

FROM HERE WE START

LSH SOCIAL VALUE RETROSPECTIVE REPORT
REPORTING YEAR 2022

Foreword

Businesses are expected to deliver more than just profit. Today's most progressive and sustainable businesses must satisfy objectives related to ESG, new working models and talent strategy. Of all the factors that influence these objectives, real estate is arguably the most significant.



Federico Montella
Head of ESG & Sustainability

There has never been more pressure on businesses to demonstrate how they create social value via the offices they own, develop and operate. The Social Value Report 2022, the first of its kind for Lambert Smith Hampton (LSH), details our efforts to do exactly that. We are delighted with what we have discovered.

LSH commissioned the Social Value Portal to carry out a retrospective analysis of the social value we delivered in 2022. We did this purely on a voluntary basis. Our aim is to prove our commitment to publicly report on non-financial metrics annually and give ourselves a baseline.

Social Value Portal created a balance sheet of activity related to LSH's three ESG pillars: Our People, Our Community and Our Environment. The report doesn't address any social value generated by our work for clients – for this first report, we have focused on social value generated by how we run our business. In the same way that profit is measured in standard accounting terms with pounds and pence, the Social Value Portal's metrics give a financial figure for all social value created by our teams' work across the UK. We have also mapped out how these relate directly to the United Nations Sustainable Development Goals.

For 'Our People', we looked at how we promoted local skills and employment, such as the financial value of delivering 1,173 weeks of apprenticeships in 2022. For 'Our Community', we determined that our commitment to support local, responsible

businesses resulted in more than £6 million spent with local suppliers which generated £19 million worth of social value. For 'Our Environment', we analysed how teams are safeguarding our world, such as through 184 hours spent volunteering to protect the natural environment.

In total, LSH created a significant £45.6 million in social and local economic value in 2022. Our teams are active in 30 offices, employing local businesses and working on initiatives that make a real difference to local communities.

But while we are proud of this figure, this is our baseline. We know there are gaps where we could do more.

Take our drive to reach net zero carbon. In 2022, in addition to our net zero accreditation by Planet Mark, LSH aligned its net zero target to the Science Based Targets initiative (SBTi). This means reporting our Scope 3 emissions for the first time. We have committed to abate Scope 1 and 2 emissions by 2030, and reduce Scope 3 emissions by 50%. This is all part of our overall responsibility to proactively create healthier, sustainable communities.

This report is a huge opportunity for us to learn about our strengths and understand where to focus our efforts. We are now working to create a Corporate Sustainability Strategy for 2024, which will detail our long-term ambitions.

From here we start, and we want to take you on our journey.



How we Have Measured our Social Value

LSH has measured its social value activity against the national TOM's framework (T-hemes, O-utcomes, M-easures), which has been created by the Social Value Portal. This framework defines social value as 'the value that an organisation contributes to society beyond an operational profit.'

About the TOM's Framework and Why we are Aligned

The National TOM System Framework, is a nationally recognised social value measurement framework developed by Social Value Portal in partnership with the National Social Value Taskforce. This taskforce is a cross-sector working group that comprises of public, private and third sector organisations.

The TOM System Framework is a flexible, measures-based calculation framework designed to articulate social value outcomes in terms that can be objectively measured; usability and transparency are core principles, as well as methodological rigour.

By reporting against this, we have been able to measure the social value delivered by the organisation. We are now able to better deliver against our objective of making a positive difference in improving the economic, social, and environmental wellbeing of the local communities we work in, and society as a whole.

Measuring Positive Outcomes

Each outcome is achieved through the delivery of specific measures (tangible actions). Some measures have an associated financial proxy value that describes the benefits delivered in financial terms, while other activities are measured through non-financial proxy values, which, contribute to broader positive social and environmental impact.

What This Report Means

This reporting equips us to ensure we are increasing the social value we deliver year-on-year and set targets for ourselves. The report also allows us to align the TOM's measures we are measuring against to our core sustainability themes of community, people and environment.

