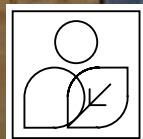




LONDON
SQUARE

BUILDING SUSTAINABLE COMMUNITIES



SQUARE
FUTURE

London Square Chelsea
Flower Show 2023

Building Sustainable Communities

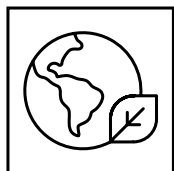


OUR VISION

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.

On 1 December 2023, Aldar Properties PJSC (Aldar) the leading real estate developer and manager in the UAE purchased London Square as part of a planned expansion of Aldar Developments. The acquisition is part of Aldar's exciting plans to expand into Europe and to grow London Square exponentially to a top 3 London housebuilder. As part of the acquisition, London Square's approach to sustainability will integrate with Aldar, as part of the group's wider reporting, with a particular focus on carbon, where commonality can be achieved.

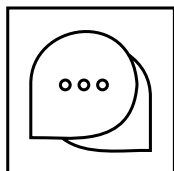


ENVIRONMENT

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 net zero Company by 2050, a target we have changed to align with Aldar. We have developed a roadmap to achieve this, which starts with research and development, together with investment in new systems, to support more efficient measurement of our environmental impact.



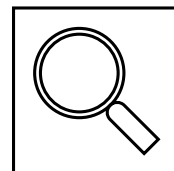
SOCIAL

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



**SQUARE
FUTURE**

Building Sustainable Communities



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.

YOU SAID, WE DID –

BUILDING SUSTAINABLE COMMUNITIES SURVEY RESULTS

RANK #	CUSTOMERS	STAFF	STAKEHOLDERS
1	Purchase Price & affordability	Purchase Price & affordability	An honest housebuilder with high customer satisfaction
2	Community, local area, schools, amenities & green spaces	Community, local area, access to schools, amenities and green spaces	Purchase Price & affordability
3	An honest housebuilder with high customer satisfaction	Low cost, energy & water efficient homes	Community, local area, access to schools, amenities & green spaces
4	Low cost, energy & water efficient homes	An honest housebuilder with high customer satisfaction	Low cost, energy & water efficient homes
5	Local transport, commuter links & car free initiatives	Living close to nature & protecting the local habitat	Housing that promotes the creation of an inclusive community
6	Living close to nature & protecting local habitats	Local transport, commuter links & car free initiatives	Sustainable materials with lower impact on the planet and/or can be recycled at the end of the building's life



A FRAMEWORK FOR BUILDING SUSTAINABLE COMMUNITIES



SQUARE
FUTURE

Building Sustainable Communities



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 the 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 12 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.

Over the course of the last 12 months, there has been an increasing shift in focus from Sustainability as regulatory compliance to a source of commercial or operational advantage. Equally, businesses now appear to be on a sustainability journey that is not easily reversed, as commitments made to meet the Government's 2030 targets have become tangible activities, supporting corporate carbon-reducing strategies.

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 and we are incredibly proud of the significant progress the Company has made in the year.



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 were added to the existing performance targets of the aforementioned, from April 2023 and in January 2024 the Group have moved to a balanced scorecard approach, whereby KPI's are applied to each job role in the Company, including sustainability.

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, the Company joined the NextGeneration Benchmark standard as a member in 2022. The Benchmark forms the basis of our Square Future Framework, with all 15 focus areas forming London Square's 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 2023 BENCHMARK SERVED TO HIGHLIGHT THE STRONG COMMITMENT AND FOCUS THAT LONDON SQUARE HAS GIVEN TO SUSTAINABILITY OVER THE 12 MONTH PERIOD. AS A COMPANY, WE ARE EXCEPTIONALLY PROUD TO HAVE RECEIVED A SILVER AWARD FOR OUR OVERALL BENCHMARK SCORE OF 69% (AFTER WEIGHTING).

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.

