

GOVERNANCE DRIVING LONG-TERM SUCCESS

BOARD SKILLS AND EXPERIENCE

The Board and its Committees continue to have a strong mix of experienced individuals who are not only able to offer an external perspective on the business, but also provide constructive challenge to review the Group's strategy.

	Executive and Leadership	Property and Real Estate	Financial	Corporate Governance	Customer and Marketing	People	ESG
Executive Directors							
Graham Clemett	○	○	○	○	○	○	○
Dave Benson	○	○	○	○	○	○	○
Non-Executive Directors							
Stephen Hubbard	○	○	○	○	○	○	○
Rosie Shapland			○	○		○	○
Lesley-Ann Nash	○		○	○		○	○
Duncan Owen	○	○	○	○		○	○
Manju Malhotra	○		○		○	○	
Nick Mackenzie	○	○	○	○	○	○	○

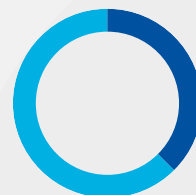
LENGTH OF TENURE FOR THE BOARD AS AT 31 MARCH 2023

Year joined	2007	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Graham Clemett	█											
Dave Benson									█	█	█	█
Stephen Hubbard			█	█	█	█	█	█	█	█	█	█
Rosie Shapland										█	█	█
Lesley-Ann Nash										█	█	█
Duncan Owen										█	█	█
Manju Malhotra											█	█
Nick Mackenzie											█	█

BOARD DIVERSITY

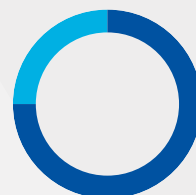
We recognise that a group that is diverse in nature, irrespective of gender, ethnicity, skills, experience and background, is able to provide differing perspectives and challenge to debates and decisions.

GENDER DIVERSITY OF THE BOARD AS AT 31 MARCH 2023



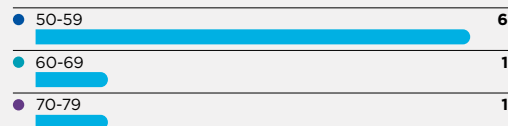
3 Female	37.5%
5 Male	62.5%

ETHNIC DIVERSITY OF THE BOARD AS AT 31 MARCH 2023



6 White	75%
2 Minority ethnic	25%

AGE DIVERSITY OF THE BOARD AS AT 31 MARCH 2023



BOARD INDEPENDENCE

1
NON-EXECUTIVE CHAIR

2
EXECUTIVE DIRECTORS

5
INDEPENDENT NON-EXECUTIVE DIRECTORS

“A Board made up of people with a wide range of backgrounds and experiences, combined with our culture of openness and respect will contribute to our long-term success

Stephen Hubbard
Chair

GOVERNANCE DRIVING LONG-TERM SUCCESS CONTINUED

2022/23 HIGHLIGHTS

DIVIDEND PER SHARE
2022-2023

25.8p

BOARD MEETINGS
2022-2023

7

REMUNERATION POLICY REVIEW
2022-2023

12 shareholders engaged

SHAREHOLDER ENGAGEMENT
2022-2023

304 institutional investors engaged

RIVERSIDE DISPOSAL
2022-2023

£54m

BOARD ACTIVITIES

		Our customers	Our people	Our investors	Our partners & suppliers	Our communities	Our environment	The environment	More information
1. Strategy	Annual strategic review	○	○	○	○	○	○	○	Page 118
	Sustainability agenda	○	○	○	○	○	○	○	Page 118
2. Operations	Asset management	○		○	○				Page 118
	Portfolio valuation			○					Page 118
	Portfolio growth	○	○	○	○	○	○	○	Page 119
3. Purpose, values and culture	Purpose	○	○	○	○	○	○	○	Page 119
	Values	○	○	○	○	○	○	○	Page 119
	Culture	○	○	○	○	○	○	○	Page 119
4. Stakeholders	Investor engagement			○					Page 121
	Employee engagement		○						Page 122
	Business relationship engagement	○				○			Page 123
	Community and environment engagement						○	○	Page 123
5. Finance	Structure, forecasts, budgets			○					Page 123
	Refinancing			○					Page 123
	Dividend payments			○					Page 123
6. Reporting	Full, half-year and trading statements			○					Page 123
	Viability and Going Concern statements			○					Page 123
7. Risks	Principal risks	○	○	○	○	○	○	○	Page 123
	Emerging risks	○	○	○	○	○	○	○	Page 123
8. Succession	Appointment of new Chair	○	○	○	○	○	○	○	Page 124
9. Governance	Board effectiveness review	○	○	○	○	○	○	○	Page 124
	Gender pay gap		○	○					Page 124
	Regulatory and legal updates			○					Page 124
	Committee membership and terms of reference			○					Page 124
	Workforce policies and practices		○						Page 124

CHAIR'S INTRODUCTION TO GOVERNANCE

Our approach to corporate governance aims to preserve and strengthen stakeholder confidence in our business integrity and provide a working foundation of accountability.

Stephen Hubbard
Chair

QUICK LINKS

Chair's introduction to governance	Page 108
Board leadership and company purpose	Page 113
Division of responsibilities	Page 129
Composition, succession and evaluation	Page 141
Audit, risk and internal control	Page 159
ESG Committee report	Page 172
Remuneration	Page 178
Report of the Directors	Page 212
Statement of Directors' responsibilities	Page 215



CHAIR'S INTRODUCTION TO GOVERNANCE CONTINUED



We have fully embedded our approach to sustainability, covering both our portfolio and business-wide strategic decisions

Dear shareholder,

This will be my last message as Chair as I will be stepping down from the Board in July 2023. I have very much enjoyed being on the Workspace Board for the last nine years. When I took over as Chair three years ago, one of my objectives was to strengthen the Board and plan for my succession. In this regard, I am delighted that this has been successful with Duncan Owen taking over the Chair role. To read more about his appointment process see page 146.

Our Purpose

Our purpose – to give businesses the freedom to grow – runs through every part of our business, starting with our people and how they live our values, right up to how our Board delivers good governance. Throughout the year, our people supported our purpose, ultimately driving greater long-term sustainable success. During the year we approved a new company value, which had been introduced following employee feedback. For more details see page 21.

Environmental, Social and Governance (ESG)

We recognise the importance that our stakeholders place on ESG, and our commitment to delivering a climate-resilient portfolio, looking after our people and supporting our communities. This commitment is led by our Board and lived by our people every day.

We have a fully embedded approach to sustainability, covering both our portfolio and all business-wide strategic decisions. An ESG Board Committee has been established to provide added focus and drive further integration across business decisions. We receive regular monthly updates from around the business against our ambitions. For more details, see page 172.

Stakeholder Engagement

We recognise that stakeholder engagement is critical to the long-term success of our business. We have continued with our practice of considering stakeholder voices in discussions and decision making, not only at Board level, but across the Company. For examples of how we have done this, please see pages 15 to 25 and 121 to 123. We support and encourage our senior managers in their relationships with respective stakeholder groups.

This strong sense of purpose has created a culture that puts our stakeholders front and centre. A large proportion of our decision making is informed by listening to our stakeholders, both at the Board level and across the Company.

