



LONDON
SQUARE

BUILDING SUSTAINABLE COMMUNITIES



SQUARE
FUTURE

Building Sustainable Communities

London Square Open
Gardens Weekend 2022



OUR VISION

At London Square our vision is to bring sustainable living to the Capital. Combining our collaborative and innovative approach to design, build and customer service with sustainability; creating places and communities where people really want to live, now and in the future.

From increasing biodiversity, to tackling poverty and reducing greenhouse gas emissions, the Company's plan for a sustainable future sets out our target for a more sustainable London and more importantly, what we at London Square are doing about it.

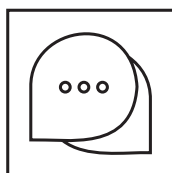


ENVIRONMENT

London Square's environmental approach focuses heavily on ways we can reduce the Company's impact on climate change and pressures that traditional methods of construction can put on the Earth, nature and natural resources, whilst supporting customers to live more sustainable lives.

The Company focus on developing brownfield sites, meaning we can repurpose land and create new communities, whilst positively impacting biodiversity in the area, through careful scheme design by registered architects and urban designers.

London Square are targeting to deliver net zero carbon homes by 2030 and to be a carbon neutral Company by 2040. We have developed a roadmap to achieve this, starting with research and development, together with investment in new systems to support more efficient measurement of our environmental impact.



SOCIAL

The Company ethos has driven our focus and efforts naturally to building sustainable communities. When London Square was first registered as a Limited Company in 2010, our founder and CEO, Adam Lawrence, chose the name London Square in tribute to London's famous Squares and the spaces around which communities were built. Green squares where children could play and friends and families would come together.

Communities remain at the heart of who we are and what we do. We work with community stakeholders to design schemes that meet community needs, bringing together facilities, green spaces, transport links, schools, shops, businesses and community space.

We are an Outstanding Employer, having been recognised for our industry leading employee engagement score in 2021 and again in 2022. We are also proud to be a Living Wage Employer and accredited with the Greater London Authority's good work standard. In 2023 we became signatories to the Social Mobility Pledge.

We hire great people and reward them for doing great work.



GOVERNANCE

Governance is a critical area; however, it is also the most heavily regulated so if we are being black and white about it; it is going to happen. We are clear and transparent in our reporting and our board are committed to a sustainable future.

We know we have work to do to increase the diversity of the London Square executive board. However, the board is supported by a strong team, with a higher than industry average representation of female and BAME employees and we are committed to increasing the diversity of our team. In contrast, the newly appointed Square Roots board is 75% female, a statistic we are incredibly proud of.

We continue to recruit for talent and skills, without bias.



A FRAMEWORK FOR BUILDING SUSTAINABLE COMMUNITIES



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MATERIALITY PROCESS

In September 2021, London Square engaged the services of PwC to undertake a robust materiality review of the market to support the development of the Company's ESG (Sustainability) strategy. An analysis of the market was undertaken, along with interviews with key internal and external stakeholders. The resulting report shaped the future direction of the Company's Sustainability strategy and targets for building sustainable communities, both of which will be reviewed annually and fed into London Square's overall Company strategy, or as we call it: The Five Year Plan.

In 2023 London Square surveyed our customers to understand their views on sustainability and what matters most to them, when buying or renting a new home. In addition, staff were asked to respond to a survey which asked their views on the Company's approach to building sustainably. The results are summarised in You Said, We Did – Building Sustainable Communities, and have been fed into the Square Future Framework, ensuring our strategy for a sustainable future is aligned to our Stakeholders views.

SQUARE FUTURE FRAMEWORK

The Company's Square Future Framework outlines London Square's goals for a more sustainable future, and more importantly, how we will meet these targets.

The framework has been developed with consideration to the following contextual factors, highlighted by the materiality review, which influence the direction of London Square and the development industry;

- Government driven targets and introduction of regulation requiring significant progress around energy efficiency, emissions, affordability, safety and other sustainability criteria, including the 2025 Future Homes Standard and the Environmental Bill, amidst a national housing shortage;
- Increasing societal demand for properties with positive impact on the environment and local communities, whilst delivering cost efficiencies for the homeowner;
- Fund managers and financial institutions increasingly considering sustainable criteria in their investment decisions, which may lead to better and lower cost access to 'green finance' capital for businesses that demonstrate high sustainability performance;

- Greater scrutiny of corporate governance, particularly on the back of rising awareness of ethical business practices such as diversity and inclusion and modern slavery from the public. Plus, challenges around management pay for other residential developers; and
- An assessment of the United Nations Sustainable Development Goals, of which the Company aligns wholly or in part with 10 of the 17 goals. Meaning that London Square will focus on aligning existing initiatives and any developed in the future with the delivery of these Goals.