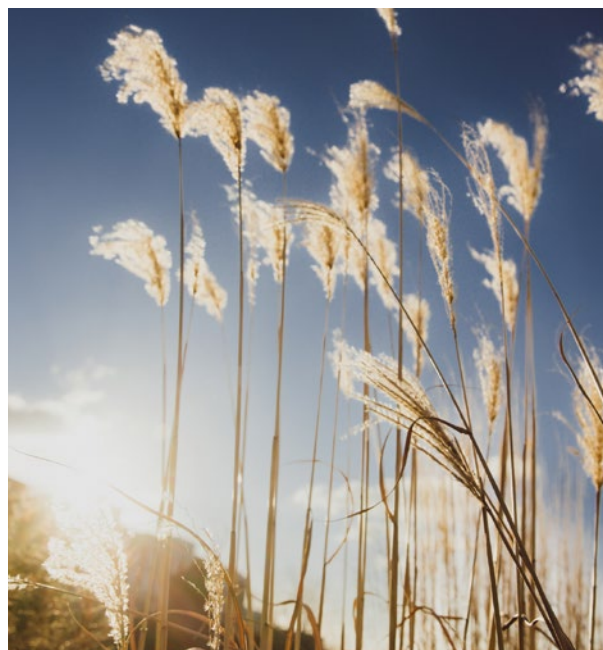
Phase 1 of the benchmark is based on publicly available information, and each of the top 25 UK homebuilders are assessed. It has been a key driver of greater transparency and accountability within the sector.

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% put us above industry average against the top 25 housebuilders and members who were benchmarked and we were delighted to be recognised as an industry leading housebuilder.