Our Section 172(1) Statement, which can be found on page 125 demonstrates how the Board's engagement with stakeholders has affected decision making.

Our People and Culture

Our people are essential to the delivery of our strategic objectives and our continued success. It is vital that we provide a work environment where everyone feels valued, motivated and able to thrive. We continue with our Board supported initiatives to support the wellbeing of our people and embrace diversity as a core value. For the past two years, employee survey feedback has shown that our teams strongly believe in our culture and clear set of values. We monitor employee engagement and satisfaction through annual surveys. I have also carried out in person engagement sessions with staff, a forum in which candid feedback is provided.

This year, the Board has been particularly mindful of the impact of the cost-of-living crisis on our staff. Staff salaries were increased by at least 6% from 1 April 2023. Further details can be found on page 181.

Future Outlook

The Board strongly believes that good governance is a key part of the strength of our business and that by continually reviewing and monitoring our existing practices we can ensure that our governance continues to evolve and is aligned to our business.

I would like to take this opportunity to wish the Board and all Workspace staff success for the future.

Stephen Hubbard
Non-Executive Chair
6 June 2023

GOVERNANCE HIGHLIGHTS**CHAIR APPOINTED**

Duncan Owen, who joined the Board in July 2021, to become the newly appointed Chair with effect from 6 July 2023

[Chair succession >](#)
Page 146

BOARD EFFECTIVENESS

Board and Committee effectiveness review carried out by the Chair and Company Secretary with the assistance of Fidelio

[Board evaluation >](#)
Page 155

ESG COMMITTEE CREATED

Creation of the ESG Committee to help progress the Group's ESG plans and further integrate ESG across the business

REMUNERATION POLICY REVIEW

Review of the Company's Remuneration Policy, including engagement with shareholders

[Remuneration Policy >](#)
Page 190

RISK REVIEW

Assessment of the Group's principal and emerging risks with particular reference to climate change.

[Principal risks and uncertainties >](#)
Page 69

CHAIR'S INTRODUCTION TO GOVERNANCE CONTINUED



Stephen Hubbard pictured with
Chair elect, Duncan Owen



I am excited about taking up the position of Chair from July 2023. Workspace is in a great position and it's an exciting time for everyone in the business

Duncan Owen
Chair elect

UK CORPORATE GOVERNANCE CODE 2018

Compliance statement

The Board confirms that, for the year ended 31 March 2023, we have complied with all of the provisions of the UK Corporate Governance Code 2018 other than Provision 32 of the Code. Lesley-Ann Nash was appointed as Chair of the Remuneration Committee with effect from 10 September 2021 and on appointment had served nine months as a member of the Remuneration Committee. While we note the requirement of Provision 32 that remuneration committee chairs should have served on a remuneration committee for at least 12 months prior to their appointment, Lesley-Ann has now served on the Remuneration Committee for over two years and the Board continues to have every confidence that Lesley-Ann has the skills and experience to carry out the role.

The application of the Code's Principles is evidenced throughout the Annual Report and the table overleaf shows how the Governance section has been structured around the Code Principles (A to R).

Further information on the Code can be found on the Financial Reporting Council's website at www.frc.org.uk.

Principles of the UK Corporate Governance Code 2018	More information
Board leadership and company purpose	111
Division of responsibilities	111
Composition, succession and evaluation	112
Audit, risk and internal control	112
Remuneration	112

About this report

The Governance section has been structured around the Code Principles (A to R).

HOW WE COMPLY WITH THE UK CORPORATE GOVERNANCE CODE 2018 CONTINUED

BOARD LEADERSHIP AND COMPANY PURPOSE

Pages 113 to 128

Principle A A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.	Our Board Page 114 Chair succession Page 146 Board evaluation Page 155
Principle B The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.	Our purpose Page 14 Our strategy Page 32 Sustainability Page 36
Principle C The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	Our business model Page 64 Our governance framework Page 132 Principal risks and uncertainties Page 69
Principle D In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.	Our stakeholders Pages 15 and 121 Section 172(1) statement Page 125
Principle E The board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.	Our purpose Page 14 Sustainability Page 36 Whistleblowing Policy Page 91

DIVISION OF RESPONSIBILITIES

Pages 129 to 140

Principle F The chair leads the board and is responsible for its overall effectiveness in directing the company. The chair should demonstrate objective judgement throughout their tenure and they should promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and the chair ensures that directors receive accurate, timely and clear information.	Board roles and responsibilities Page 130 Chair's governance letter Page 109 Board evaluation Page 155
Principle G The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board's decision making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company's business.	Board roles and responsibilities Page 130 Non-Executive Directors Page 133 The relationship between the Board and the Executive Committee Page 135
Principle H Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.	Board roles and responsibilities Page 130 Non-Executive Directors Page 133
Principle I The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	Our governance framework Page 132 Information flow to the Board Page 139

HOW WE COMPLY WITH THE UK CORPORATE GOVERNANCE CODE 2018 CONTINUED

COMPOSITION, SUCCESSION AND EVALUATION

Pages 141 to 158

Principle J Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained by the board and by senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.	Chair succession Page 146 Inclusion and diversity Page 148
Principle K The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.	Board composition Page 148
Principle L Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.	Board evaluation Page 155

AUDIT, RISK AND INTERNAL CONTROL

Pages 159 to 171

Principle M The board should establish formal and transparent policies and procedures to ensure the independence and the effectiveness of internal and external audit functions. The board should satisfy itself on the integrity of financial and narrative statements.	Audit Committee Report Page 159
Principle N The board should present a fair, balanced and understandable assessment of the company's position and its prospects.	Fair, balanced and understandable assessment Page 167
Principle O The board should establish procedures to manage risk, to oversee the internal control framework, and to determine the nature and the extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.	Our governance framework Page 132 Audit Committee Report Page 159 Principal risks and uncertainties Page 69

REMUNERATION

Pages 178 to 211

Principle P Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values, and be clearly linked to the successful delivery of the company's long-term strategy.	Remuneration Committee Chair's letter Page 181 Remuneration at a glance Page 185 Our remuneration policy Page 190
Principle Q A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome.	Remuneration Committee Chair's letter Page 181 Our remuneration policy Page 190
Principle R Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.	Remuneration Committee Chair's letter Page 181 Our approach to fairness and wider workforce considerations Page 198

BOARD LEADERSHIP AND COMPANY PURPOSE

The Board provides strong leadership and support to the Executive Committee as it delivers the Group's strategic aims.

Graham Clemett

Chief Executive Officer

The Board comprises the CEO, the CFO and Non-Executive Directors and it is chaired by Stephen Hubbard. Details of individual attendance at Board meetings held during the year are set out below. More information on the skills and the experience of the Board members can be found on pages 115 to 116.