Themes



Our Community

Innovation

Promoting social innovation

- To support responsible business
- To enable healthier, safer and more resilient communities
- To safeguard the environment and respond to the climate emergency

Growth

Supporting growth of responsible regional business

- More opportunities for local small businesses and social enterprises
- Improving staff wellbeing and mental health
- Social value embedded in the supply chain



Our People

Social

Healthier, safer and more resilient communities

- Working with local communities
- Creating healthier communities
- Helping people to live independently

Jobs

Promoting local skills and employment

- More local people in employment
- More opportunities for disadvantaged people
- Improved skills
- Improved employability of young people



Our Environment

Environment

Decarbonising and safeguarding our world

- Carbon emissions are reduced
- Safeguarding the natural environment
- Sustainable procurement is promoted

These are the three key pillars of our corporate sustainability approach aligned to the five key themes used within the TOM's framework.

Outcomes

Where we Delivered the Most Value in 2022

In terms of the outcomes delivered through LSH's activities, NT1, measuring the benefits generated through employing locally, achieved the highest amount of social value. This was followed by NT18, which refers to the total amount spent in local supply chains.

LSH's employment of apprentices (NT10) and the equality, diversity and inclusion (EDI) training provided to LSH employees (NT21) were also high contribution measures.

Key Areas of Strength in 2022

<p>£26,049,586</p> <p>NT1</p> <p>Promote local skills and employment</p> <p>More local people in employment</p> <p>Due to our vast regional presence, LSH is able to provide employment opportunities to people across a wide range of cities and towns in the UK. As a result, LSH employees tend to live in the same local authority area as their office, making us better embedded into our local communities.</p>	<p>£19,156,463</p> <p>NT18</p> <p>Supporting growth of responsible regional business</p> <p>Procuring services within our local supply chain</p> <p>At LSH, a large amount of our supply chain supports businesses defined as local to our offices. This means we are supporting smaller and more local businesses where possible.</p>	<p>£295,559</p> <p>NT10</p> <p>Improved skills for local people</p> <p>Hiring and training apprentices</p> <p>Our established apprenticeship programme typically provides professional development to over 35 candidates each year from a range of backgrounds, supporting workforce diversity and creating pathways into real estate careers for all.</p>	<p>£54,742</p> <p>NT21</p> <p>A workforce and culture that reflect the diversity of the local community</p> <p>Supporting growth of responsible regional business</p> <p>Our compulsory employee EDI training allows us to build a diverse and inclusive working environment. Beyond this we extend our EDI training courses to our supply chain, taking this beyond our immediate business and supporting wider engagement.</p>	<p>£28,987</p> <p>NT40</p> <p>Initiatives to reduce the gender pay gap</p> <p>Investing time and money in to employee initiatives</p> <p>Our LSH Together programme is how we drive inclusion at LSH and support growth and progression with an aim to reduce the gender pay gap. The programme includes our EDI working group which focusses on how we enable equality and inclusion across the business, regular communications on opportunities to take part, and engagement and promotion of external networks and partners to support this agenda.</p>
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Our 2022 Highlights

£295,559

of social value generated through apprenticeships and work placements

£6,087,248

of social value generated through local spend

£26m+

generated through local employment

Promoting local skills and employment

- **1,173** weeks of apprenticeships
- **31** weeks of work placements

Supporting growth of responsible business

- **£6,087,248** spent with local suppliers
- **542** hours of EDI training provided for staff

Healthier, safer and more resilient communities

- **102** hours of staff time on school and college visits, delivering career and insight talks
- **£6,730** of donations to local community projects

Decarbonising and safeguarding our planet

- **184 hours** spent volunteering to protect the natural environment
- **Commitment** to measure and disclose Scope 1, 2 and 3 carbon emissions

Social Value Within our Pillars

Community

'Our Community' is one of our core ESG & Sustainability Policy pillars.