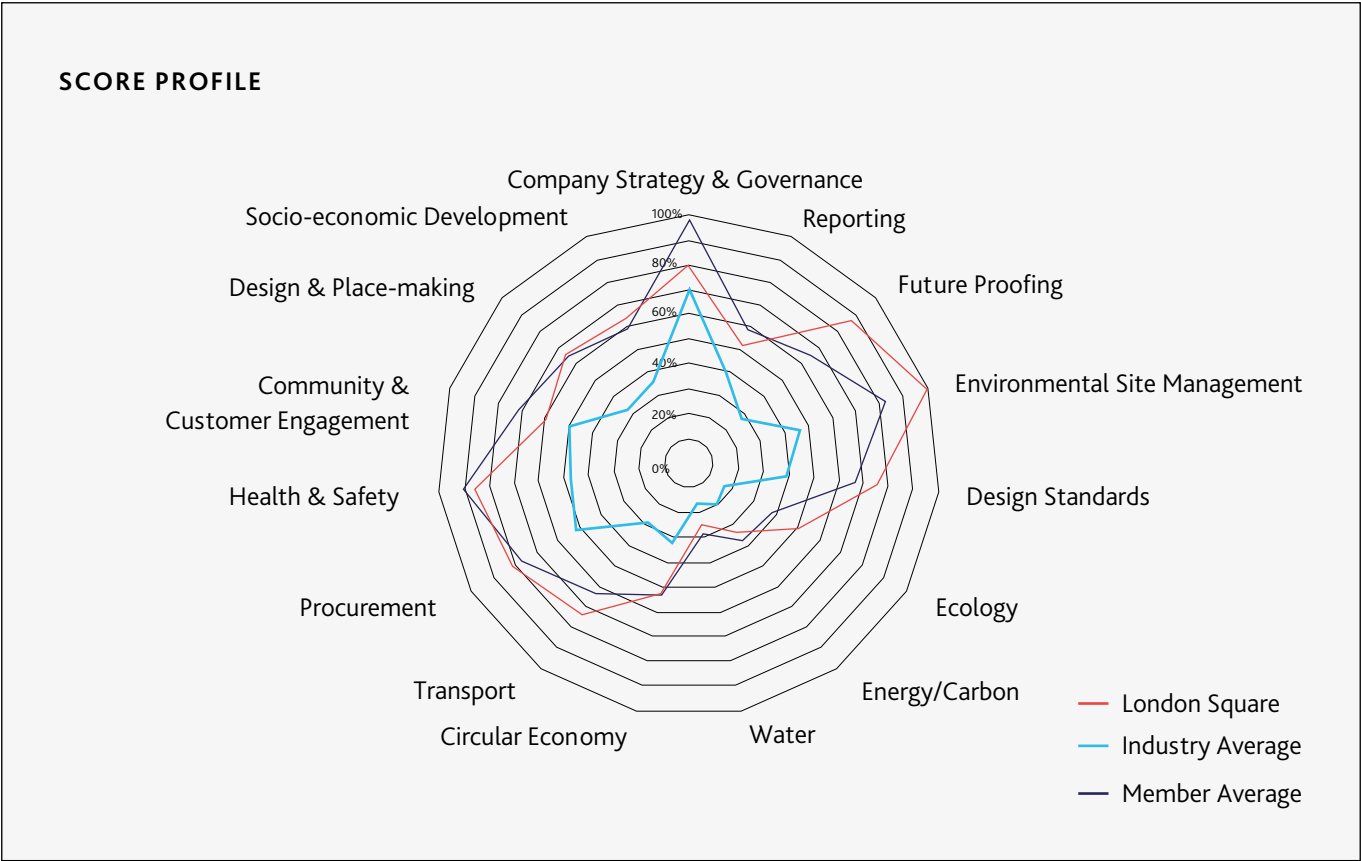
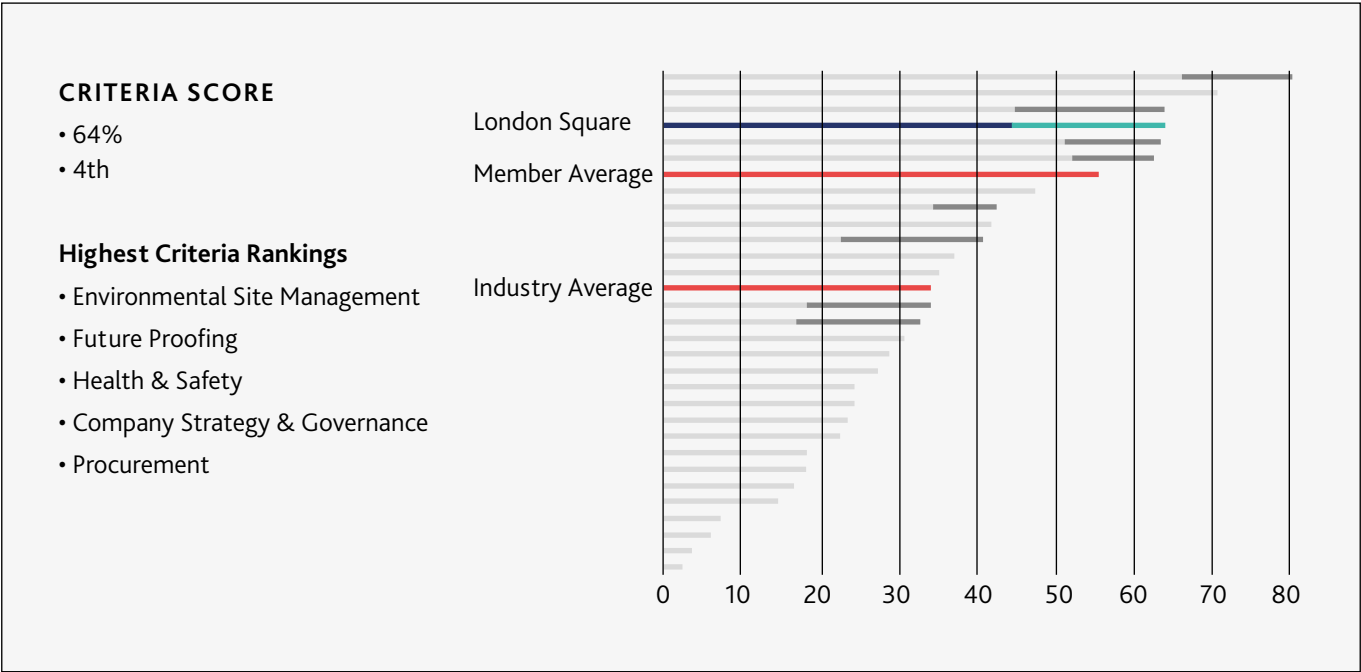
Given our relative size, in comparison to our competition, it is fantastic to be 5th in the ranking and jointly with Hill, as the highest ranking privately owned developers.

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.





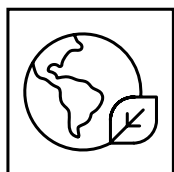
LONDON SQUARE'S NEXTGENERATION BENCHMARK
STANDARD 2023 FINAL SCORE & SCORE PROFILE



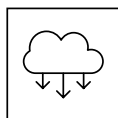


SQUARE FUTURE FRAMEWORK

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



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 Agreement's commitment to reduce global temperature increases to a maximum of 2 degrees 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 2050* (across scopes 1,2&3). In doing so we are reducing the Company's exposure to climate-related risks and committing 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 ration 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.