	Board	Audit	Remuneration	Nominations	ESG
Stephen Hubbard	7/7	-	6/6	3/3	2/2 ⁴
Graham Clemett	7/7	-	-	-	2/2 ⁴
Dave Benson	7/7	-	-	-	2/2 ⁴
Rosie Shapland	7/7	4/4 ³	6/6	3/3	2/2 ⁴
Lesley-Ann Nash	7/7	4/4 ³	6/6	3/3	2/2 ⁴
Duncan Owen ¹	7/7	-	-	2/3 ⁵	2/2 ⁴
Manju Malhotra	7/7	4/4 ³	-	3/3	2/2 ⁴
Nick Mackenzie	6/7 ⁶	-	-	3/3	2/2 ⁴
Damon Russell ²	3/3	-	-	1/1	-

1. Duncan Owen was appointed as Chair of the ESG Committee on 21 April 2022.

2. Damon Russell stepped down from the Board with effect from the close of the Company's AGM on 21 July 2022.

3. The Audit Committee meeting in January 2023 was a joint meeting with the ESG Committee.

4. The ESG Committee meeting in January 2023 was a joint meeting with the Audit Committee.

5. Duncan Owen did not attend the Nominations Committee meeting where his appointment as Chair was discussed.

6. Nick Mackenzie did not attend the September 2022 Board meeting due to pre-existing commitments.

QUICK LINKS

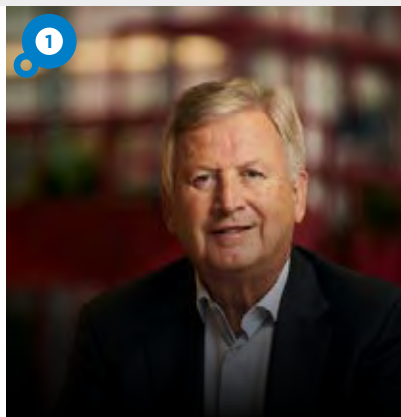
Our Board	Page 114
Board and Committee membership	Page 117



BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED

Our Board

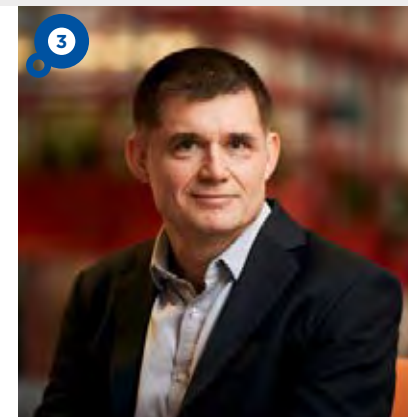
Led by our Chair, Stephen Hubbard, the Board provides the leadership of the Company. The Board is collectively responsible and it is accountable to shareholders for the Company's long-term success, strategy, values, culture, control and management.



Stephen Hubbard
Non-Executive Chair



Graham Clemett
Chief Executive Officer



Dave Benson
Chief Financial Officer



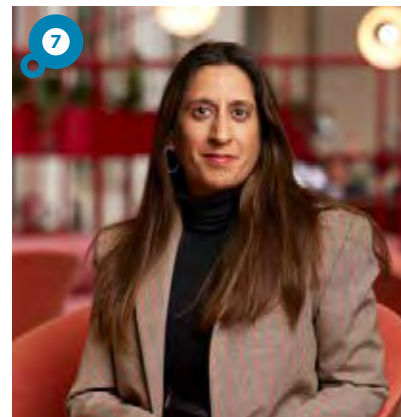
Rosie Shipland
Non-Executive Director



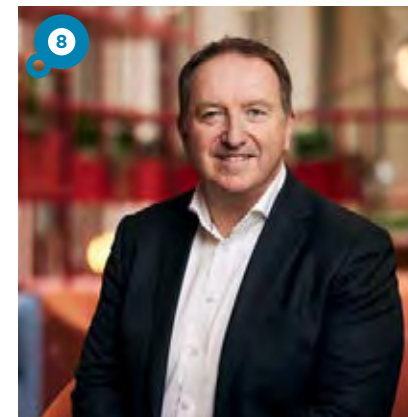
Lesley-Ann Nash
Non-Executive Director



Duncan Owen
Non-Executive Director



Manju Malhotra
Non-Executive Director



Nick Mackenzie
Non-Executive Director

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED
OUR BOARD CONTINUED**CHAIR****STEPHEN HUBBARD**
INDEPENDENT
NON-EXECUTIVE DIRECTOR

1

Committee membership

- REMUNERATION
- NOMINATIONS (CHAIR)
- ESG

AppointedBoard: July 2014
Chair: July 2020**Current external appointments**

Stephen is a member of the advisory board of Redevco, a pan-European property holding company, and a Non-Executive Director of AustralianSuper where he is their representative on the board of the BL/Aus Super JV for Canada Water.

Relevant skills, business experience and contribution

Stephen has many years' experience of operating within the property sector. He was previously Chair of CBRE UK until he retired in December 2019, having joined Richard Ellis in 1976 and held the position of Head of EMEA and UK Capital Markets from 1998 to 2012. He was also previously Non-Executive Chair of LXI REIT PLC. He has an outstanding track record in the investment market and has advised on several landmark transactions involving international capital. Stephen has a broad range of knowledge and experience at board level, including leadership and executive management, operation of public companies, regeneration and development projects, as well as strong financial skills.

EXECUTIVE DIRECTOR**GRAHAM CLEMETT**
CHIEF EXECUTIVE OFFICER

2

Committee membership

- ESG
- EXECUTIVE (CHAIR)
- INVESTMENT (CHAIR)
- DISCLOSURE (CHAIR)

AppointedBoard: July 2007
CEO: September 2019**Current external appointments**

Graham is the Senior Independent Non-Executive Director at The Restaurant Group PLC.

Relevant skills, business experience and contribution

Graham has detailed knowledge of the Company's operations and extensive experience of the property sector gained through his fifteen years' experience with the Group, having joined as CFO in 2007. Prior to joining the Group, he was Finance Director for UK Corporate Banking at RBS Group plc and before that spent eight years at Reuters Group plc, latterly as Group Financial Controller. Graham has extensive experience in leadership and management, strong commercial, strategic and communication skills, extensive investor relations experience and strong financial skills with significant experience of financing and capital raising. He is a Chartered Accountant.

EXECUTIVE DIRECTOR**DAVE BENSON**
CHIEF FINANCIAL OFFICER

3

Committee membership

- ESG
- EXECUTIVE
- INVESTMENT
- DISCLOSURE

Appointed

April 2020

Current external appointments

Dave does not have any current external appointments.

Relevant skills, business experience and contribution

Prior to joining Workspace, Dave was the Corporate Finance Director of Whitbread PLC. He previously held senior finance roles at Kier Group plc and Keller Group plc, having qualified as a Chartered Accountant with Deloitte. He has strong financial skills, having gained experience in a series of dynamic businesses as well as a good understanding of technology and its commercial applications plus strong communication and leadership skills. He has experience in strategy development, infrastructure and development projects, corporate transactions, acquisitions and integrations, investor relations and detailed knowledge of risk management and internal control systems.

NON-EXECUTIVE DIRECTOR**ROSIE SHAPLAND**
SENIOR INDEPENDENT NON-EXECUTIVE
DIRECTOR

4

Committee membership

- REMUNERATION
- NOMINATIONS
- AUDIT (CHAIR)
- ESG

AppointedNovember 2020¹**Current external appointments**

Rosie is a Non-Executive Director at Foxtons Group plc, where she is Senior Non-Executive Director, Chair of their Audit Committee, and a member of their Remuneration, Nomination and ESG Committees and PayPoint plc, where she is Chair of their Audit Committee and a member of their Nomination and Remuneration Committees.