Whilst sustainability is rising on the strategic agenda of the residential development sector, it is still often seen as a regulatory compliance consideration rather than a source of commercial or operational advantage.

Nevertheless, businesses that proactively pursue sustainability performance improvements can gain a longer-term advantage by staying ahead of the rapidly evolving expectations of customers and investors and mitigating potential reputational or operational risks that can be caused by sustainability-related failures.

London Square view sustainability as key to the Company's long-term future and that of the communities we serve.



MANAGING THE SQUARE FUTURE FRAMEWORK

Our Chief Finance Officer holds Executive Committee level accountability for sustainability within the London Square Group. He is supported by the Head of HR & Sustainability who in turn chairs the Sustainability Committee and is responsible for delivery, alongside the Directors and Senior Managers of the Company. Sustainability performance targets will be added to the existing performance targets of the aforementioned, from April 2023.

The Sustainability Committee is made up of departmental representatives from across the business, who are responsible for leading individual sustainability workstream projects, according to their expertise and discipline. London Square recognise that our people are the key to sustainable change, progress and growth.

The committee meet a minimum of 6 times per year and are the driving force that bring sustainability to life at London Square.

The committee are committed to:

- Promoting sustainability within the business and leading the approach within their departmental disciplines;
- Working effectively across functions, to ensure that the decisions the committee make don't have an adverse impact on London Square's ability to build sustainably or create sustainable outcomes;
- Ensuring that departmental colleagues understand the importance of sustainability and pushing this to the forefront of decision making process;
- Driving real change and avoiding greenwashing;
- Providing tangible outputs that can be reported annually;
- Promoting and recording what the Company is already doing;

- Ensuring that London Square's lending partners have confidence in our ability to lead sustainable change;
- Championing the resources of the Supply Chain Sustainability School; and
- Working as a team, with a sustainable London Square as our common goal.

Sustainability progress and performance is monitored closely for continuous improvement. The Executive Board receives a monthly report which is shared periodically with the Company's stakeholders.

NEXTGENERATION BENCHMARK STANDARD

As part of London Square's commitment to a sustainable future, we have joined the NextGeneration Benchmark standard as a member. The Benchmark forms the basis of our Square Future Framework, with all 15 focus areas forming London Squares key performance indicators for sustainability.

NextGeneration is an independent annual sustainability benchmark of the 25 largest homebuilders in the UK, alongside any voluntary participants. The standard measures the sustainability of homebuilders' operations and the new homes they build. The NextGeneration Executive Committee consists of Homes England, Lloyds Bank and UKGBC and the initiative's secretariat JLL.

The NextGeneration benchmark criteria cover the following 15 focus areas: Company strategy and governance, reporting, future proofing, environmental site management, design standards, ecology and urban drainage, energy and carbon, water, circular economy, transport, procurement, health and safety, community and customer engagement, design and placemaking and economic

development. These focus areas are weighted based on their overall impact in terms of industry best practice and future trends, design & placemaking currently forms the highest weighted section of the benchmark.

Phase 1 of the benchmark is based on publicly available information, and each of the top 25 UK homebuilders are assessed. It has been a key driver of greater transparency and accountability within the sector.

Phase 2 of the benchmark allows members of NextGeneration to present further evidence of their sustainability performance that is not in the public domain.

2022 was London Square's first benchmark assessment year. Our total score of 36% (before weighting applied) put us above industry average against the top 25 housebuilders and members who were benchmarked and we are delighted to be recognised as an industry leading housebuilder.