In 2022 we invested in the BRE application SMARTWaste and we are using the carbon module to collate scope 1, 2 & 3 data.

2023, therefore, became the first full year** of SMARTWaste use, with sites now recording waste, water and energy data on a monthly basis. The use of the application has contributed

to a more accurate set of scope 1 & 2 data than in previous years.

In the year ending March 2023 (FY23), the gross carbon emissions for London Square was 3887 tonnes of carbon dioxide (scopes 1,2&3) and equivalent gasses (TCO₂e), an increase of 291% on the previous year. The intensity ratio per square foot sold was 413 TCO₂e, a reduction of 28% on the previous year, which is a positive step.

*This is a revised target, previously 2040, bringing us in line with our parent Company, Aldar.

**2023 relates to the calendar year of January to December. FY23 relates to the previous financial year of April 2022 to March 2023, inclusive.



2023 was the first year in which London Square included waste emissions within the scope 3 calculation, thus accounting for the significant increase in emissions within the year. If the Company were to exclude waste from the calculation, there is actually a 47% reduction on the previous year's figures and a 59% reduction on the baseline year.

The reduction in emissions from 2021/22 (excluding waste) is mostly due to a 99% reduction in natural gas consumption. Reductions in electricity and diesel could also be observed (15% and 14% respectively).

Not all emissions reduced during the reference period. A 104% increase in business travel was observed which is likely due to the removal of travel restrictions which were imposed by the UK Government, in a response to the COVID-19 pandemic. These restrictions were still in force for part of 2021/22 so this is the first 'normal year' since the pandemic began in Spring 2020. It should be noted that the decrease in emissions could also be due to data quality.

A materiality assessment tool was utilised to calculate the level of certainty/materiality within the data and its impact on the overall calculated tCO₂e. The level of aggregated CO₂ in the year was +/- 13%, an improvement of 5.3% on the previous reporting year.

These calculations are externally verified by Teamwork IMS.



Square Roots Hendon, supported by The Mayor of London



LONDON SQUARE'S ROADMAP TO NET ZERO CARBON

London Square is 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 subsequent Carbon report,

is 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. In 2023 our procurement team have loaded our largest material types

into SMARTWaste, to allow scope 3 and embodied carbon to be included in our 2024 carbon report, these being bricks, blocks, concrete, plasterboard, steel and all forms of timber. London Square is committed to using Carbon offsets only as a last resort, or where planning regulations dictate.

LONDON SQUARE'S ROADMAP TO NET ZERO CARBON



†Current phase

SHORT TERM → 2020-2025	MEDIUM TERM → 2030 NET ZERO CARBON HOMES	LONG TERM → 2050 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	
Implementation of through-wall efficiencies		
Implementation of window optimisation project		
Increased used of EPD's and Material Passports		



ENERGY

London Square is pleased to report that the installation of the last gas boiler into a London Square home was completed in the year, meaning that all future homes will be gas free.^{††} In 2023 21% of units completed in the year were supplied by renewable energy sources, namely air-source heat pumps, with 100% of the communal areas supplied by solar (PV) panels.

In Partnership with Latimer, the development arm of Clarion Housing Group, London Square are excited to commence the redevelopment of the former Richmond College which includes a collection of Net Zero Carbon private sale townhouses and London Affordable Rent homes. These will be the first Net Zero homes built by London Square, with completion expected by January 2027.

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

In 2023, the Company recorded an average EPC rating of B, with a target of A by 2028. The average SAP rating for London Square homes in the year was 85.35, a slight increase on the previous year's rating of 84.74 but a shortfall against the Company target of 86 by 2023.

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

are now being implemented, firstly in the through wall design of all future developments and secondly, optimising window design for carbon efficiency. Once we can implement the results into a development, the Company will measure the effectiveness of the research through design versus actual data.

In 2024, we are researching infra-red heating technology and have commissioned Radiant Heat 360 Ltd to install their innovative DSS (Dynamic Solar Systems) Foil Electrotechnical heating system into the sales suite at our Richmond development, Twickenham Square. The DSS Foil Electrotechnical heating system uses nano particles and ink on paper to produce infra-red clean heat that can be installed within floors, walls or ceilings and can be combined with solar panels and battery storage, for cost effective heating supply. The Company's development at Earlsfield uses the same model and specification of sales suite, enabling this to be used as the control for comparison.