Relevant skills, business experience and contribution

Rosie is a Chartered Accountant and was previously an audit partner at PwC. She has many years' experience of operating within the finance sector as well as a broad range of public company board experience, in addition to experience of governance, risk management, investment and corporate transactions and strong financial skills.

1. Rosie was appointed Senior Independent Director in February 2022 and Chair of the Audit Committee in July 2021.

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED
OUR BOARD CONTINUED**NON-EXECUTIVE DIRECTOR****LESLEY-ANN NASH**

INDEPENDENT NON-EXECUTIVE DIRECTOR

5

Committee membership

- REMUNERATION (CHAIR)
- NOMINATIONS
- AUDIT
- ESG

AppointedJanuary 2021¹**Current external appointments**

Lesley-Ann is a Non-Executive Director of St. James's Place plc, where she is a member of their Risk and Remuneration Committees. She is also a member of the boards of Homes England and London First.

Relevant skills, business experience and contribution

Lesley-Ann was previously a Director in the Cabinet Office of HM Government and a Managing Director at Morgan Stanley, as well as having previously worked at UBS and Midland Bank. She has deep global capital markets experience on both buy and sell sides, extensive knowledge of central and local government and experience of policy development, procurement and major programme delivery and a track record of promoting inclusion and diversity and delivering meaningful cultural change, as well as public company board experience. She also has deep financial fluency gained as a fellow of the Chartered Institute of Management Accountants (CIMA). She was also previously on the board of North London Hospice.

1. Lesley-Ann was appointed Chair of the Remuneration Committee in September 2021.

NON-EXECUTIVE DIRECTOR**DUNCAN OWEN**

INDEPENDENT NON-EXECUTIVE DIRECTOR

6

Committee membership

- NOMINATIONS
- ESG (CHAIR)

AppointedJuly 2021¹**Current external appointments**

Duncan is the Chair of Sellar, the large scale London office developer of schemes such as the Shard and Paddington Square.

Relevant skills, business experience and contribution

Duncan has over 30 years' experience in the real estate investment and development sector. He has a deep understanding of the central London Office sector and listed capital markets, including leadership of IPOs and corporate acquisitions. He was previously a director of LaSalle Investment Management, on the board of Insight Investment, CEO of Invista Real Estate Investment Management plc, Global Head of Real Estate at Schroders PLC, and then the CEO of Immobel Capital Partners until 31 March 2023. He was also previously a Governor of the board of the Church Commissioners. He is a member of the Royal Institution of Chartered Surveyors, sat on the policy committee of the BPF (British Property Federation) for 14 years and studied at INSEAD.

1. Duncan was appointed Chair of the ESG Committee in April 2022.

NON-EXECUTIVE DIRECTOR**MANJU MALHOTRA**

INDEPENDENT NON-EXECUTIVE DIRECTOR

7

Committee membership

- NOMINATIONS
- AUDIT
- ESG

Appointed

January 2022

Current external appointments

Manju is CEO at Harvey Nichols, the luxury department store, a Non-Executive Director at abrdn UK Smaller Companies Growth Trust plc and a Non-Executive Director at London & Partners, an international trade and investment agency for London.

Relevant skills, business experience and contribution

Manju joined Harvey Nichols in 1998 and progressed through various roles, including CFO and co-COO, before her appointment as CEO. She has extensive experience in customer-focus, developing a values-led culture, strategy, operations, finance and technology. She is a Chartered Accountant.

NON-EXECUTIVE DIRECTOR**NICK MACKENZIE**

INDEPENDENT NON-EXECUTIVE DIRECTOR

8

Committee membership

- NOMINATIONS
- ESG

Appointed

January 2022

Current external appointments

Nick is CEO at Greene King, the pub retailer and brewer.

Relevant skills, business experience and contribution

Prior to joining Greene King, Nick spent 17 years at Merlin Entertainments plc, most recently as Managing Director of Midway Attractions, the largest division within the group, having started his career in pubs at Bass and Allied. He was also previously a Non-Executive Director at Daniel Thwaites PLC. He has significant expertise in strategy, real estate and business development and experience of public company boards. Nick currently sits on the board of the BBPA and is also an advisory board member of WiHTL.

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED
OUR BOARD CONTINUED

COMPANY SECRETARY

CARMELINA CARFORA**Appointed**
March 2010

Carmelina is Secretary to the Board and its Nominations, Remuneration, Audit and ESG Committees, she monitors compliance with procedures and provides advice on governance matters. At the direction of the Chair, she is responsible for making sure the Board receives accurate, timely and relevant information. She also co-ordinates the induction of new Board members and the provision of ongoing training and development of the Board. Carmelina's other responsibilities include corporate governance, compliance with legislation and the administration of share schemes.

BOARD AND COMMITTEE MEMBERSHIP
AS AT 31 MARCH 2023

	Board	Nominations Committee	Audit Committee	Remuneration Committee	ESG Committee	Executive Committee	Investment Committee	Disclosure Committee
Chair								
Stephen Hubbard Non-Executive Chair	○	○		○	○			
Executive Directors								
Graham Clemett Chief Executive Officer	○				○	○	○	○
Dave Benson Chief Executive Officer	○				○	○	○	○
Non-Executive Directors								
Rosie Shapland Senior Independent Non-Executive Director	○	○	○	○	○			
Lesley-Ann Nash Non-Executive Director	○	○	○	○	○			
Duncan Owen Non-Executive Director	○	○			○			
Manju Malhotra Non-Executive Director	○	○	○		○			
Nick Mackenzie Non-Executive Director	○	○			○			
Members of the Executive Committee								
Will Abbott Chief Customer Officer						○		
Carmelina Carfora Company Secretary						○		○
Claire Dracup Director of People and Culture						○		
Paul Hewlett Director of Strategy & Corporate Development						○	○	○
Leo Shapland Head of Portfolio Management						○	○	
Richard Swayne Investment Director						○	○	

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED

Board activities 2022/23

1. Strategy	Page 118
2. Operations	Pages 118 to 119
3. Purpose, values and culture	Pages 119 to 120
4. Stakeholders	Pages 121 to 123
5. Finance	Page 123
6. Reporting	Page 123
7. Risks	Page 123
8. Succession	Page 124
9. Governance	Page 124

STRATEGY

ANNUAL STRATEGIC REVIEW

Relevant stakeholders

- CUSTOMERS
- PEOPLE
- INVESTORS
- PARTNERS AND SUPPLIERS
- COMMUNITIES
- ENVIRONMENT

The Board held its annual strategic review in September 2022 to approve the five-year plan. External speakers and members of the Executive Committee joined the Board to stimulate discussion in a number of areas, including the Group's sustainability ambitions, people and culture and operational priorities. Following the strategy day, several ideas and initiatives were developed for incorporation into the business plan.

[Our strategy >](#)
Pages 32 to 35



1

SUSTAINABILITY AGENDA

Relevant stakeholders

- CUSTOMERS
- PEOPLE
- INVESTORS
- PARTNERS AND SUPPLIERS
- COMMUNITIES
- ENVIRONMENT

The Board established a Board ESG Committee in April 2022 to provide a dedicated forum for discussion of ESG-related matters. During the year, discussions included ESG strategy and governance, progress against our science-based targets to transition to net zero carbon and the addition of climate change as a principal risk to the Group.