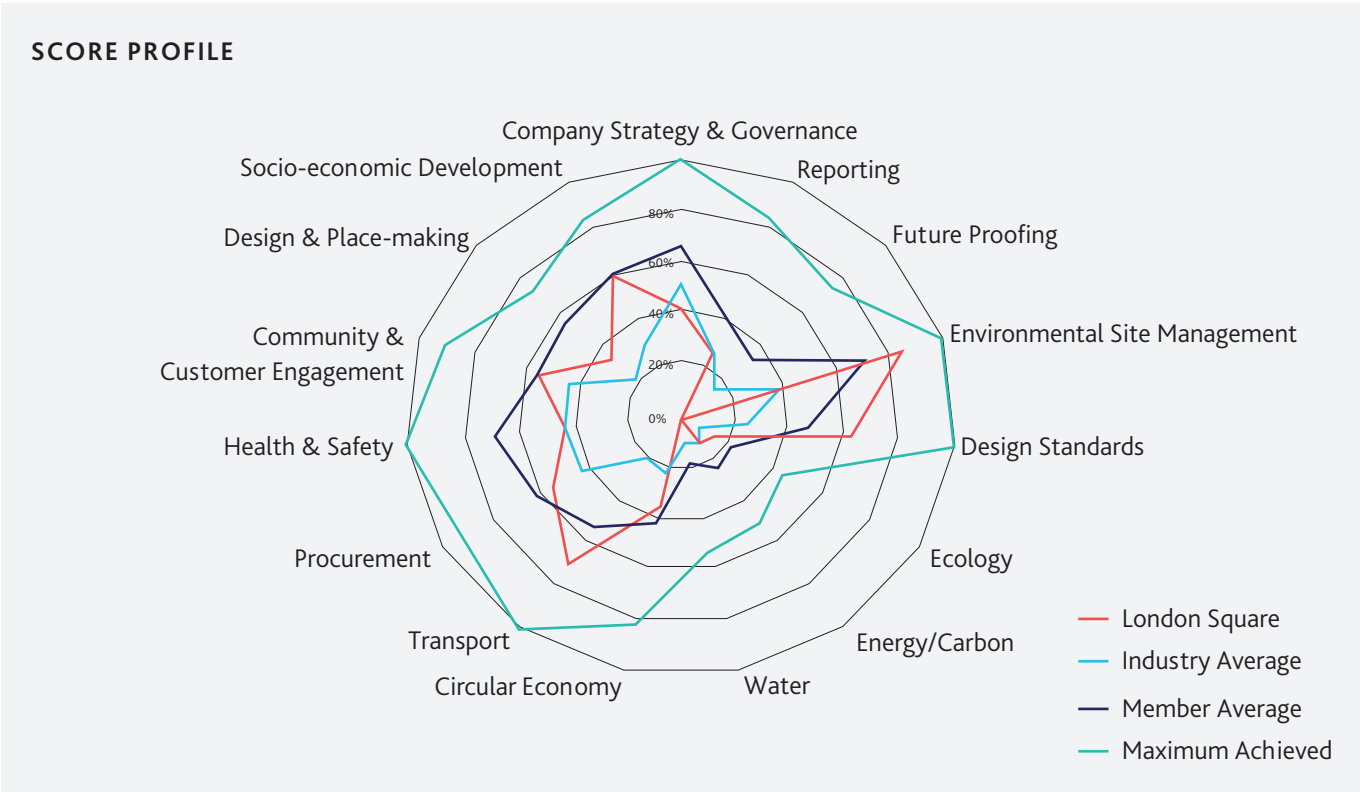
The 2022 NextGeneration Sustainability Benchmark Report highlight's London Square as:

'Noteworthy to mention is London Square's commendable 11th placing in its first year of membership, particularly as a non-listed homebuilder, with fewer mandatory reporting requirements'.

The NextGeneration Benchmark Standard is central to London Square's sustainability commitment, acting as an industry leading key performance indicator framework that is externally verified. The Benchmark allows London Square to monitor progress and show continuous improvement and commitment to a sustainable future, through the annual benchmarking process.



LONDON SQUARE'S NEXTGENERATION BENCHMARK
STANDARD 2022 FINAL SCORE & SCORE PROFILE





SQUARE FUTURE: GOALS FOR A MORE SUSTAINABLE FUTURE

The Company's Square Future Framework detailed below was developed from the materiality process. It outlines London Square's goals for a more sustainable future, and more importantly, how we will meet these targets.



ENVIRONMENT



CARBON

Targeting net zero carbon homes by 2030

London Square is committed to a **Just Transition**: reducing greenhouse gas emissions (GHGs) in line with the Paris Agreement. The activities within our Square Future Framework support the Agreements commitment to reduce global temperature increases to a maximum of 2 degree Celsius, this century, which is key to creating a sustainable future for all.

The Company has a target of net zero carbon homes by 2030 and to be net zero across our operations by 2040 (across scopes 1,2&3). In doing so we are reducing the Company's exposure to climate-related risks and committed to a future of sustainable living for customers and communities.

The year ending March 2019 (FY19) was the first year that London Square measured and reported the Company's scope 1 & 2 carbon emissions at 1789 TCO₂e. However, this figure was not normalised to a recognised metric, so for this reason the year ending March 2020 (FY20) acts as London Square's baseline year, as the first year that an emissions intensity ratio was calculated per square foot sold, at 473.3 TCO₂e.

Scope 3 recording was limited, therefore the Company accepts that with greater accuracy, this figure may increase before a reduction is seen. The Company is targeting to reach a level of 5 TCO₂e/Revenue (£m) across scopes 1, 2 & 3 by FY25. We estimate this to be a 30% reduction in emissions, excluding scope 3.

In 2022 we invested in the BRE application SmartWaste and we are using the Carbon module to enable collation of scope 1, 2 & 3 data.

