(s) and create a race action plan
- 🎯 Further review and develop LSL Voices
- 🎯 Review and relaunch our accessibility passport and training



Learning and development


We know the value of L&D in supporting our people to be the best they can be. Our programme of learning activity includes induction, compliance, management training and apprenticeships. Although the headline investment in L&D has contracted in 2023 in line with the Group headcount, L&D remains prominent within our new people strategy. In 2023:

<p>146 colleagues completed our new induction</p>	<p>60 colleague apprentices</p>	<p>Supporting 24 apprentices in franchisee businesses</p>
<p>6,506 hours compliance training completed by our people</p>	<p>39,000 hours training and development completed by our people</p>	<p>£540k investment in our people's L&D including draw down from the apprenticeship levy.</p>

Apprenticeships and our people

Here is a flavour of some of the apprenticeships colleagues are enrolled on:

- Team leader or supervisor (Level 3)
- Senior housing and property management (Level 4)
- Operations or departmental manager (Level 5)
- Chartered manager (Level 6)
- Business Sustainability Specialist (Level 7)



Becoming a better place to work – external indicators

Just like for individuals, we know that it's sometimes helpful for an external pair of eyes to help identify strengths, areas for improvement and examples to learn from. That's why we invest our time and effort in external tools and benchmarking.

In 2022 we achieved Disability Confident Employer Status under the Government recognition scheme. We are committed to achieving 'Leader' status by 2026. As well as launching Disability Champions across the Group we have developed an internal 'accessibility passport' to support colleagues in transferring reasonable adjustments to future positions.

We are currently reviewing the role of mental health first aiders which we have in e.surv, and are looking to roll them out across the Group with the support of the Colleague Engagement Forum (CEF).

We have been a member of the FTSE4Good index since 2008.



FTSE4Good





PEOPLE



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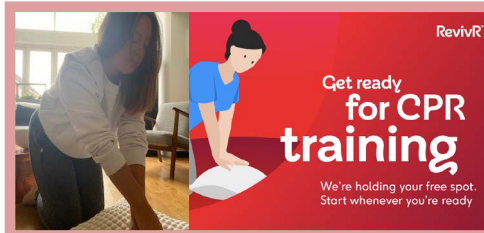
Our communities

We will support colleague initiatives & give back

Our community work has been part of Living Responsibly since the Communities Forum began in 2021. We want to have a positive and lasting impact on the communities in which we operate. Our initiatives are truly colleague led and supported by an Executive Sponsor (Sapna B. FitzGerald - General Counsel and Company Secretary). Each Division has colleague representatives on the Forum and we provide opportunities for all colleagues to get involved.



Colleague matched fundraising



Colleague CPR training



Collected 1,000 foodbank donations



Spring Clean week



Act of Kindness week



Let's Eat Together (food bank campaign)



Supporting food banks in busy summer months



31 days of goodwill



Zarach fundraising - Every Mile Counts

“ Representing your LSL colleagues is a privilege for every member of our Forums and there is nothing more powerful than visiting community projects and charities to see first hand the difference that our campaigns and initiatives have made.



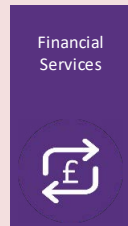
These changes have been facilitated through the creation of the Forums and the hard work of those colleagues volunteering their time to improve LSL as a place to work and their local communities as a place to live. ”

Michael Hole

Communities Forum

Divisional activities and fundraising:

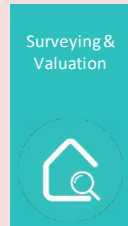
Whilst our Communities Forum creates and promotes Group-wide opportunities and initiatives, our Divisions and Head Office Departments also undertake their own local community initiatives and some of these are reflected below:



Pancake fundraiser raising £644 for Turkey/Syria



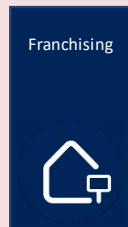
“Best of British” bake sale raised £132 for charity partner Marie Curie



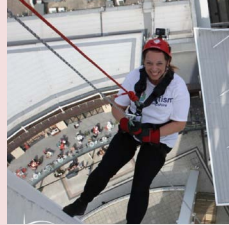
Relay team raised £3,635 at the Belfast city marathon



Donated £1,150 to improve accessibility at a local cricket club



£300 raised for Autism Hampshire by abseiling the Spinnaker tower



Bill McClaren Foundation fundraising lunch



£784 raised for MIND through surveys completed on World Mental Health Day



MacMillan coffee morning at our Newcastle head office raising over £300



National Charity Zarach are working to end UK childhood bed poverty. Following an appeal on national news, the Forum contacted them to offer help.