Throughout the year the Board also requested updates from the sustainability team on the Group's sustainability activities.

[Sustainability >](#)
Pages 36 to 58



2

ASSET MANAGEMENT

Relevant stakeholders

- CUSTOMERS
- INVESTORS
- PARTNERS AND SUPPLIERS

The Board receives regular updates on asset management and leasing activities. This year, the focus has been on the integration of the McKay portfolio, improving the overall portfolio offering and improving the customer experience, through targeted customer surveys, the results of which are used to drive improvements in our customer processes. Read more about our engagement with customers on pages 16 to 20 and 123.

PORTFOLIO VALUATION

Relevant stakeholders

- INVESTORS

The Board reviewed and approved the full and half-year valuations of the Group's property portfolio in May and November 2023 respectively.



BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED
BOARD ACTIVITIES 2022/23 CONTINUED

2. OPERATIONS CONTINUED

PORTFOLIO GROWTH

Relevant stakeholders

- CUSTOMERS
- PEOPLE
- INVESTORS
- PARTNERS AND SUPPLIERS
- COMMUNITIES
- ENVIRONMENT

During the year the Board also approved the disposal of the residential component of its Riverside mixed-use redevelopment in Wandsworth for £54 million. Read more on page 128.

The Board is also provided with regular updates on planned refurbishment and development projects. This year, key development projects have included The Chocolate Factory and Leroy House. Read more about these projects on pages 30 and 46.



PURPOSE, VALUES AND CULTURE

PURPOSE

Relevant stakeholders

- CUSTOMERS
- PEOPLE
- INVESTORS
- PARTNERS AND SUPPLIERS
- COMMUNITIES
- ENVIRONMENT

Our purpose is to give businesses the freedom to grow. Our purpose provides the framework for making decisions and for engaging with our stakeholders. The Board sets the Group's strategy and makes decisions through the lens of our purpose.

The Board has continued to monitor how our purpose is articulated and understood by our customers, employees, investors and other stakeholders, and how our values are embedded throughout our business. This is achieved through regular engagement with our stakeholders, more information on which can be found on pages 121 to 123. The Board also approves the Group's key policies and practices so that they underpin our purpose. The Executive Committee is responsible for communicating these policies throughout our business.



VALUES

Relevant stakeholders

- CUSTOMERS
- PEOPLE
- INVESTORS
- PARTNERS AND SUPPLIERS
- COMMUNITIES
- ENVIRONMENT

Our purpose informs our values: 'know your stuff', 'show we care', 'find a way' and 'make it fun'.

The Board encourages all employees to live our values in their work for the Group and especially in their dealings with each other and our other stakeholders. Graham Clemett, CEO, sits on the judgement panel for our employee recognition programme, Workspace Winners, where employees are given awards and prizes for demonstrating one or more of our values.

[Our values >](#)
Page 21



CULTURE

Relevant stakeholders

- CUSTOMERS
- PEOPLE
- INVESTORS
- PARTNERS AND SUPPLIERS
- COMMUNITIES
- ENVIRONMENT

Our culture is one of integrity, transparency and openness, where independent thought and taking initiative are encouraged. The Board recognises the importance of our culture to the business of the Group and sets the 'tone from the top' by demonstrating and encouraging values-driven behaviour. This is underpinned by our compliance policies and Code of Conduct, which are reviewed by the Board annually.

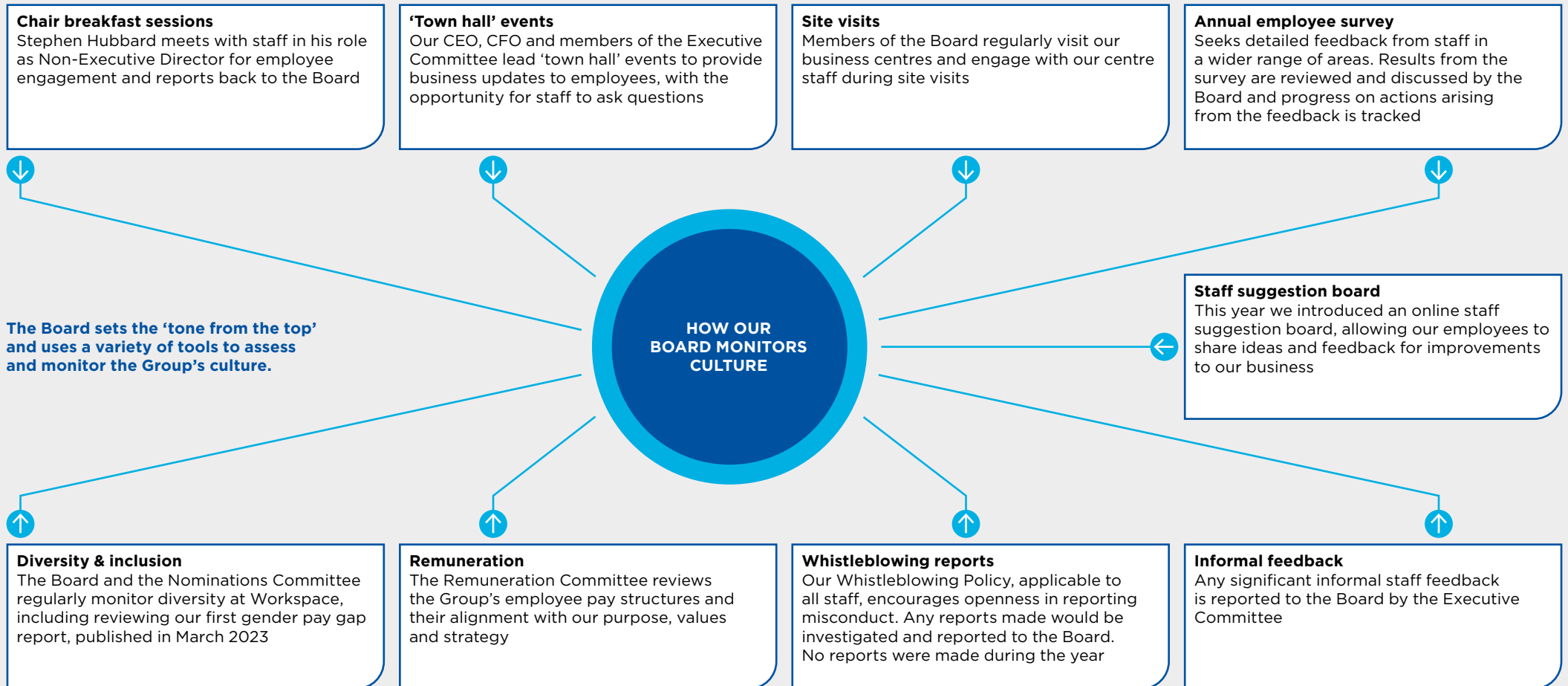
The Board is keen to recognise employees who exemplify our culture. Our Workspace Winners scheme rewards staff who live our values throughout their role at Workspace.