From a development perspective, 2023 was a quiet year for completed developments with only one scheme in Kingston completing in the summer. The development, a former Riding School was built by London Square Developments for Square Roots. Whilst the SAP ratings were lower than our target, the scheme does have both a whole life carbon (WLC) assessment (for both pre and post development completion). This has been compiled in line with the GLA guidance for undertaking WLC assessments, BS EN 15978: 2011 (Sustainability of Construction works – Assessment of Environmental Performance of Buildings – Calculation Method) framework and

underpinning BS EN 15978, is the RICS Professional Statement:

Whole Life Carbon assessment for the build environment (to guide technical details and calculation requirements). The scope for final WLC assessment reviews emissions in the below categories:

- Total operational carbon emissions (both regulated and unregulated);
- Embodied carbon emissions; and
- Potential future carbon emission benefits (post end-of-life) from reuse and recycling of building structure and materials.

The results of the final Post Construction Stage Whole Life Carbon Assessment were compared to the Design Stage Whole Life Carbon Assessment results. The main difference between both the design stage and the post construction modelling was the operational energy difference. The development is expected to produce 6,202,628 Kg CO₂e over its entire life cycle, taking into account the embodied carbon, the operational emissions during use and the end-of-life emissions.

When considering the different modules of the assessment, the model output shows that the development performs well in comparison to the WLC Benchmarks for the Greater London Authority. Modules A1 – A5 exceed the WLC benchmark, and modules B – C are better than the WLC benchmark threshold. As such, it is considered that the new development is in line with the objectives set out by the Greater London Authority.

Against the RIBA 2030 target the Modules A1-A5, B1-B5, C1-C5 performs slightly above the target for residential developments.

**ALL FUTURE HOMES
WILL BE GAS FREE.**

^{††}With the exception of developments using a district heating network, or commercial units included, which may have a gas supply.



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 2023 London Square delivered 100% 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. Figures updated in 2023 show that the amount of construction, demolition and excavation waste diverted from landfill from 2017-2020 has remained largely stable at around 93%.

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.

In 2023 there was a dramatic drop in the amount of waste diverted. London Square's site operations in 2023 were quite limited, which proved to be more sustainable in some areas than others. Unfortunately, the limited site operations, coupled with some sites excavating hazardous materials from the ground, left a balance of sites where the Company has been able to re-use materials from piling and excavation. In addition, the limited number of sites at internal stage has meant less recycling opportunities than previous years. 2024 should produce better results, inline with the Company's targets.

London Square's sustainable procurement strategy 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. In 2023 London Square sent out a packaging questionnaire to help the Company understand the approach to packaging and the waste reduction hierarchy. To date, 54% of London Square's suppliers have responded.

A circular economy assessment was completed on the Company's Kingston development (representing 100% of developments completed in the year) post construction. The statement is based on actual construction waste and material data and follows the Greater London Authority guidance on Circular Economy Statements, comparing the commitments made in the design stage Circular Economy Statement with actual construction data.



Holloway Park, London Square and Peabody
Computer generated image, indicative only.

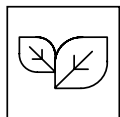


LONDON SQUARE'S ROADMAP TO NET ZERO WASTE



*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 through circular economy assessments	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		
Increased use of EPD's / Material passports for material products used		



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 2023 is +124.94% for habitat units and +17.33% for hedgerow units, against a company target of 15%, without the use of offsets. These numbers have been calculated using Natural England's BNG calculation method (Biodiversity Metric 3.1).

Future sites will continue to be measured against Natural England's standard, over a 30-year period. The Company are giving further focus to the wider consideration of environmental net gain and how this 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 (certified 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. 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.

In 2023 (1 Jan-31 Dec), 58.4% of the Company's material spend was on sustainably sourced materials, this figure rose slightly to 58.7% for the Company reporting period of April to December 2023. This is the first year that London Square have tracked the sustainability of our material spend and at this stage, this is only for direct purchases, not for materials that are included in our subcontract packages. However, we believe that this is a strong start and demonstrates a baseline figure for future years, confirming our commitment to the Group's Sustainable Procurement Strategy.