To date we have raised £1,005 for them through our “Every mile counts” sponsored campaign and collection at PRIMIS Network national annual event.





PEOPLE



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13 CLIMATE ACTION



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

ENVIRONMENT

Our environment

We will reduce our environmental impact

Whilst the year has been busy for us, our environmental priority has remained a focus. We know that understanding and reducing our impact on the environment as well as being the right thing to do, is important for stakeholders across our value chain who are seeking to understand and reduce their own impact.

In a year of such big changes, it is difficult to compare our progress to last year in a meaningful way. So whilst we have updated our progress on our targets set, we have tried not to draw comparisons where we don't think it's appropriate.

Our building estate, and therefore our emissions footprint at the end of the year looks different from the start. For example, in selling Marsh & Parsons we sold 33 estate agency branches. We later franchised the rest of our owned estate agency network. We decided, due to the scale of changes during 2023, to re-set our baseline year for Greenhouse Gas (GHG) emissions reporting in line with the GHG protocol. Therefore, for 2022-23 we are disclosing our emissions differently here from in our Annual Report & Accounts.

Annual Report & Accounts 2023

Full carbon footprint data 2022-23 including actual and estimated data

Prepared with the support of 3rd party consultant, Energise using Greenhouse Gas (GHG) protocol guidelines and reported in accordance with Streamlined Energy and Carbon Reporting (SECR)

Within our AR&A we have included emissions as they happened in year – so for businesses franchised or sold in-year, emissions are included in our Scope 1 & 2 until the point of franchise.

Living Responsibly Report

Revised baseline carbon emissions 2022-23

Prepared with the support of 3rd party consultant, Energise using Greenhouse Gas (GHG) protocol guidelines

Within our LRR we have excluded from our Scope 1 & 2 emissions from businesses that were sold or franchised in-year. We have excluded divested businesses and moved emissions from franchisees to Scope 3 for the full year. This provides a baseline that we can use for future reporting.





We set environmental targets in 2022, our progress

Climate-related impacts

We set out to improve our identification and management of climate-related risks and opportunities – better understanding how our business model and strategy might be impacted by climate change. We are pleased with the progress we have made in this area, and you can read more in our Annual Report and Accounts.

Emissions reporting and Scope 3

We have been reporting our emissions as a Group since 2013. We procure 100% of our gas and electricity from renewable sources. During 2023 our Surveying & Valuation Division piloted the use of emission tracking software to manage their emissions. As a result of this trial, we identified the need for more hands-on expertise and procured Energise to help us quantify our emissions. For the first time we are reporting a full set of carbon accounts. We have used estimations where appropriate and have drawn on Energise to support us in reviewing internal processes. This work has been helpful, particularly at a point of such significant operational change.

Divisional emissions

In addition to calculating our emissions footprint as a Group, Energise have calculated our Divisional Footprints. We will review the role of Divisional targets and reduction plans within our net zero planning in 2024.

Achieving EcoVadis silver

We continue to use external sustainability assessments to support us in tracking and prioritising improvement. Our Surveying & Valuation Division were pleased with the improvements made to its environmental framework.

This year the division has set itself an objective to certify to the international standard for organisations for an Environmental Management system (ISO14001) and is confident this will support improvements in its EcoVadis score.

Completed in 2023

Calculated our Scope 3 emissions

86% Group facilities now have LED lighting

We recycled 57% waste on a comparable footprint to 2022

Further embedding the environment in Group communications

Still to achieve...

e.surv silver EcoVadis

Costed climate transition plan

Reduction strategy for waste and water

Achieve ISO14001

Progress against our 2021 Climate Transition Plan

Scope 1

We committed to:

- 🎯 Reducing emissions in line with 1.5°C trajectory
- 🎯 Procuring gas from renewable sources at 100% company locations
- 🎯 Transition 57% leased petrol & diesel fleet to hybrid and electric by 2025

Our progress:

- 🎯 We have improved our emissions data and set reduction targets in line with the 1.5°C trajectory
- 🎯 Gas procured from renewable sources at locations under our control
- 🎯 78% fleet is hybrid and EV in 2023.