In the year ending March 2022 (FY22) the gross carbon emissions for London Square was 995 tonnes of carbon dioxide (scopes 1,2&3) and equivalent gasses (TCO₂e), a reduction of 30% on the previous year. The intensity ratio per square foot sold was 572 TCO₂e, an increase of 113% on the previous year. However, scope 1 reduced by 12%, however increases of 4% and 263% are shown for scopes 2 and 3 respectively, as more data is collected and measured. These calculations are externally verified by Teamwork IMS.



LONDON SQUARE'S ROADMAP TO NET ZERO CARBON

London Square are committed to reducing the carbon generated by our operations and homes. The first stage of the Company's roadmap to net zero carbon is to baseline London Square's current carbon position. The year ending March 2023 (FY23) is the first year the Company has collated scope 1,2 & 3 data through SmartWaste and the Company anticipate that the subsequent Carbon report, which is due later this

year, will be the most accurate yet. Using the SmartWaste carbon and materials modules is key to the next phase of the roadmap to net zero, enabling London Square to continue carbon-reducing analysis and define our net zero action plan, to which our Sustainable Procurement Strategy will play a key part. London Square is committed to using Carbon offsets only as a last resort.

LONDON SQUARE'S ROADMAP TO NET ZERO CARBON



*Current phase

SHORT TERM → 2020-2025	MEDIUM TERM → 2030 NET ZERO CARBON HOMES	LONG TERM 2040 → NET ZERO CARBON COMPANY
Energy saving operational review	Zero emissions fleet	Further emerging innovations
Set Company renewable targets	Supply chain engagement	
Carry out research & development projects	Develop a net zero carbon home	
Deliver first pilot site for a net zero carbon home	Increased use of low carbon materials	
Increase local procurement and 'buy British' strategy	Homes supplied by on-site renewables	
Switch to low carbon heating in new homes	Measure the performance gap of new homes	



ENERGY

The Company's Carbon reduction strategy, which is in development with energy consultants Hodkinson, will reduce energy consumption during build and end user phase through greener fabrication methods. The strategy will support the continued improvement of the Company's EPC and SAP ratings.

In FY22, the Company recorded an average EPC rating of B, with a target of A by 2028. The FY22 average SAP rating for London Square homes was 84.74 against a Company target of 86 by 2023, which, we are pleased to confirm has been achieved with an average SAP rating for completed units to 31 March 2023 of 86.035.

To support the Carbon reduction strategy, London Square have commissioned two separate research and development studies, through energy consultants Hodkinson, aimed at increasing the environmental sustainability of our new homes, as well as creating operational efficiencies to the Company's build process.

2023 was the first year that London Square undertook a whole life cycle carbon assessment on change to our future Square Roots development in Hendon. Following the principles of BS EN 15978, the report, written by consultant Hodkinson, focuses on Phase 1 of the proposed development which will comprise 244 residential units and approximately 193m² of flexible commercial floor space.

The report demonstrates that the development has considered the impact of the cradle to grave emissions associated with the construction of the building, in order to avoid waste and promote reuse and recycling of materials at every stage of the construction process. It endeavours to help the design team understand the lifetime consequences of their design decisions.

MODERN METHODS OF CONSTRUCTION

As part of the Company's commitment to reduce carbon, waste and the depletion of natural resources, London Square are increasing the use of Modern Methods of Construction (MMC). In FY23 London Square delivered 60% of the units completed in the year using MMC. This calculation has been made using the MHCLG Joint Industry Working Group's MMC definition Framework.

The Company remain committed to the use of MMC and the increased use of offsite production to drive forward efficiency and sustainability in our operations. Together with London Square's minimum in-house design standards which are adopted to all new homes, built and a dedicated design team which includes a registered Architect and urban designer as a minimum, London Square build sustainable communities for all.





WASTE

Striving to reduce, re-use and recycle

According to the Department for Environment, Food and Rural Affairs (DEFRA), the construction industry generated 62% of the UK's total waste in 2018. Which, even given the age of the statistic, is a devastatingly high figure and one London Square is committed to play its part in reducing, by setting a Company net zero waste target across our operations by 2040.

London Square diverted 98.3% of construction waste from landfill in FY21. This figure is 1.1% lower than the Company's FY22 figure of 99.4%, however the FY22 figure includes demolition, piling and groundworks

waste which was missing from the FY21 figures. The FY22 figure of 99.4% (30.1 tonnes per 100m2) is therefore set as the Company's baseline figure, from which London Square will ensure a minimum of 95% of construction, demolition, piling, packaging and groundworks waste is diverted from landfill each year.

In setting the Company's waste reduction target, London Square aim to reduce the 2022 waste figure of 30.1 tonnes per 100m2, by 3% year on year.

The Company roll out of the BRE's application SmartWaste will facilitate future waste and sustainability data collation, supporting a more sustainable future and allowing London Square to analyse waste impact and identify

where future reductions may be made throughout our operational build.