London Square are continuously improving. 2024 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 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.

In 2023 the average lpppd increased again to 104.1 for the Kingston development, which were the only units completed in the year. As a result, the Company took a step closer to the achieving the RIBA target of 95 lpppd by 2025.



Orpington, London Square



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.

In 2023 London Square used 67,954.89m³ of water, equating to 35.6m³/100m² of completed floor area. This figure represented an overall reduction 1.1% on the year. As London Square completed a shorter financial year in 2023 (1 April to 31 December) the Company is also reporting a 9-month figure for the period which was 48,194.7m³ of operational water used, equating to 25.25/100m² of completed floor area. This figure represented a 28.8% reduction against the previous financial year.

In the year, London Square have moved to percussion taps in site welfare areas, trigger hoses have been installed across sites and developments with adequate space are using static wheel washers, with only smaller sites with space restrictions using mains fed jet washers. Leak detection technology has also been introduced throughout the Company's construction operations.

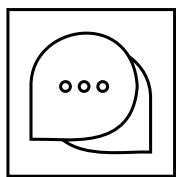
London Square are currently undertaking a flow restriction review to understand the impact various restriction levels would have on running a bath, if the Company were to move the flow restrictions applied closer to the RIBA 2025 target. In addition, London Square are investigating airflow shower systems which suggest up to an additional 25% water saving could be made through their introduction.

LONDON SQUARE'S ROADMAP FOR REDUCING WATER CONSUMPTION

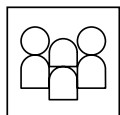


*Current phase

SHORT TERM → 2020-2025	MEDIUM TERM → 2030 NET ZERO WATER HOMES	LONG TERM → 2040 NET ZERO WATER COMPANY
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 including percussion taps and hippo bags	Grey water and surface water initiatives	
Flow regulators on all developments	Pipe insulation upgrades	
Leak prevention technology installed across all sites	Drinking water cooling as standard	
Trigger hoses installed as standard on all sites		
Wheel washers as standard on all developments with sufficient space		



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 2023, this included 31 apprenticeships, representing 1 apprentice per £4.5m of subcontractor spend, a decrease on the previous year's figure. In addition, 172 local people were employed in construction-related jobs to support local people into work, through our partnerships with Local Authorities, Capital City College, Women in Construction, The Skill Mill and Workers' Educational Association.

In November 2023, London Square proudly accepted a community engagement award at the Considerate Constructors Leading Light Awards for the fantastic work the Croydon team did, in partnership with the multi-award-

winning social enterprise the Skill Mill. The team designed a meaningful work experience initiative to support the rehabilitation of young ex-offenders.

As part of the St Michael's Square Project, the initiative was designed to reduce re-offending and increase employability through engagement, participation and education.

The chaperoned 2-week placement gave four young people, aged between 16-18, a chance to experience a live construction site and learn about various trades and career options. Feedback from participants was extremely positive and we hope to continue the initiative to promote construction careers and host more work placements in the future.

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 Capital College and Peabody, London Square have opened a Green Skills Training Hub at Holloway Park, delivering free green skills training for local residents. The first Green Skills Level 2 Retrofit Course was held on 26 February 2024.

Future courses will run quarterly, with the hub being used in the interim, by community groups, for a variety of purposes during the construction period, including DIY training courses for women.

The hub will provide high value social impact, by targeting women and under-represented groups, 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.



Climate Kick-start event



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 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, 100% of developments completed had a dedicated car club on site.

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 2023 the total affordable homes provided was 100%, which was above the Local Plan affordable homes target. The current development pipeline contains a mix of housing tenures, in line with our Company strategy and as a result, this figure will drop again in future years.

Having a 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.



Source: London Square internal transport survey 2024, figures based on a 71% response rate.

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 2023 London Square's Net Promotor Score (NPS) was 85 against an increased minimum target of 60 (84 for the financial period, April to December inclusive). This was an increase of 28 points on the previous year and demonstrates that, the work that the customer care taskforce started in April 2022 to delve into the customer journey and make improvements to ensure our customers have a positive new home experience with London Square has worked.

London Square was awarded the In-house gold award for 2022 and 2023, meaning that over 90% of our customers in the period would recommend London Square to a friend.