Scope 2

We committed to:

- 🎯 Achieve net zero Scope 2 emissions and maintain for the foreseeable future
- 🎯 Procure electricity from renewable sources at 100% locations where we have utility supply control

Our progress:

- 🎯 We have improved our emissions data and set reduction targets in line with the 1.5°C trajectory
- 🎯 We procure electricity from renewable sources at 100% locations where we have utility control. This includes franchise branches.

Scope 3

We committed to:

- 🎯 Calculating our scope 3 emissions
- 🎯 Registering with Science Based Targets Initiative (SBTI) to have our targets independently verified

Our progress:

- 🎯 For the first time we have calculated our scope 3 emissions
- 🎯 Whilst we remain committed to setting and tracking progress towards science based targets, there is more work for us to do before we register with the SBTI.

2024 commitments:

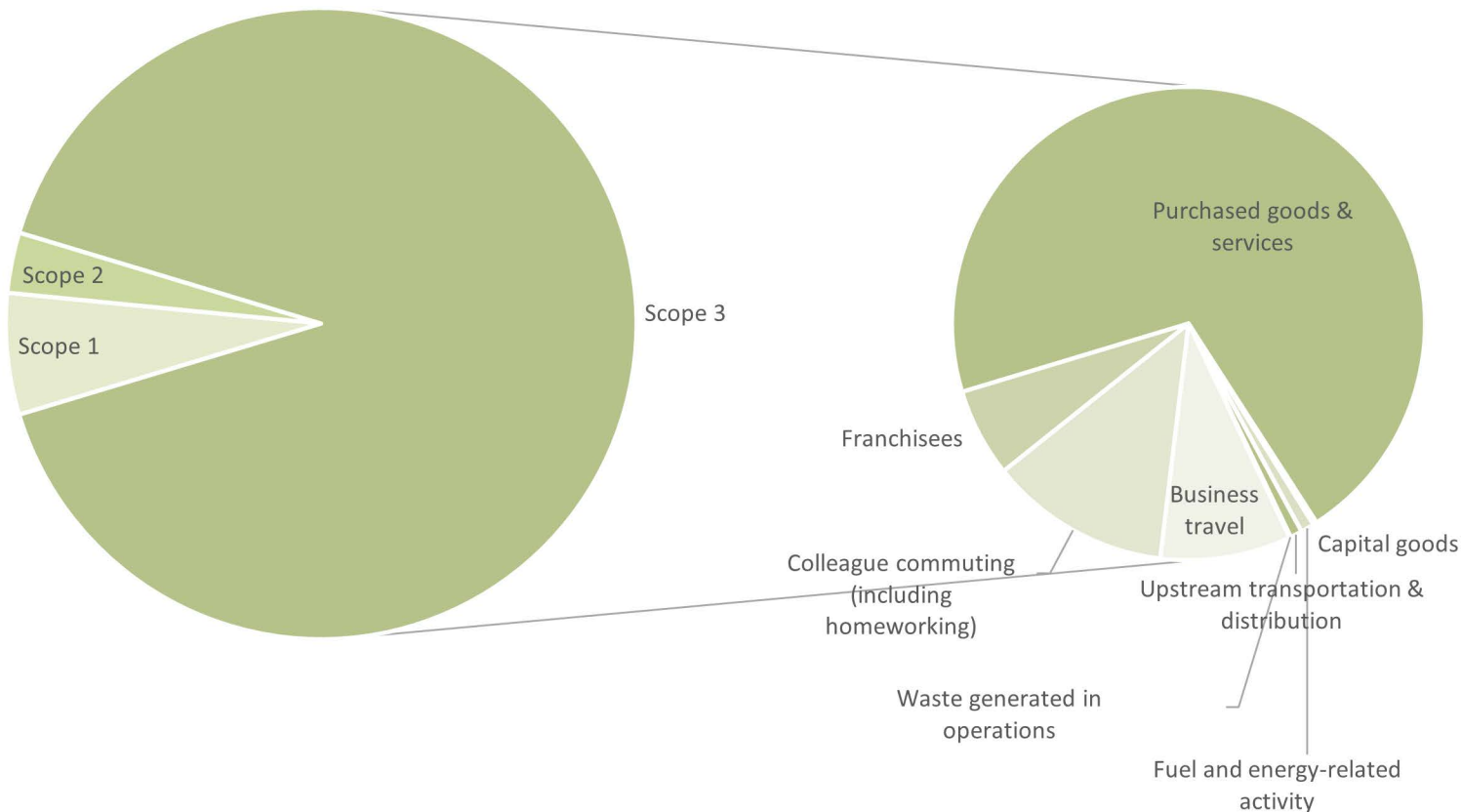
- 🎯 Reduce Scope 1 & 2 emissions by at least 4% (in line with 1.5°C trajectory)
- 🎯 Continue to procure electricity and gas from renewable sources
- 🎯 Develop a full climate transition plan
- 🎯 Develop net zero 2040 plan for emissions in our direct control
- 🎯 Further improve climate-related risks and opportunities management and reporting
- 🎯 Recycle 60% of waste