FY23 was the first year that London Square recorded waste data through the BRE's application SmartWaste, in which 97.41% was diverted from landfill in the year. The Company's total waste diversion was 102.35 tonnes per 100m2.

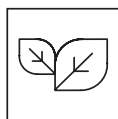
London Square's sustainable procurement strategy has been updated in the year and sets out the Company's approach to the reduction of packaging waste and increasing recycled, biodegradable and recyclable content. London Square is committed to reducing unnecessary packaging and plastic use in our operations, whilst at the same time ensuring that products are properly protected, minimising waste from transport damage.

LONDON SQUARE'S ROADMAP TO NET ZERO WASTE



*Current phase

SHORT TERM → 2025	MEDIUM TERM → 2030 TO NET ZERO WASTE	LONG TERM → 2040 TO NET ZERO WASTE
Increase waste reporting at development & Company level	Design out waste	Continue to research new innovations such as plant technologies
Design to incorporate end of life use	Increase reuse & recycling from new build waste	
Standardise specs to minimise waste	Continue to analyse waste data for reduction sources	
Implement the packaging review		
Increase the use of off-site production		
Follow principles of ISO 20400 sustainable procurement guidance application of BES 6001 certificates against each material / product ordered		



NATURAL RESOURCES & BIODIVERSITY

Putting biodiversity and the natural world at the heart of our developments

BIODIVERSITY

This is the variety of plant and animal life in the world or in a particular habitat and how they fit together, bringing oxygen, water, food and countless other benefits. Despite being known for its green and pleasant land: The UK is actually one of the world's most nature-depleted countries, with only around half its natural biodiversity left.

London Square is committed to ensuring that the Company's environmental commitments are kept. Working with an ecological consultant, schemes are stringently reviewed at all stages to ensure the best possible biodiversity outcome. We believe that community living means living in harmony with nature and enjoying green spaces, and that like London's green squares, nature should be centric to our developments.

London Square's biodiversity net gain (BNG) figure for FY22 is approximately 20%, against a company target of 15%, without the use of offsets. The numbers are approximate as the sites completed in the year commenced before Natural England's BNG calculation was formulated. Future sites are being measured against Natural England's standard, over a 30-year period and will consider how an overall environmental net gain may be achieved.

London Square does not, now or in the future, develop or purchase land within areas of nutrient stress.

The Company's **Biodiversity Net Gain (BNG) strategy** outlines our approach in more detail.

To support our ethos, the Company maintains a system of quality control, regularly reported to the Board and audited by external parties using an Environmental Management System (registered to ISO 14001). The system is externally audited by Teamwork IMS. In addition, all Directors carry out random Health, Safety and Environmental spot checks quarterly.

MATERIALS

The materials we use are intrinsic to the Company's carbon, waste and biodiversity net gain targets. London Square are proud to state that 100% of timber used by the Company is FSC or PEFC certified sustainable, including the timber supplied by our subcontractors. All subcontracts mandate that where timber is to be used, it must be FSC or PEFC certified. The same requirement is specified on all material orders.

London Square is working to measure the sustainability of other materials and ensure that sustainable options are provided. The Company continues to seek out new innovations, switching where possible to more sustainable product options such as Keller carbon neutral kitchens and Reynaers recycled aluminium windows. In 2022 we made the decision to reduce scope 3 carbon and support the UK economy by buying British bricks and blocks, sanitaryware, carpets and doors.

London Square are continuously improving. FY24 will be the first year that we use SmartWaste to measure the embodied carbon of the materials used within the year, contributing to more accurate carbon data reporting, which will ultimately support the future of people, places and the planet.

WATER

Attention is focusing on water and climate change and the agendas for water security and climate action are uniting. Whilst we are fortunate in the UK not to suffer from water scarcity, London Square understand the need for greater water efficiency in our sector, not least because the climate emergency is likely to result in a 7% decrease in water supply by 2045, according to Water UK. Furthermore, they predict that between 2020 – 2050 the country is twice as likely to have water restrictions imposed due to drought, compared to the 1997 – 2004 period.

The improvements the Company make must reflect at least a 10% reduction in water to use to compensate for this.

In FY22, our baseline year, the average water efficiency for a London Square home was 106.3 litres per person, per day (lpppd). In FY23 the average water efficiency fell to 119.2 lpppd, primarily due to the completion of two older housing schemes which did not include the latest water saving technologies. Our newer Watford scheme, however, did achieve 104.6 lpppd.

Post Occupancy Evaluations have been completed for the Greenwich development. This has compared the designed water consumption against the actual water consumption, showing an average water consumption of 93.24 lpppd, an improvement of 11.36 lpppd less than our designed value (104.6 lpppd). It is fantastic to see that our average consumption for occupied homes meet the RIBA target of 95 lpppd. Using this 'actual' consumption figure, together with the design figures for the remaining developments, gives a new average unit figure of 109.2 lpppd for the year.