[Spotlight on culture >](#)
Page 120



BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED
BOARD ACTIVITIES 2022/23 CONTINUED

HOW OUR BOARD MONITORS CULTURE



86%

RESPONSE RATE TO 2023
EMPLOYEE SURVEY

74%

FAVOURABLE ENGAGEMENT
SCORE FROM 2023 SURVEY

2

CHAIR BREAKFAST SESSIONS

12

WORKSPACE WINNERS

6

TOWN HALL EVENTS

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED
BOARD ACTIVITIES 2022/23 CONTINUED**STAKEHOLDERS**

4

INVESTOR ENGAGEMENT**Relevant stakeholders**

● INVESTORS

Market engagement

We regularly engage with existing and prospective shareholders through an active investor relations programme. The Board reviews a detailed bi-monthly investor relations report which includes notable views expressed by shareholders as well as wider market participants, alongside share register movements, broader sector and peer news and progress on various investor relations initiatives.

Our Investor Relations team manages a comprehensive calendar of engagements, including formal announcements, AGM, results presentations, results roadshows, ad hoc equity and debt investor meetings (including institutional, private client and retail investors), equity sales team meetings, conferences, financial analyst and investor site tours, capital market days, business media, industry events, as well as ad hoc outreach contact with stakeholders to ensure our strategy and value creation are well understood by the market and wider stakeholder community. See page 23 for details of the topics raised by investors.

During 2022/2023 we engaged with 304 institutional investors via one-to-one and group meetings; most in person, supplemented by virtual meetings. Investor meetings are attended by various senior executives, including the CEO, CFO, Chair and Executive Committee members, as well as the Investor Relations Analyst and Group

Financial Controller. Key investor engagement during the year included the following:

- 150 investor meetings (in-person and virtual)
- 19 site tours
- 6 real estate conferences attended globally
- Sustainability Capital Markets Day
- Annual General Meeting

In May 2022, we held a Capital Markets Day for investors and analysts focusing on our ESG strategy. The event was hosted by our Head of Sustainability, CEO and CFO and included a live Q&A. It was attended by 22 investors and analysts.

Our investor website is www.workspace.co.uk/investors. It contains our Annual Reports, half and full-year results presentations and our financial and dividend calendar for the upcoming year. Our website also outlines our company strategy, business model, property portfolio and has a detailed section covering our ESG activities.

Lesley-Ann Nash, as Chair of the Remuneration Committee, engaged with shareholders in respect of our proposed changes to our Remuneration Policy this year. For further details see page 190. All Committee Chairs are available to engage with shareholders as appropriate.

If shareholders have any concerns, which the normal channels of communication to the CEO, the CFO or the Chair have failed to resolve, or for which contact is inappropriate, then our Senior Independent Director, Rosie Shapland, is available to address them. Contact details for our Investor Relations team, Company Secretary and Company Registrars can be found at the back of this Report as well as on our website.

INVESTOR RELATIONS CALENDAR OF EVENTS

2022/23	Events	Investor Meetings	Investor Tours
April	- Q4 Business update	○	○
May	- Capital Markets Day	○	
June	- Full-year results - Investor roadshow	○	
July	- AGM & Q1 Business Update	○	○
August		○	○
September	- Global real estate conference	○	○
October	- Q2 Business Update		○
November	- Half-year results - Investor roadshow	○	
December	- UK investor conference	○	
January	- Q3 Business Update - UK investor conference	○	
February		○	○
March	- Year end - Global real estate conference	○	○

INVESTOR MEETINGS

Apr-22		17
May-22		8
Jun-22		101
Jul-22		2
Aug-22		2
Sep-22		2
Oct-22		0
Nov-22		106
Dec-22		33
Jan-23		9
Feb-23		6
Mar-23		18

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED
BOARD ACTIVITIES 2022/23 CONTINUED**4. STAKEHOLDERS CONTINUED****INVESTOR ENGAGEMENT CONTINUED****Relevant stakeholders**

● INVESTORS

Annual Report and Website

Our Annual Report is available to all shareholders. Shareholders can opt to receive a hard copy in the post or PDF copies via email or from our website. Additionally, if a shareholder holds their shares via a nominee account and that shareholder encounters difficulty receiving our Annual Report via their nominee provider, they are welcome to contact the Company Secretary to request a copy.

Our investor website is www.workspace.co.uk/investors. It contains our Annual Reports, half- and full-year results presentations and our financial and dividend calendar for the upcoming year. Our website also outlines our company strategy, business model, property portfolio and it has a detailed section covering our ESG activities.

AGM

Our 2022 AGM was held on 21 July 2022 and all resolutions passed with over 90% of votes in favour. Our 2023 AGM will be held at the Company's registered office at Canterbury Court, Kennington Park, 1-3 Brixton Road, London SW9 6DE on Thursday 6 July 2023 at 11.00am and we look forward to welcoming our shareholders there. The Notice of Meeting, together with an explanation of the business to be dealt with at the Meeting, is included as a separate document sent to shareholders who have elected to receive hard copies of shareholder information and it is also available on the Company's website.

Following shareholder engagement, since 2019 we have sought approval for a resolution authorising political donations up to £20,000 in aggregate, which was a lower amount than we had sought in previous years. This year we are again proposing a resolution with an upper limit of £20,000 in aggregate. This resolution is proposed as a precaution to prevent the Company's normal business activities being inadvertently caught by the broad definitions used in the relevant provisions of the Companies Act 2006. It remains the policy of the Company not to make political donations or to incur political expenditure within the ordinary meaning of those words and the Board has no intention of using the authority for that purpose.

In addition, and in line with the resolution approved at last year's AGM, the Directors are again proposing a single resolution disapplying pre-emption rights for the 2023 Annual General Meeting that would apply only in very limited circumstances. The proposed disapplication resolution is limited to allotments and/or sales: (i) in connection with pre-emptive offers and offers to holders of equity securities other than ordinary shares (if required by the rights of those securities or as the Directors otherwise consider necessary); and (ii) in connection with the terms of any employees' share scheme for the time being operated by the Company.

EMPLOYEE ENGAGEMENT**Relevant stakeholders**

● PEOPLE

The Board recognises the crucial importance of our employees to the success of the Group. Throughout the year the Board meets and receives feedback from a wide range of employees across the business, including reviewing results from our annual employee survey. The Board and the Executive Committee review and approve key policies, practices and strategic decisions, making sure that they reflect our culture and align to the Group's key values and purpose.

Stephen Hubbard is our designated Non-Executive Director responsible for employee engagement, as the Board considers this the most effective method to ensure the employee voice is heard at the very top of the organisation. Stephen held two breakfast sessions with staff during the year. See pages 21 and 139 for further details of the Chair breakfast sessions and topics raised. Stephen reports back to the Board after every session to ensure the feedback gained from our staff is effectively communicated to the Board as a whole.

Employees are also invited to town hall sessions led by the CEO or other members of the Executive Committee. During the year there were site tours arranged for our Non-Executive Directors to visit our business centres and to meet employees.