Our emissions – our new baseline year

Whilst we remain committed to setting and tracking progress towards science based targets, there is more work for us to do before we register with the SBTI.

Group emission footprint, including breakdown of Scope 3 (tCO₂e)



Emission category	Market based Emissions (tCO ₂ e)	Location based Emissions (tCO ₂ e)
Scope 1	1,010.23	1,010.23
Scope 2	522.7	503.3
Scope 3	14,729	15,075
Total	16,242.53	16,607.93





Our Environment

Reducing our environmental impact across the Group will require us all to play our part. Here are some Divisional highlights from the year.

Surveying & Valuation

- e.surv have been busy implementing improvements – from recycling facilities to taps to energy efficient window film. All these measures will reduce their impact on the environment
- 94% colleagues completed their climate change and sustainability training module
- The Green Champions continue to encourage progress towards e.surv’s 12 green commitments
- Worked with clients to move to electronic reporting – for each client this should save c.500,000 sheets of paper or 60 trees a year!
- Continue to distribute ‘Green Watch’ – keeping clients informed on sustainability issues.

Financial Services

- Vikki Jefferies (PRIMIS - Propositions Director) retained the Mortgage Solutions “Change Maker” status during 2023
- We continue to participate in the Mortgage Climate Action Group (MCAG). Together they are creating a knowledge base for the mortgage community on green home finance and the net zero agenda. It seeks to help mortgage professionals understand the opportunities and challenges the industry faces as we navigate the green transition.



Estate Agency Franchising

Our Estate Agency Franchising Division was established in 2023. Over the years of owning the network we have achieved:

- 98% renewable electricity tariffs
- 99% gas tariffs from renewable sources
- 66% LED lights
- 88% smart meters
- 89% have water meters

During 2024 we will review how to continue working to support our franchise network in reducing their environmental impact.





PEOPLE



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GOVERNANCE



Our Governance

We will keep improving how we work

At the core of our commitment to working in the right way is our commitment to operating our businesses in accordance with excellent corporate governance practices. As a premium listed company we have arrangements in place to comply with the UKLA's rules and regulations and as well as the Financial Reporting Council's (FRC) Corporate Governance Code and associated guidance in addition to other best practices.

During the second half of 2023 we took steps to revise our arrangements relating to the management and reporting of climate-related risks and opportunities to ensure compliance with both TCFD requirements and the CFD.

Our reporting in relation to the UKLA's requirements, the Code and the TCFD and CFD is included in our Annual Report and Accounts 2023 (see Non Financial and Sustainability Information Statement).

The Corporate Governance in our Annual Report and Accounts also includes details of the Group's governance arrangements and the steps being taken to strengthen our arrangements. This includes the appointment of three new independent non executive directors, including for the roles of Chair and Senior Independent Director.

As part of our subsidiary governance arrangements we are supporting the Divisions with the development of their supply chain governance arrangements which will be based on e.surv's successful Supplier Code of Conduct.

We are also developing and implementing a Group-wide attestation process to support monitoring and compliance with Group policies in each of our Divisions.



Our Living Responsibly governance

Our Living Responsibly governance has continued to evolve during 2023 into 2024.

David Stewart, Group CEO sponsors our Living Responsibly ESG programme, and Debra Gardner, Chief People Officer is responsible for programme delivery.

For 2024 we have reviewed the form and function of the Living Responsibly Steering Committee, to ensure the Committee is well placed to drive and monitor the delivery of our targets.

During 2024 Adam Castleton, Group CFO will join the Steering Committee. This will further support our integration of Living Responsibly across the Group.



