



COMPLIANCE STATEMENTS continued

TNFD

Introduction

Workspace considers nature and biodiversity to be a material issue, intrinsically linked to several of our other priority areas, including climate resilience, customer expectations, wellbeing, and regulatory compliance. Recognising the growing urgency of nature loss and its implications for our business and stakeholders, we are committed to understanding and addressing our nature-related impacts and dependencies.

In line with the recommendations of the Taskforce on Nature-related Financial Disclosures ('TNFD'), we are pleased to present our TNFD report. This disclosure provides transparency on the nature-related risks and opportunities we face, supporting stakeholders in making informed decisions. We intend to build on this foundation, refining and expanding our approach annually as we deepen our assessment of nature-related issues and embed them more fully into our strategic planning and risk management processes.

The need for action is clear. Globally, wildlife populations have declined by nearly 70% over the past 50 years (Source: WWF's living planet report). In the UK, one in six species is now at risk of extinction (Source: State of nature report 2023). London is not immune to these pressures. Urban development and rising temperatures are straining natural habitats, with far-reaching consequences for public health, community resilience, and quality of life.

With ownership and management of 56 sites throughout various London boroughs and the South East, Workspace is well placed to broaden access to green spaces, bolster local biodiversity, and create benefits for surrounding communities. To address these goals, we've developed our Nature and Biodiversity Strategy, Make Space for Nature, which can be found on our website.

| TNFD pillar and recommendation | Recommended disclosures | Alignment with disclosure requirements |
|---|--|--|
| 1. Governance Disclose the organisation's governance of nature-related dependencies, impacts, risks and opportunities. | A. Board oversight of nature-related dependencies, impacts, risks and opportunities | Fully aligned |
| | B. Management's role in assessing/managing dependencies, impacts, risks and opportunities | Fully aligned |
| | C. Human rights policy and engagement activities in assessment of dependencies, impacts, risks and opportunities | Fully aligned |
| | D. Interface with priority locations | Partially aligned |
| 2. Strategy Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation's business model, strategy and financial planning where such information is material. | A. Dependencies, impacts, risks and opportunities for short, medium and long term | Partially aligned |
| | B. Effect on business model, value chain, strategy, financial planning, transition plans | Partially aligned |
| | C. Business' strategy resilience against various scenarios | N/A |
| | D. Interface with priority locations | Partially aligned |
| 3. Risk management Describe the process used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risk and opportunities. | A. Process for identifying, assessing and prioritising dependencies, impacts, risks and opportunities in direct operations and value chain | Partially aligned |
| | B. Process for monitoring dependencies, impacts, risks and opportunities | Partially aligned |
| | C. Integration into overall risk management | Partially aligned |
| 4. Metrics and targets Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities. | A. Metrics used to assess and manage risks and opportunities | Fully aligned |
| | B. Metrics used to assess and manage dependencies and impacts | Partially aligned |
| | C. Description of targets (and performance monitoring) to manage dependencies, impacts, risks and opportunities | Partially aligned |



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In this strategy we have set ambitious, measurable targets to enhance the ecological value of our operational and development portfolios, ensuring nature is a core consideration in the design, construction, and management of our spaces.

1. Governance

Board Oversight

Our Chief Executive Officer has the highest level of responsibility for nature-related risks and opportunities and together with the rest of the Workspace Board, ensures we maintain oversight of nature-related issues. During the financial year ended 31 March 2026, the Board ESG Committee, comprised our Chair, five Non-Executive Directors, our CEO and CFO. The Board ESG Committee receives a detailed update three times a year on our sustainability strategy, including nature-related issues, from members of the Executive Committee and the Sustainability Lead.

This year, the Board ESG Committee reviewed progress we have made on our nature strategy. The strategy includes measurable targets for our developments and existing portfolio, which are now fully integrated into key performance metrics, and monitored by the Board ESG Committee annually. The Committee also received a detailed ESG regulatory update from the Executive Committee and Sustainability Lead during the year, including changes to national and local nature-related regulations.

Management's Role

The Head of Portfolio Management is the Executive owner of our nature strategy the Sustainability Lead and reports to the Board ESG Committee on all nature-related issues. They are supported by the members of the Environmental Committee in setting our nature and biodiversity strategy and mobilising delivery. Nature-related targets set out in our strategy are now fully embedded into the objectives of relevant team members.