[Employee engagement >](#)

Pages 21 to 22

Chair's breakfast,
Brickfields, Hoxton

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED
BOARD ACTIVITIES 2022/23 CONTINUED**4. STAKEHOLDERS CONTINUED****BUSINESS RELATIONSHIP ENGAGEMENT****Relevant stakeholders**

- CUSTOMERS
- PARTNERS AND SUPPLIERS

Positive relationships with our customers, suppliers and other business partners are essential to the Group's ongoing success. Customer-facing teams provide daily feedback from customers while views from suppliers and partners are captured by dialogue with the relevant business team. These views from our customers, suppliers and partners are collated and fed back to the Board, and incorporated into decision making.

[Business relationship engagement](#)
Pages 16 to 20 and 23

COMMUNITY AND ENVIRONMENT ENGAGEMENT**Relevant stakeholders**

- COMMUNITIES
- ENVIRONMENT

The Board remains committed to reaching our target of becoming a net zero carbon business by 2030. All new Board members receive an induction on the Group's approach to sustainability. This year, a Board-level ESG Committee was introduced, providing a forum for the Board to dedicate discussion to our progress with our sustainability objectives and to review updates from our sustainability team. The Board is also regularly updated on our community and social impact work and our fundraising activities for our charity partner, Single Homeless Project.

FINANCE

5

STRUCTURE, FORECASTS, BUDGETS**Relevant stakeholders**

- INVESTORS

The Board regularly reviews the Group's financial structure and rolling forecasts. The Board approved the Group's 2022/23 budget.

REFINANCING**Relevant stakeholders**

- INVESTORS

The Board reviewed refinancing arrangements related to two McKay loan facilities, and the extension of the McKay £135m RCF and the Group's existing £200m RCF. See page 34 for further details.

DIVIDEND PAYMENTS**Relevant stakeholders**

- INVESTORS

The Board recommended the payment of the final dividend paid to shareholders in August 2022 and it approved the payment of the interim dividend paid to shareholders in February 2023.

**REPORTING**

6

FULL, HALF-YEAR AND TRADING STATEMENTS**Relevant stakeholders**

- INVESTORS

The Board reviewed and approved the full and half-year results and trading statements.

VIABILITY AND GOING CONCERN STATEMENTS**Relevant stakeholders**

- INVESTORS

The Board conducted a review of the Company's viability over the next five-year period and it approved the viability statement and going concern statement.

[Viability statement](#)
Page 87

[Going concern statement](#)
Page 87

**RISKS**

7

PRINCIPAL RISKS**Relevant stakeholders**

- CUSTOMERS
- PEOPLE
- INVESTORS
- PARTNERS AND SUPPLIERS
- COMMUNITIES
- ENVIRONMENT

The Board reviewed the Group's principal risks which could impact the implementation of the Group's strategy. See pages 69 to 76 for details of our principal risks and uncertainties.

The Board requested updates from the Chair of the Audit Committee on the key areas of risk discussed during the year.

EMERGING RISKS**Relevant stakeholders**

- CUSTOMERS
- PEOPLE
- INVESTORS
- PARTNERS AND SUPPLIERS
- COMMUNITIES
- ENVIRONMENT

The Board heard updates from the Chair of the Audit Committee on emerging risks which have been highlighted and debated during meetings of the Committee.

[Principal risks and uncertainties](#)
Page 69

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED
BOARD ACTIVITIES 2022/23 CONTINUED**SUCCESSION**

8

APPOINTMENT OF NEW CHAIR**Relevant stakeholders**

- CUSTOMERS
- PEOPLE
- INVESTORS
- PARTNERS AND SUPPLIERS
- COMMUNITIES
- ENVIRONMENT

During the year the Board approved the appointment of Duncan Owen to succeed Stephen Hubbard as Chair of the Board.

[Recruitment process >](#)
Page 146

**GOVERNANCE**

9

BOARD EFFECTIVENESS REVIEW**Relevant stakeholders**

- CUSTOMERS
- PEOPLE
- INVESTORS
- PARTNERS AND SUPPLIERS
- COMMUNITIES
- ENVIRONMENT

The Board has progressed the recommendations made following the internal Board effectiveness review facilitated by Fidelio last year. Read more about how the recommendations from last year's external evaluation have been progressed during the year on pages 157 to 158.

[Internal Board effectiveness review >](#)
Pages 155 to 156

GENDER PAY GAP**Relevant stakeholders**

- PEOPLE
- INVESTORS

The Board reviewed and approved the Company's first gender pay gap report, which was published on 30 March 2023 and can be found on our website at www.workspace.co.uk/investors/about-us/governance/our-policies/gender-pay-gap-report-2023.

REGULATORY AND LEGAL UPDATES**Relevant stakeholders**

- INVESTORS

The Board discussed legal updates and advice from the Company's legal advisers.

The Board also reviewed regular legal and governance updates from the Company Secretary.

COMMITTEE MEMBERSHIP AND TERMS OF REFERENCE**Relevant stakeholders**

- INVESTORS

During the year, the Board reviewed the structure of its Committees. For more information on changes to the Committee structure and membership see page 157.

The Board also reviewed the schedule of matters reserved to the Board (see page 135) and the terms of reference applicable to each Committee.

**WORKFORCE POLICIES AND PRACTICES****Relevant stakeholders**

- PEOPLE

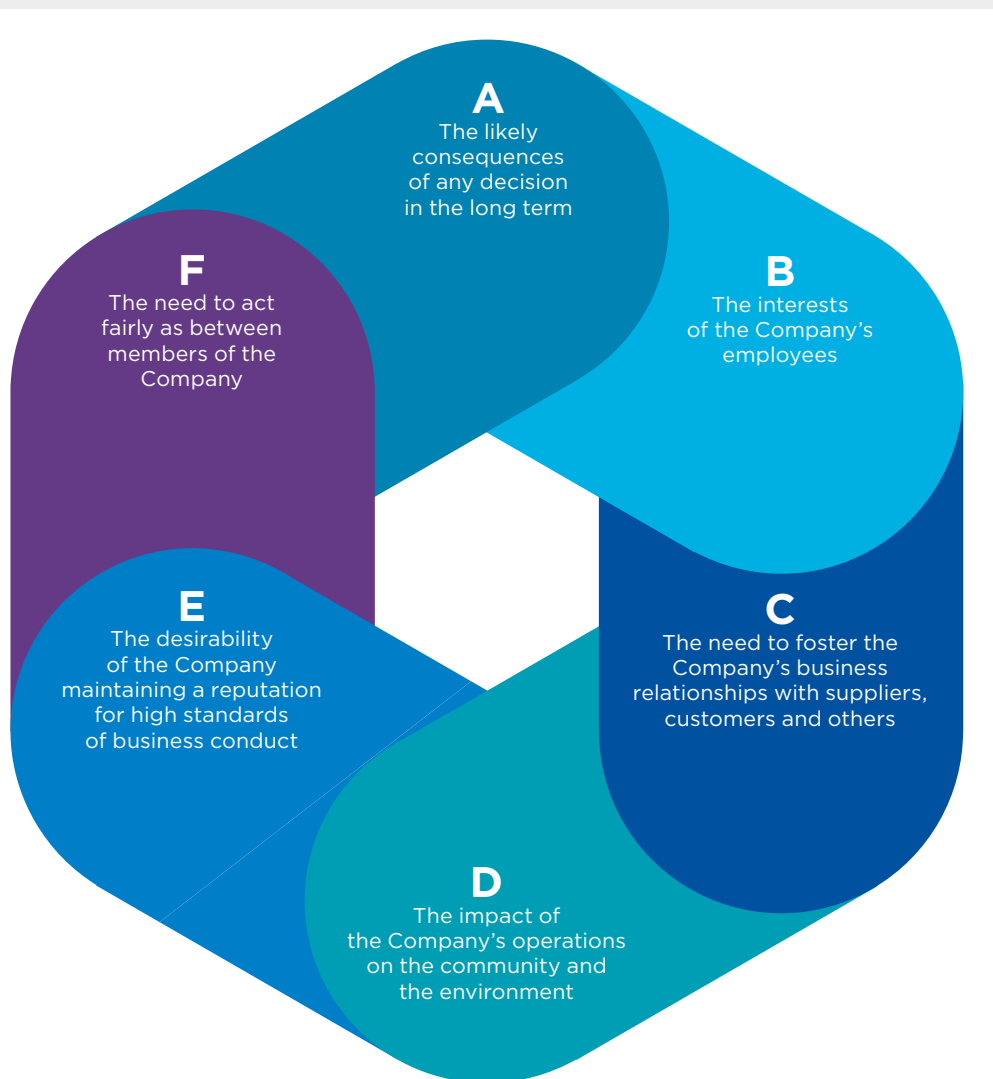
The Board reviews and approves all key policies and practices which could impact our employees and influence their behaviours. Policies are reviewed to check that they are aligned with the Group's purpose, culture and values. The Board recognises that effective and honest communication is essential to maintain our business values, and we encourage our employees to speak out if they witness any wrongdoing. This stance is reinforced in our whistleblowing procedures and in our Code of Conduct. Further information on the Group's key compliance policies can be found on pages 89 to 91.