David Stewart
Group CEO



Debra Gardner
Chief People Officer



Understanding what matters to our stakeholders

We believe that engaging and responding to stakeholders is core to being a responsible business. Each year we review our Living Responsibly priorities in the light of stakeholders and their interests.

This materiality assessment guides our strategy and reporting. This process supports our thoughts on sustainability and helps us to frame our programme.

The stakeholders we currently consider when determining the scope of our Living Responsibly programme are:

<p>Shareholders</p> <p>Many are setting their own targets and building dialogue on ESG issues. We also use proxy rating agency assessments to understand shareholders' perceptions and identify areas for us to improve.</p>	<p>Colleagues</p> <p>Continuing to build opportunities for colleagues to inform and shape our priorities and activities through colleague forums, surveys and improved internal communications.</p>
<p>Customers</p> <p>Our lender customers talk to us the most about their sustainability interests and we are building our programme to respond to these. We are always open to hearing from our customers and wider value chain.</p>	<p>Regulators</p> <p>We regularly review changes to ensure we respond to the changing environment.</p>

We use the views of these stakeholders to help prioritise action during the year. For more details on our stakeholder engagement, please see the Stakeholder Engagement Report included in the Annual Report and Accounts 2023.





PEOPLE



COMMUNITY



ENVIRONMENT



GOVERNANCE



APPENDICES

The appendices provide an overview of Living Responsibly KPIs and historical data where available.

Appendices

People - Our key metrics							
Group	Demographic	2021	2022*	2023*	Target	Met Target	Notes
LSL Board	Female	34% (3)	23% (2)	25% (2)	40% of the Board female	No	For Board ethnicity data see Corporate Governance section of Annual Report & Accounts
	Male	66% (6)	77% (7)	75% (6)			
LSL Board	Female	25% (1)	25% (1)	25% (1)	At least 1 female in the role of Chair, Group CEO, Group CFO or SID	Yes	During 2023 Gaby Appleton held the position of SID. However this changed in Q1 2024.
	Male	75% (3)	75% (3)	75% (3)			
Executive Committee	Female	N/A	23% (2)	33% (2)	None	N/A	Executive Committee excludes Board members
	Male	N/A	77% (7)	67% (4)			
Senior Management	Female	30% (16)	25% (14)	33% (15)	Senior management reflects the gender balance of the workforce by 2027	No	Definition of senior management team has been refined during the year to include Executive committee (excluding Executive Directors) and their direct reports in non-administrative roles.
	Male	70% (38)	75% (42)	67% (30)			
Workforce	Female	53% (2,444)	54% (2,104)	46% (792)	N/A		
	Male	47% (2,173)	46% (1,776)	54% (932)			
Executive Committee	Ethnic Minority	N/A	23% (2)	17% (1)	None	N/A	Executive committee (excluding Executive Directors)
	White	N/A	77% (7)	83% (5)			
Senior Management	Ethnic Minority	10% (5)	9% (4)	5% (2)	At least 11% are from an ethnic minority background by 2023	No	Data requested directly from senior management team. Definition of senior management team has been refined during the year to include Executive committee (excluding Executive Directors) and their direct reports in non-administrative roles.
	White	90% (44)	91% (40)	95% (41)			
Workforce	Ethnic Minority	5% (161)	6% (141)	8% (107)	Increase minority ethnic proportion of workforce year-on-year	Yes	Data continues to be sourced through Annual colleague survey. Non-disclosure rate is 5% (of those responding to the annual survey)
	White	95% (2,797)	94% (2,144)	92% (1,172)			
New Colleagues <2 yrs Service	Ethnic Minority	N/A	N/A	17% (51)	16% new colleagues from ethnic minority backgrounds	Yes	In 2022 we reported 14% colleagues with service of 1 year or less identifying as ethnic minority. Data point change due to reporting system.
	White	N/A	N/A	83% (255)			

Ethnicity data is currently collected in annual colleague survey, using ONS reporting categories. Ethnic minority includes all colleagues that select an ethnicity outside of white grouped ethnicity. Non-disclosure rate 5%. Disability data is currently collected in annual colleague survey, with the question "Do you consider yourself to have a disability or long term health condition (mental health and/or physical health)?" inline with the Equality act. In 2022 14% colleagues with less than 1 years service identified as ethnic minority. In 2023 17% colleagues with less than 2 years service identified as ethnic minority. This definition change was related to the way that the data was stored. Data correct at the time of the annual survey in October 2023.