In targeting water efficiency in new homes, the Company continues to work towards achieving the RIBA target of 95 lpppd by 2025.



**LONDON SQUARE'S
ROADMAP FOR REDUCING
WATER CONSUMPTION**

The first stage of London Square's roadmap to achieving a 10% reduction in water consumption is to baseline the Company's current water usage. 2022 was the first year the Company has collated water usage data through SmartWaste. This data is key to the next phase of the roadmap, enabling London Square to continue water-reducing analysis and define our 10% reduction action plan, which includes both offices and sites under development in scope. In the year ending March 2023 (FY23), the Company's operational water usage was 54,337.19m3. This figure equated to 35.98m3 per 100m2 of floor area. FY23 is the first year that London Square have measured operational water usage, acting at the baseline year for future measurement.

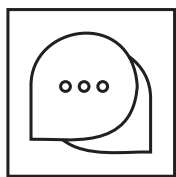


LONDON SQUARE'S ROADMAP FOR REDUCING WATER CONSUMPTION

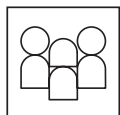


*Current phase

SHORT TERM → 2020-2025	MEDIUM TERM → 2030	LONG TERM → 2040
All sites to be fully water metered	Lpppd of new homes >95	Water neutral homes
Lpppd of new homes >105	Developments to include rainwater harvesting	
Implement water reducing initiatives to all offices and site welfare	Grey water and surface water initiatives	
Flow regulators on all developments	Pipe insulation upgrades	
Leak prevention technology	Drinking water cooling as standard	



SOCIAL



COMMUNITIES

Building sustainable communities where people can live, work and play

SOCIO-ECONOMIC DEVELOPMENT

London Square are proud to work throughout London's diverse boroughs and to have the opportunity to play a part in reducing poverty and creating inclusive communities in our Capital. Working with our supply chain, commercial and retail leaseholders, London Square create meaningful employment and training opportunities for local residents. In FY23, this included 66 apprenticeships, 150 construction-related jobs and over 1000 hours of free training to support local unemployed people into work, through our partnership with The Skills Centre, Learning Curve Group and Workers' Educational Association.

As signatories to the Social Mobility Pledge, London Square ensure fairness and inclusion are at the heart of our developments. Providing opportunities for skills development and new employment opportunities for local people and those from disadvantaged groups, is centric to our development schemes.

The Company are proud to have achieved the Mayor's Good Work Standard in 2021.

In partnership with the Skills Centre and Peabody, London Square will be opening a Green Skills Training Hub at Holloway Park, delivering free green skills training for local residents.

The training programme will provide high value social impact, by targeting women and underrepresented groups by supporting them into meaningful and sustainable apprenticeship and employment opportunities. The programme has been designed to address the government's top priority of addressing the skills shortages facing the built environment, particularly in the interiors, sustainable energy and green skills sectors.

In FY22, the Company generated £873,319 in social value, through community initiatives.

ACCESSIBILITY

London Square is committed to ensuring that our developments aren't car dependant and that our homes provide strong community links. We are proud to say that all developments completed in the financial year to 31 March 2023 were within 500 meters of a public transport hub. Furthermore, all developments had secure cycle storage at a minimum ratio of 1 space per unit and a site-specific travel plan, providing access to greener transport for commuting, health and leisure. For those who need to use a car, 33%

of developments completed had a dedicated car club on site and we aim to increase this provision in future years.

AFFORDABILITY

London Square recognise that a sustainable future goes beyond homes for private sale and work successfully in partnership with both local authorities and housing associations to deliver a significant proportion of homes for social rent. It is recognised that mixed communities promote a more socially cohesive society, with more sustainable communities with less need for regeneration.

The Company have committed to produce a minimum of 35% affordable homes annually, for our registered provider Square Roots and other Housing Association partners.

In FY22 the total provided was 35.65%, 43% higher than the number required by our section 106 obligations. In FY23 however this figure fell to 10% due to site availability, however 75% of current units in production are affordable, with a further 50% affordable units in the development pipeline.

Our diverse portfolio of private sale, build to rent, shared ownership and affordable rent properties enables the Company to continue to meet the diverse housing requirements of the Capital's communities.



CUSTOMER SATISFACTION

We are proud to say we're winning awards for our exemplary customer service at London Square, something we want to continue as we strive to give customers the most enjoyable and helpful experience possible. As part of this commitment, London Square continues to innovate, providing the latest energy, waste and water innovations in our new homes. We aim to give our customers the best possible home living experience in the most cost-efficient way. We promote the sustainable features of our homes to our customers and ensure London Square homeowners can make the most of these functions, by providing new home demonstrations to all new buyers.