In 2024, the Company are incredibly proud to receive the prestigious 2024 Outstanding Achievement Award for Customer Satisfaction in the housebuilding industry alongside the 2024 Gold Award.





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 2023 an average of 38% of London Square employees were either Black or from a minority ethnic background (BME), an increase of 2% on the previous year. Furthermore, the Company ended the year with 41% employees from a BAME background, demonstrating real progress in the year. 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 the Company started to measure the socio-economic background of our employees, as the first step in improving our socio-economic diversity, as well as sexual orientation, of which 3% of employees identify as LGBTQ+, against an estimated 3.1% of the UK population who identified as LGB during the 2020 census.

The Company recognise that the number of London Square employees with a declared disability is low at only 3% to the end of 2023, however we have seen an increase in the number of employees declaring a disability which is encouraging. 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 6 years 86% of flexible working requests by female employees have been approved, an 11% increase on the year.

The Company's workforce demographic for 2023 was 33% female, an increase of 1% on the previous year, a figure we believe to be industry leading. However, the number of women in Leadership roles for the same year was only 24%, showing no change. 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 33% by 2030, to match our current workforce demographic.

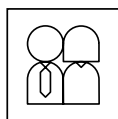
Across our developments, our promotion of women into the industry continues at Holloway Park. The project, managed by a female Project Director, will be industry-leading in its approach to employing Women in Construction, with an aspirational target of 15 female apprentices, the first of whom joined

the London Square project team in September as an Apprentice Site Supervisor. We are excited to have the opportunity to build a legacy through this fantastic project and have already started to facilitate the promotion of women. Peabody, London Square, Notting Hill Genesis and the Chartered Institute for Housing teamed up on International Women's Day and ran a trade workshop at the development. On the taster day, which coincided with the 25th annual Women in construction week; we were lucky to have Plentific in attendance as one of the world's leading property solution platforms.

Following the success of the day, London Square went on to develop a 10-day Women in Build course for local borough residents, in partnership with Peabody and Plentific. The course included a site tour and skills taster sessions for 12 female delegates, delivering an introduction into construction. The course aimed to increase industry awareness, address labour and skills shortages and increase gender diversity in the industry.



Sophia Lawton, London Square Apprentice speaks at InspirationALL Event on International Women's Day, sponsored by London Square, to celebrate Barnet's Women and Girls



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 190 employees, at the end of 2023. 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. The acquisition of London Square by Aldar meant we did not survey in 2023, it is therefore a priority to include this in 2024's activities.

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 saw 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. 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.

In 2023 London Square participated in Mind's annual Wellbeing Index survey which highlighted that 79% of respondents had been generally happy at work in the last month. However only 33% of respondents felt that London Square encourages openness and discussion about mental health. As a result, the Company have put in place an action plan which includes an increased number of Mental Health first aiders and awareness campaigns, as well as better signposting to the support resources that are currently available.

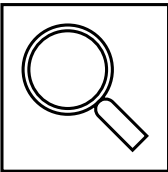
London Square's focus on wellbeing does not stop at just employees. We recognise that the community benefits of wellbeing-led design are an important factor in making a residential property a happy, healthy home. To formalise this commitment the Company includes a number of community wellbeing standards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

HEALTH & SAFETY

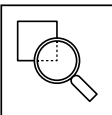
London Square is committed to ensuring that our workforce are kept safe and free from harm at work; all day, every day.

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 15,933) and for the 2023 year this number fell again to 16.5 for the year (3 accidents with an average workforce of 18,153). For the Company reporting year (1 April to 31 December 2023) this figure was slightly higher at 17.7 (3 accidents with an average workforce of 16,964). The Company remains confident that the 2023 figures will fall below the HBF published rate for the year, once this is reported.

London Square maintain a formal management system, regularly reported to the Board and assessed by external parties using an Occupational Health and Safety Management System (certified 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 45001 audit no H&S legal compliance breaches were raised, which is a significant achievement.