Human rights and engagement

As a property business, we recognise that nature-related impacts often intersect with the rights and wellbeing of local communities. We integrate human rights considerations into our governance of nature-related risks, particularly when developing or managing properties that may affect local ecosystems, contribute to deforestation, or limit public access to natural assets. We engage with customers, suppliers, and local stakeholders to identify and address all risks, ensuring our activities support equitable and sustainable development in line with international human rights and environmental standards.





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2. Strategy

Nature-related Dependencies and Impacts

Workspace recognises the vital connection between a thriving natural environment and the long-term success of its business. As a provider of flexible workspaces across a densely urbanised city, we both depend on and impact key ecosystem services, including climate regulation, stormwater management, and air purification. Our reliance on nature's provisioning services is especially pronounced in our value chain, notably in construction, which demands significant volumes of natural raw materials.

Shifting regulatory and market expectations present both risks and opportunities. Increasingly, local and national regulations require greater attention to greening and biodiversity in development projects. At the same time, evolving customer expectations are a key driver of action. Our recent London SME survey revealed that access to greenery is a significant factor in office space selection. We've seen highly positive responses to the greening of our sites, highlighting a clear opportunity to expand this across our portfolio and enhance customer satisfaction.

In collaboration with nature and biodiversity experts Greengage, and through engagement with internal teams, we have undertaken an initial mapping of our nature-related risks and opportunities associated with our direct operations. Building on this foundation, we plan to conduct a comprehensive double materiality assessment of our direct and indirect impacts, dependencies, risks, and opportunities related to nature. This will be guided by the TNFD's LEAP (Locate-Evaluate-Assess-Prepare) approach.

Nature-related risks and opportunities

| Category | Nature-related risks/opportunity | Description | Effect on business model, value chain, strategy and financial planning | Impact |
|------------------------|---|--|--|----------|
| Physical risk | Biodiversity degradation near urban sites | Reduced ecosystem services (e.g. pollination, shading, air quality) impacting customer wellbeing and quality of life | Diminished attractiveness of our portfolio | Low |
| Physical risk | Climate stress from loss of natural safeguards | Lack of green space exacerbates urban heat island effect and flood risk | High operational costs due to heat stress and flood damage remediation | Moderate |
| Physical risk | Drought risk | Water scarcity causing operational issues | High operational costs | Low |
| Transition risk | Regulatory compliance (e.g., Biodiversity Net Gain, local planning requirements, nature-related disclosure) | Additional planning restrictions, cost increases, or delays for non-compliance | Compliance risk, development cost increase due to delays | Low |
| Transition risk | Stakeholder expectation misalignment | Reputational risk due to lack of appropriate response to nature degradation | Reduced brand attractiveness and customer recommendation levels | Low |
| Transition risk | Access to capital | Increased scrutiny on nature and biodiversity KPIs as part of lending requirements | Increase cost of capital | Low |
| Transition risk | Cost of raw materials | Degraded provision of ecosystem services causing lack in supply of raw materials, such as timber | Construction cost increase | Low |
| Opportunity | Enhanced asset value from green spaces | Nature-enhanced assets may command higher rents and customer retention | Increased and sustained rental income | Low |
| Opportunity | Customer wellbeing and productivity | Access to nature linked to improved customer satisfaction and wellness | Reputational benefits and increased tenant retention and attraction | Low |
| Opportunity | Alignment with urban planning and resilience strategies | Supporting local climate/nature goals can streamline approvals and community goodwill | Facilitating planning approvals and portfolio growth | Low |



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2. Strategy continued

While we have mapped our operational portfolio against priority biodiversity locations – confirming that none of our sites fall within designated areas – we have not yet conducted a comprehensive assessment of our broader value chain. This is a priority we intend to address in due course. Similarly, we have not undertaken dedicated nature-related scenario analysis, primarily due to the current lack of robust and widely accepted methodologies. However, several risks and opportunities identified through our existing TCFD climate scenarios are directly linked to nature, such as surface water flooding.