Building great homes in places where people want to live, is at the heart of London Square's ethos. As a Company we strive to maintain high levels of customer satisfaction.

In FY23 London Square's Net Promoter Score (NPS) was 57 against a minimum target of 50. In April 2022 the Company created a customer care task force made up of key departments across the business to delve into the customer journey and make improvements to ensure our customers are feeling well communicated with, are happy with their new homes and have a positive journey with London Square. In doing this, our net promoter score over the six months to March 2023 has increased to 86 and for the latest quarter to 91. This reflects the strong work being carried out at London Square to focus on the customer journey.

Since the task force efforts started, the Company have seen zero detractors in the last 6 months and an increase in our response rate to 57.9% of residents responding to the surveys.

London Square has been awarded the inhouse gold award for 2023, this means that over 90% of our customers in 2023 would recommend London Square to a friend.



INCLUSION

An inclusive employer of choice

FAIR EMPLOYMENT

At London Square we believe it is important to go beyond minimum standards and we realise that living and working in the Capital is expensive. London Square is committed to ensuring a fair wage is received by all and as a certified Living Wage employer, the Living Wage is mandated as the minimum pay rate across all of our developments.

MINORITIES

The Company is an Equal Opportunities employer. We believe that great things can be achieved through true diversity. In FY23 an average of 36% of London Square employees were either Black, Asian or from a minority ethnic background (BAME). The Company are proud of our Diversity and will strive to increase this number year on year, until it is representative of London's 2021 census figure of 46%. In 2023 we have started to measure the socio-economic background of our employees, as the first step in improving our socio-economic diversity.

We recognise that the number of London Square employees with a declared disability is low at only 2% to the end of FY23. We are an inclusive employer and recognise that disabilities can exist without being seen or declared. London Square support our people as the life blood of our business.

WOMEN

London Square recognise the benefits of a balanced gender workforce and the barriers that woman can face balancing both caring commitments and a career. We are proud to say that in that past 5 years 75% of flexible working requests by female employees have been approved.

The Company's current workforce demographic for FY23 was 32% female, a figure we believe to be industry leading. However, the number of women in Leadership roles for the same year was only 24%. We recognise the strength that woman in Leadership can bring to London Square and as a result, we have an ambitious target to increase the number of women in Leadership positions to 32% by 2030, to match our current demographic.

Across our developments, our promotion of women into the industry continues at Holloway Park. The project, managed by a female Project Director, will be industry-leading in its approach to employing Women in Construction, with an aspirational target of 30% of all apprentices on the project to be female. The Company will work closely with Women in Construction, the London Borough of Islington, Peabody and other Women's Groups to bring this vision to life.



EMPLOYMENT

**An outstanding employer
who people want to work for**

ENGAGEMENT

At London Square we are small but mighty. Only just entering the top 25 housebuilders in the UK and with a workforce of only 179 employees, at the end of FY23. Our size allows us to be agile and dynamic. We believe in achieving great things and our people are at the heart of everything we do. We are therefore very proud that London Square has been recognised as an outstanding employer by People Insights by achieving an employee engagement score of >85% annually in both 2021 and 2022. The Company's industry leading engagement score of 96% earned London Square People Insight's Outstanding Workplace Award in both years.

EDUCATION & TRAINING

London Square continues to champion the development of our team running a diverse range of development programs for employees. In addition to HSE and mandatory training, the Company equip the team with a leadership 'toolkit' of skills to support their everyday roles and career development.

We extend this offering to the communities in which we work, through our partnership with the Workers Education Association, providing free training to community residents.

In addition, the Company are proud to support 8 employees through apprenticeships at either early careers or further development stage, representing 4.5% of London Square's workforce. Developmental opportunities are open to all and the Company aims to increase this number to 7% by 2025.

2023 has seen the introduction of mandatory role-specific sustainability learning pathways for all London Square employees, delivered through the Supply Chain Sustainability School's learning resources. Mapped by job type, the pathways aim to increase sustainability awareness and skills across the business. If successful, the Company plan to extend these pathways to our supply chain on a mandatory basis, later in the year. London Square's supply chain have already been invited to join the School and benefit from the free resources by personal invitation of the Commercial Director.

MENTAL HEALTH & WELLBEING

London Square recognises that a happy, healthy workforce is a productive workforce and is committed to providing support and wellbeing initiatives to our employees, helping them to lead healthy and balanced lives. The Company's Wellbeing Strategy outlines the initiatives and support available to all employees.

This year London Square will measure the effectiveness of the Company's Wellbeing Strategy for the first time, to understand how we can improve the mental health and wellbeing support provided, participating in Mind's annual Wellbeing Index survey. We will receive the results and detailed feedback from Mind in or around June.