Making a positive contribution to the communities in which LSH staff live and work is paramount to the business. LSH's social value delivery is focussed both on developing a culture of inclusivity and maximising social impact, which includes pro bono work. There are various ways in which LSH supports its communities, including engaging young people about careers in real estate, mentoring young people to boost their potential and future opportunities, and using paid volunteer time to support local communities.



102 Hours of staff time with students



287 Hours of staff time invested in creating programmes, training & conducting research

What we are Doing Well

Creating Pathways for Students

To support their work, LSH engages key industry partners for outreach to communities of young people. To promote diversity with industry-leading organisations, LSH works with 'Changing The Face Of Property' and 'Property Needs You'. This is a collaboration between twelve of the UK's largest real estate consultancies, including LSH. The group of organisations work with young people, parents, teachers and careers advisors to help young people make the most of the career opportunities the property sector offers.

'LSH with Schools', an initiative created in 2021, brings recent graduates working at LSH to schools to promote the real estate industry to students at GCSE and A-level stage. As part of this programme we:

- Attended careers fairs at seven schools and colleges local to our offices to promote careers within real estate.
- LSH graduates attended the 'Skills London Show', the UK's largest jobs and careers fair for 14 – 24-year-olds and their families, to promote career paths into surveying and inspire young students.

- Delivered interview skills presentations at universities with diverse cohorts such as the University of Westminster and Oxford Brookes University.
- 65 employee volunteer hours were spent delivering employability skills workshops in schools.



Charity Fundraising

LSH supports a number of charities and fundraising is firmly embedded in our employee culture. In 2022, our standout fundraising and donation initiatives included:



Property Management
Lake Escape
£6,663



10K Run
£360
SleepOut 2022
£1,289



London Marathon
£2,603
Shirt to Work
£318



Run Through Event
IT Kit Donations
Clothes Recycling Scheme



£6,730 donated and in-kind to local community projects

Social Value Within our Pillars

People

'Our People' is one of LSH's key ESG & Sustainability pillars, and it is evident that providing a positive and respectful culture is important to the business, not only for existing but also prospective employees. LSH has strategic initiatives to establish and support a diverse workforce at all levels of the business with internal decision-making bodies established. Initiatives focus efforts on recruitment, training and guidance for staff. This includes assisting non-traditional employment practices and increasing opportunities for apprentices.



779 People hired locally



542 Hours of EDI training completed by employees

Social Value Within our Pillars

What we are Doing Well

Apprentices and Work Placements

LSH had 37 live apprenticeships in 2022 alone, working in areas such as surveying, leadership, marketing, finance and IT. Recognising that the benefits of nurturing and shaping careers does not need to be from just new talent recruitment, apprenticeships are a mixture of new as well as existing employees looking to develop their skills and progress their careers.

These apprentices are recruited from diverse backgrounds and are given the opportunity to develop both personal and professional skills over a period of time (between one and five years) in the hope that they will stay with LSH having gained valuable skills, or to prepare them for a career in a range of industries including in the built environment. LSH also employed five interns in London and Nottingham in 2022. Encouragingly, three of these interns were successful in gaining a place on the LSH graduate scheme either in the 2022 or 2023 intake, following their work placement.



31 Weeks of work placements



1,173 Weeks of apprenticeships

Engaging our Employees in EDI

LSH has a "Together" Working Group that meet monthly to look specifically at equality, diversity and inclusion within LSH. Their mission is to "create an environment where everyone feels welcome, valued and empowered to achieve their full potential, not limited by background, condition and there are no barriers to achieving this." We host events and celebrate a wide range of national and international initiatives in support of under-represented groups in our industry. For example, on International Women's Day we hosted a face-to-face keynote with Anna Sabine on "What's 'genderwashing' and why does it matter". Our programme of internal newsletters and podcast discussions raise awareness around aspects of diversity and inclusion as they apply to our people and business, and encourage positive contributions to our activities and objectives in this area from across our workforce.

In addition to this, 2022 saw the highest completion rate of our employee EDI training. The training equips employees to understand the benefits of diverse and inclusive working environments and the part they play in creating them.