Group	Demographic	2021	2022	2023	Target	Met Target	Notes
Workforce	Disability or LT health condition	N/A	6% (50)	17% (219)	No Target	N/A	Data collected through annual survey. Question: Do you consider yourself to have a disability or long term health condition?
	Non Disclosure rate	N/A	7% (61)	4% (57)			
Workforce	24 & under	N/A	N/A	6% (105)	No Target	N/A	
	25 - 34	N/A	N/A	24% (411)			
	35 - 44	N/A	N/A	25% (432)			
	45 - 54	N/A	N/A	23% (409)			
	55 - 64	N/A	N/A	19% (331)			
	65 +	N/A	N/A	3% (59)			

People - Our key metrics

KPIs	2021	2022	2023	Change	Target	Met Target	Notes
Total invested in learning and development across the Group	£1.82m	£1.95m	£540k	72% reduction	None	N/A	2023 total includes £339k drawn down from the apprenticeship levy to support colleague apprentices.
Annual Colleague survey response rate	76%	60%	77%	28% increase	70%	Met	Change of survey provider and approach in 2023
Apprentices across the Group	129	120	60	50% reduction	None	N/A	Includes 36 apprentices that remain in Group employment. The remaining 24 work for companies that were franchised or divested in year.
Fairness: "my business ensures all people are treated fairly and equally at work"	N/A	N/A	72%	N/A	N/A	N/A	Question asked in annual survey, responses counted include agree and strongly agree.
Colleague Engagement	N/A	N/A	73%	N/A	80%	No	Data point provided by survey provider amalgamating survey data themes.



Appendices

Minimising our environmental footprint

KPIs		2021	2022	2023	Change	Target	Status	Notes
Scope 1 emissions	Combustion – gas use in facilities (tCO2e)	ND	ND	53.1	-	None set	On track	Reporting period 1 October - 30 September
	Combustion – fuel use in fleet (tCO2e)	ND	ND	909.33	-	None set		
	F-gas (tCO2e)	ND	ND	47.8	-	None set		
	Total (tCO2e)	2,212	1,998	1,010.23	ND	Reduce in line with 1.5°C trajectory.	Not assessed	Data change not calculated as methodology and scope has changed significantly.
Scope 2 emissions	Electricity (including heat and steam) (tCO2e, market-based)	39	24	503.3	ND	Reduce to zero by 2023	To be reviewed	Methodology has changed significantly resulting in the data not being comparable year on year.
	Electricity (including heat and steam) (tCO2e, location-based)	ND	ND	522.7	ND	None set		
Scope 3 emissions	Purchased goods and services (tCO2e)	ND	ND	10,391.0	-	First disclosure		
	Capital goods (tCO2e)	ND	ND	39.3		First disclosure		Calculated using spend method.
	Fuel and energy-related activity (tCO2e)	ND	ND	134.6		First disclosure		
	Upstream transportation and distribution (tCO2e)	ND	ND	120.4		First disclosure		
	Waste generated in First disclosure operations (tCO2e)	ND	ND	13.3		First disclosure		
	Business travel (tCO2e)	ND	ND	1,315.9		First disclosure		



KPIs		2021	2022	2023	Change	Target	Status	Notes
Scope 3 emissions	Colleague commuting (including homeworking) (tCO2e)	ND	ND	1,823.3	-	First disclosure		
	Franchises – market based (tCO2e)	ND	ND	890.8		First disclosure		
	Franchises – location based (tCO2e)	ND	ND	1,236.7		First disclosure		
	Total market based (tCO2e)	ND	ND	14,728.6		First disclosure		Market based Scope 3 category provided as we know which franchisees purchase renewable electricity and have been able to build this into the calculation
	Total location based (tCO2e)	ND	ND	15,074.5				
Total emissions footprint (market based, tCO2e)		ND	ND	16,242.13				
Total emissions footprint (location based, tCO2e)		ND	ND	16,607.43				
Waste	General (kg)	ND	ND	13,353				
	Recycled (kg)	ND	ND	17,677				
Proportion of waste recycled		41%	49%	56%		55% recycling	Met	2023 data includes facilities franchised in year for the proportion of the year they were in scope
Proportion of confidential waste recycle		100%	100%	100%				