London Square's focus on wellbeing does not stop at just employees. We recognise that the community benefits of wellbeing-led design are an important factor in making a residential property a happy, healthy home. To formalise this commitment the Company is researching community wellbeing standards for possible inclusion in our schemes.

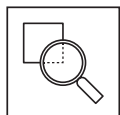
HEALTH & SAFETY

London Square is committed to ensuring that our workforce are kept safe and free from harm at work; all day, every day. The Company is proud of our excellent safety record and we firmly believe this is achieved through strong supply chain partnerships. The Company's AIIR for FY22 was 77, compared to an industry average, as published by the Homebuilders federation of 239. In FY23 London Square's AIIR reduced to 19 (3 accidents with an average workforce of 15933). We await the latest industry average AIIR as published by the HBF.

London Square maintain a formal management system, regularly reported to the Board and audited by external parties using an Occupational Health and Safety Management System (registered to ISO 45001), which includes a H&S training matrix for all construction personnel. In addition, all Directors carry out random Health, Safety and Environmental spot checks quarterly. During our most recent ISO 450001 no H&S findings were raised, which is a significant achievement.



GOVERNANCE



CORPORATE GOVERNANCE

Well governed and do business transparently

TRANSPARENCY

At London Square we are black and white. We do business fairly and keep to our commitments. In doing so, we apply formal and transparent policies and procedures to ensure fair and best practice is at the heart of everything we do. External audits are effective and independent.

The NextGeneration Benchmark standard is used to guide the Company approach to sustainability and the 15 benchmark criterion act as London Square's sustainability KPI's and is central to the Company's sustainability commitments.

FY23 was London Square's second year with a formal focus on sustainability and is the first year that we have produced a Company sustainability report: Building Sustainable Communities details our strategy and progress towards a sustainable future for London Square, communities, stakeholders and the planet.

Our 5-year business plan has been reviewed to ensure that our

sustainability goals are supported by and integrated with the business strategy. Our 2022 remuneration review considered how best to reflect sustainable goals within the bonus targets of the Company's Senior leaders. These will be added for the first time in April 2023 for the FY24 year.

RISK MANAGEMENT

London Square understands that effectively mitigating risk is much easier than managing the damage caused after the event. Through the corporate risk register, the Company regularly assesses business and climate-related risks and use management and internal control systems, together with external accreditations such as ISO to manage these.

The Company are careful to undertake climate-related due diligence as part of wider procedures, prior to land acquisition. These include flood risk, wildlife, habitats and nutrient stress at this early stage, supporting habitats and ensuring customers have the best 'living experience' in their new home.

FY24 will be the first year that London Square submits a TCFD report, ahead of the requirement to mandatory disclose, which we anticipate reaching within the next 4 years. The TCFD report will be aligned with the Sustainability Reporting

Standard for Social Housing which London Square and Square Roots will report to for the first time, in the second half of this year.

Our customers deserve exceptional quality and to be delighted with their new home. To support this, the Company maintain a system of quality control, regularly reported to the Board and audited by external parties using an Occupational Health and Safety Management System (registered as ISO 45001) and also an Environmental Management System (registered to ISO 14001).



BUSINESS ETHICS

Treating our stakeholders fairly

MODERN SLAVERY

London Square's commitment to our people extends throughout our supply chain. Fairness and equality are at the heart of everything we do and the Company are committed to an ethos of freedom and fair treatment of all workers. London Square procures ethically and where possible locally, making every effort to ensure that there is no modern slavery in our supply chain. All London Square suppliers and subcontractors are required to complete the Company's Social and Ethical Questionnaire, which ask questions around the supplier's approach to labour standards.

In FY23 the Company carried out a Modern Slavery supply chain risk analysis, as well as training for the commercial and buying teams. Training for site personnel will happen this year, with the aim of increasing site-level awareness of the signs of modern slavery in the construction industry workforce.

The risk analysis resulted in London Square engaging with the Company's labour suppliers, to further establish if there is a risk of modern slavery in our labour workforce. Training and additional support will be given to raise standards, if this is required.

TAXES: WE PAY FAIR TAXES

London Square pay fair taxes and our tax strategy is published on our Company website.

London Square is committed to sustainability and believe that sustainable choices must be at the heart of our decision making. The Company is in the early stages of our sustainability journey; however, London Square is proud of the progress delivered so far and the pace at which we are delivering sustainable change.

**LONDON SQUARE WILL NOT GREEN WASH.
OUR COMMITMENT IS TO SUSTAINABLE
CHANGE, BUILDING SUSTAINABLE
COMMUNITIES FOR A BETTER FUTURE.**

LUCY HAWKINS
Head of HR & Sustainability

ADAM LAWRENCE
Chief Executive Officer