GOVERNANCE



CORPORATE GOVERNANCE

Well governed and do business transparently

TRANSPARENCY

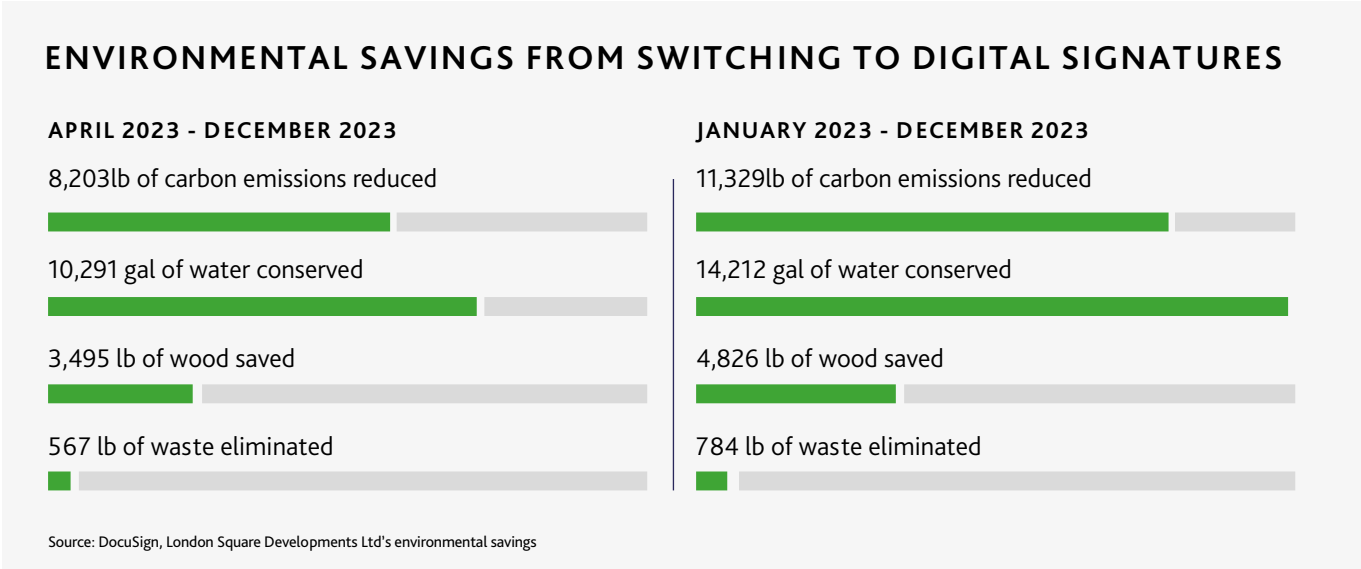
At London Square we are black and white. We are do business fairly and keep to our commitments. In doing so, we apply formal and transparent policies and procedures to ensure fair and best practice is at the heart of everything we do. External audits are effective and independent.

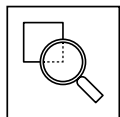
The NextGeneration Benchmark standard is used to guide the Company approach to sustainability and the 15 benchmark criterion act as London Square's sustainability KPI's and is central to the Company's sustainability commitments.

2023 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. Experience and additional focus in 2023 have led to updates to three of our sustainability roadmaps: Carbon, Waste and Water as the team innovates and discovers new ways to integrate efficiencies into London Square's operations. Our 2022 remuneration review considered how best to reflect sustainable goals within the bonus targets of the Company's Senior leaders. These were added for the first time in April 2023 for all employees with a personal bonus element. In 2024, we will transition to a balanced scorecard approach for performance and bonus measurement, which will continue to include sustainability performance as a key metric.





CORPORATE GOVERNANCE

Well governed and do business transparently

RISK MANAGEMENT

London Square understands that effectively mitigating risk is much easier than managing 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.

2024 will be the first year that London Square submits a TCFD (Task Force on Financial-Related Climate Disclosures) report, ahead of the requirement to mandatory disclose, which we anticipate reaching within the next 2 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 2024,

in line with the reporting period.

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 (certified as ISO 45001), Quality Management System (certified to ISO9001) and also an Environmental Management System (certified 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 2023 the Company carried out Modern Slavery and payroll audits on our labour and logistics suppliers, following a modern slavery risk analysis. This built upon the training that Action Sustainability delivered for the commercial and buying teams the previous year. London Square were pleased to find no evidence of Modern Slavery as part of the audit and were able to share best practice principles for avoiding gangmasters and simple checks to be included with payroll processes. The Company remain committed to ensuring that we work with our suppliers and subcontractors to minimise Modern Slavery risks by working together. In 2024, we plan to run a supplier engagement day, focusing on Modern Slavery best practice principles.

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