Addressing our nature-related impacts, dependencies, risks and opportunities
Our 'Make Space for Nature' strategy aims to address our nature-related risks and opportunities via three primary objectives:

1. Achieve ambitious Biodiversity Net Gain

The statutory metric ('BNG') provides a quantifiable and verifiable method to assess our habitat creation efforts and environmental impact, which also helps to meet regulatory requirements. The aim is to achieve quantifiable biodiversity net gains, which exceed minimum compliance standards, for all new developments, major refurbishments and existing assets. This includes enhancing habitats for priority species and implementing green infrastructure across all assets where opportunity exists. Quantifying habitat enhancement and creation also allows us to incorporate nature and biodiversity performance consideration into financial planning both at design stage of development/refurbishment projects and into annual asset management budgeting.

2. Health and wellbeing engagement

The increase in urban density can constitute a barrier to accessing nature, a crucial contributor to physical and mental health. As an actor of urban transformation, Workspace recognises that people's connection to nature is essential to their wellbeing and needs to be preserved. By creating sizeable and inviting green spaces as part of each project, we are committed to meeting our customers' expectations and enhancing their wellbeing and that of local communities.

3. Ecosystem service provision and resilience

We recognise that the evolving climate presents low to moderate risks to our business, manifesting as extreme weather events such as flooding, and chronic challenges like heat and drought stress. By integrating nature-based solutions into the design of our buildings effectively help to mitigate against these risks. The creation of blue and green spaces contribute to reducing the Urban Heat Island effect, and outdoor greenery offers shaded spaces that help mitigate the effects of heat stress. Green infrastructure on site also helps managing surface water by increasing the amount of permeable ground across our properties.

To measure our progress, we have baselined our contribution to local biodiversity and set measurable targets (see Metrics and Targets on page 91 and additional information on page 55).

15%

Aim for biodiversity net gain by 2030, against 2024 baseline





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3. Risk management

Given the central role of nature-based solutions in climate change adaptation and mitigation, nature and climate-related risks are deeply interdependent. As such, Workspace integrates nature-related risks into its broader climate risk management approach through its enterprise risk management framework (see page 77 in the TCFD section for further detail).

As outlined in the Strategy section, the three objectives of our 'Make Space for Nature' strategy (biodiversity net gain, wellbeing, climate resilience) together address our direct nature-related risks and opportunities. To mitigate against the risks, we have incorporated the strategy, along with clear action plans, into the objectives of relevant teams, both for our operational portfolio and development projects.

Operational portfolio:

Following a comprehensive biodiversity baselining exercise of our portfolio, we have identified enhancement opportunities across our operational portfolio and created a pipeline of greening projects which were prioritised based on site needs, customer expectations and space availability.

To ensure any enhancement or addition of green spaces across our portfolio addresses our three strategic objectives, we have developed a Biodiversity Design Guide to inform and support decision-making. This guide provides clear green infrastructure specifications, including species selection and is used by both our asset management and development teams to inform project specification.

This guidance also includes maintenance regimen, horticultural best practice, cost estimations and links to ecosystem service provision.

Developments:

Our Sustainable Development Framework has guided our development teams in translating Workspace's sustainability ambitions consistently into project designs. Building on this existing process, we have incorporated our latest nature-specific targets into the Framework to ensure meaningful and measurable contributions to local biodiversity are achieved at project level (exceeding the minimum compliance requirements), whilst maximising customer wellbeing. This also places nature-based solutions at the heart of our climate-related adaptation and mitigation strategy.

The table on the right outlines our mitigation strategy against each of the nature-related risks.