Social Value Within our Pillars

Environment

LSH has set ambitious targets for our environmental agenda. We endeavour to safeguard the planet by aligning our climate ambition to SBTi's 1.5-degree pathway and are already committed to a 95% reduction in Scope 1 and 2 emissions by 2030, and Scope 3 reduction of 50% by 2030. To establish this commitment, LSH partnered with Planet Mark for the Planet Mark Net Zero Programme, which involves annual reporting and assessment of LSH's operations. The programme of work with Planet Mark will support LSH in measuring and reporting any additional benefits captured in the environmental measures in the TOM System Framework.



What we are Doing Well

Environmental Volunteering

As part of LSH's ongoing commitment to protecting the planet and maintaining green spaces, the business has committed staff volunteering time in partnership with clients to create more meaningful impact. As an example, in July 2022, the LSH and HLM Property Management team embarked on a two-day litter picking task to help clear the Shrewsbury Canal Path in partnership with our client, Canal & River Trust. By championing this work, activities like litter picking improve the cleanliness of the local community and protect canal water ecosystems. This in turn ensures that accessible natural space is maintained for routes to work and spaces to enjoy by the community.



Educating our Supply Chain

We have become members of the Supply Chain Sustainability School, an educational platform aimed at upskilling suppliers, as we look to influence behavioural and operational change across our value chain. Our entire supply chain has access to this platform, and the opportunity to upskill their employees on the sustainability issues relevant to their roles, to allow them to find ways to drive sustainability as individuals.



184 Hours of volunteering time



LSH Commitment to CO2e savings

How Will we Do This?

- 1 Develop corporate sustainability strategy and targets.
- 2 Strengthen corporate sustainability programmes and governance.
- 3 Publicly launch strategy and targets.
- 4 Publish first corporate sustainability progress report.

What's Next?

“As an industry there is a growing collective recognition that we need to get a grip on our environmental and social obligations. Serious businesses are taking action now and I hope that we are about to usher in an era of positive and demonstrable progress.”

Ezra Nahome, CEO of Lambert Smith Hampton

2022 was LSH's first year of retrospective social value reporting using the National TOM System framework. While this has been an opportunity to explore and observe the social value that LSH is delivering through current initiatives, it also highlights areas in need of improvement and allows us to maximise social value delivery moving forward. This has provided a solid foundation to build on and continue to create long-lasting social, economic and environmental value. The next step for LSH in embedding social value across our business operations in a way that consistently drives impact, is to create a robust corporate sustainability strategy with clear measurable targets and implementation plans.

Where Do we Need to Focus our Efforts?



Developing robust corporate programmes

Our current corporate sustainability and social value activity has been reactive and focused on building the foundations. Our goal now is to find the opportunities to embed social value within our day-to-day activities and create impact seamlessly through informed programmes that are continuously monitored and developed.



Improving our data capturing framework

A key takeaway from our first report is the need for us to capture data related to our social value activity more effectively. Now that we have a baseline, we want to ensure we are growing this value as we will report on progress against our targets each year. Effectively capturing this data will allow us to determine which activity is creating the most impact and where improvement is needed.



Improving our environmental activity

The report has not only helped us identify our strengths but also shown where we need to focus resources and efforts. The real estate industry has a responsibility to minimise its environmental impact through the way it manages the built environment, and we acknowledge the part we play in this. Our corporate strategy will focus heavily on driving social value in this area and exploring opportunities.

Our Sector Expertise

The value and type of social impact that can be delivered varies among asset types. Our sector knowledge combined with our in-house social value expertise allows us to identify and deliver the maximum level of social value relevant to your portfolio, with the highest level of return on investment.



Retail



Office



Land



Residential



**Industrial
and Logistics**



**Mixed Use
Developments**

Contact the Team



Federico Montella

Head of ESG & Sustainability

fmontella@lsh.co.uk

07395 877 359



Lana Goddard

ESG & Sustainability Manager

lgoddard@lsh.co.uk

07749 580 283

**Lambert
Smith
Hampton**

lsh.co.uk/sustainability

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