Mitigating strategy for nature-related risks

| Category | Nature-related risks/opportunity | Mitigation strategy |
|------------------------|--|---|
| Physical risk | Biodiversity degradation near urban sites > Reduced ecosystem services (e.g. pollination, shading, air quality) impacting customer wellbeing and quality of life | <ul style="list-style-type: none"> - Rolling programme of greening projects, informed by Biodiversity Design Guide, to enhance onsite biodiversity - All major projects incorporate a minimum BNG target, exceeding minimum compliance requirements |
| Physical risk | Climate stress from loss of natural safeguards > Lack of green space exacerbates urban heat island effect and flood risk | <ul style="list-style-type: none"> - Biodiversity Design Guide encourages implementation of sustainable drainage systems and enhancement in vegetative cover, including tree planting |
| Physical risk | Drought risk > Water scarcity causing operational issues | <ul style="list-style-type: none"> - Specification of drought resistant planting and water efficient fittings to minimise our water consumption |
| Transition risk | Regulatory compliance > Additional planning restrictions, cost increases, or delays for non-compliance | <ul style="list-style-type: none"> - All major projects incorporate a minimum BNG target, exceeding minimum compliance requirements |
| Transition risk | Stakeholder expectation misalignment > Reputational risk due to lack of appropriate response to nature degradation | <ul style="list-style-type: none"> - 'Make Space for Nature' strategy communicated to all stakeholders with public reporting of progress and TNFD disclosure to ensure our approach and response is widely understood |
| Transition risk | Access to capital > Increased scrutiny on nature and biodiversity KPIs as part of lending requirements | <ul style="list-style-type: none"> - Incorporation of BNG target as a key sustainability KPI, with a long term measurable goal - TNFD disclosure ensures lenders are informed of progress being made |
| Transition risk | Cost of raw materials > Degraded provision of ecosystem services causing lack in supply of raw materials, such as timber | <ul style="list-style-type: none"> - Focus on refurbishment minimises reliance on raw materials - Plans to update procurement policies to take into account nature-related considerations |

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4. Metrics and targets

To measure our nature-related impact and dependency, we are now tracking and reporting on a number of metrics such as:

- Biodiversity Net Gain achieved on each development project³
- Urban Greening Factor achieved on new development project³
- Number of ecosystem services uplifted on new development project³
- Annual Biodiversity Net Gain uplift across our operational portfolio (page 55)
- Number of additional greening projects or greenery condition improvement projects carried out annually (page 55)
- Number of customer and employee nature awareness events delivered (page 58)
- Instances of surface flooding affecting our buildings (page 56)
- Waste generated and disposal (page 56)
- Water use (page 55)

The table on the right provides further detail on targets we have set against nature-related risks and opportunities.

Nature and biodiversity targets

| | Target | Process |
|---------------------------------|---|--|
| Existing portfolio | 1. Achieve 15% BNG across the operational portfolio (based on habitat units) by 2030 from a 2023/24 baseline. | <ul style="list-style-type: none"> - We will seek to green our buildings where feasible. - We will implement adequate 'biodiversity actions' (such as planters, trees, etc) where feasible. - We aim to monitor and report against the targets every two years including verification from a third party. |
| New Developments | <ol style="list-style-type: none"> 1. Achieve 25% BNG, for sites with existing greening¹ OR achieve 2 BU/ha, for dense urban sites with little greening². 2. Achieve a Urban Greening Factor ('UGF') of 0.3. 3. Achieve an uplift in at least five ecosystem services, as assessed via the Environmental Benefits for Nature ('EBN') Tool. | <ul style="list-style-type: none"> - We will apply the 'Biodiversity Requirements' for new developments during the design process, to provide process-led environmental net gain on each site. - We will monitor and report against the targets from RIBA Stage 3 onwards. |
| Business-wide commitment | <ol style="list-style-type: none"> 1. Communicate response externally via TNFD disclosure. 2. Update procurement policies to include nature-related considerations. | <ul style="list-style-type: none"> - We will continue to evolve our TNFD disclosure as the strategy evolves beyond direct operations. - We will build on existing sustainable procurement policy to consider embodied ecological impact of materials and information on suppliers' nature impacts. |

1. Where the baseline value of site is one biodiversity unit or above.
 2. Where the baseline value of site is less than one biodiversity unit.
 3. Nature and Biodiversity metrics for new developments (see table to the right) are not reported this year as no new development project has been designed since the publication of the 'Make Space for Nature' strategy.

Supporting London's biodiversity

Greening Screenworks and Pill Box

At Screenworks, we enhanced the existing green roof and introduced a new green wall to further improve the site's environmental performance and customer experience. The intervention added nine plant species, including four pollinator-friendly species, significantly increasing local ecological value.

At Pill Box, eleven trees were introduced along with a green roof.

The two projects delivered 0.18 additional biodiversity units to their sites, making a material contribution towards our 2030 Biodiversity Net Gain target.

Beyond environmental benefits, the upgraded spaces are actively used and enjoyed by customers, providing improved access to nature within the workplace.