All policies are available to employees and are published on the Group's intranet. All new employees are provided with training on our policies at induction sessions and we provide annual refresher training to all staff in key areas.



BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED

Section 172(1) statement



The Board of Workspace Group PLC (**'the Board'**) is required to act in good faith to promote the long-term success of the Company (and its Group) for the benefit of its shareholders, while having due regard to the matters set out in Section 172(1) of the Companies Act 2006.

The Board has identified the Company's key stakeholders to be its shareholders, employees, customers, suppliers, debt financiers and local communities. The Board also considers the impact of operations on the environment to be of key importance.

RELEVANT DISCLOSURES

A The likely consequences of any decision in the long term

Our purpose	Page 14
Our business model	Pages 64 to 68
Our strategy	Pages 32 to 35
Dividend	Page 80

C The need to foster the Company's business relationships with suppliers, customers and others

Customer proposition	Page 65
Customer and supplier engagement	Pages 16 to 20, 23 and 123
Anti-bribery & corruption and modern slavery	Page 91

E The desirability of the Company maintaining a reputation for high standards of business conduct

Compliance policies	Pages 89 to 91
Culture and values	Page 21
Whistleblowing	Page 91
Internal controls	Page 170

B The interests of the Company's employees

Employee engagement	Pages 21 to 22 and 122
Looking after our people	Pages 50 to 53
Diversity and inclusion	Pages 148 to 154

D The impact of the Company's operations on the community and the environment

Supporting our communities	Pages 54 to 58
Sustainability	Pages 36 to 58
TCFD	Pages 92 to 103

F The need to act fairly as between members of the Company

Shareholder engagement	Pages 23 and 121
AGM	Page 122

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED
SECTION 172(1) STATEMENT CONTINUED**HOW THE BOARD CONSIDERS SECTION 172(1) MATTERS****BOARD INFORMATION**

- All members of the Board are aware of the Board's responsibilities and their individual duties as Directors and the need to consider Section 172(1) factors is embedded in the Matters Reserved to the Board and Committee terms of reference
- The Board receives regular updates from the sustainability team on ESG matters (see pages 118 and 172 to 177)
- The Board directly engages with employees and investors, and it receives feedback from the CEO and CFO on meetings with investors and analysts (see pages 121 to 122)
- The Board receives regular reports from the Executive Committee and external advisers on engagement with other stakeholders such as customers, suppliers and the wider community (see page 123)
- Stephen Hubbard, Chair of the Board, holds focus groups with employees in his role as the designated Non-Executive Director for employee engagement (see page 122)
- A stakeholder impact analysis, setting out the expected impacts of the proposed decision on different stakeholder groups and how any negative impacts might be mitigated, is conducted and that analysis feeds into the Board's discussions when key strategic decisions are proposed

**BOARD DISCUSSION AND DECISION MAKING**

- Decision making is informed by the information received by the Board, with consideration given to Section 172(1) factors relevant to the decision at hand
- Sustainability matters are considered in each decision the Board makes
- A Board strategy day is held each year where the Board discusses long-term strategy (see page 118)
- The Board regularly considers the Group's purpose, values and policies related to business conduct (see pages 119 to 120)
- The Board and the Audit Committee oversee the Company's risk management framework and the actions that are in place to mitigate risk in the short, medium and long term (see page 171)
- The Board considers stakeholder interests when determining the level of dividend

**MONITORING**

- The Board monitors the short, medium and long-term impact of key decisions through regular updates from the Executive Committee
- Feedback and engagement from stakeholder groups is collated and used to inform future decision making

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED





Key Board decisions in 2022/23

Some of the key decisions considered by the Board in 2022/23, and how the Board had regard to Section 172(1) matters when discussing them, are outlined to the right and on the following page.

- A: The likely consequences of any decision in the long term.
- B: The interests of the Company’s employees.
- C: The need to foster the Company’s business relationships with suppliers, customers and others.
- D: The impact of the Company’s operations on the community and the environment.
- E: The desirability of the Company maintaining a reputation for high standards of business conduct.
- F: The need to act fairly as between members of the Company.




INTEGRATION OF MCKAY

Description	Following completion of the acquisition of McKay in May 2022, during the year the Board monitored the successful integration of the McKay business into the Group’s operations
Relevant Section 172(1) decision criteria	 A, B, C, D, E, F
Relevant stakeholders	<ul style="list-style-type: none"> - Employees - Customers - Suppliers - Investors - Communities - Debt finance providers
Decision-making process	<ul style="list-style-type: none"> - The Board was aware that the integration of the McKay business into the Group would impact upon multiple stakeholder groups and be essential to delivering long-term value from the acquisition for all stakeholders - The Board requested regular reports from management on progress with the integration plan, focusing on aligning the McKay operations - Areas of focus included a review of security and health & safety policies and processes to ensure the safety of employees, customers, suppliers and visitors to McKay buildings, and integrating building, finance and customer data and processes into the Group’s systems to promote synergies - In particular, the Board considered progress with collation of information related to sustainability matters and the creation of a net zero transition plan for the McKay portfolio - The Board reviewed updates on staff communications relating to the acquisition and the integration plan - The Board reviewed proposals for amendments to financing arrangements with lenders
Values	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  Know your stuff </div> <div style="text-align: center;">  Show we care </div> <div style="text-align: center;">  Find a way </div> </div>

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED
KEY BOARD DECISIONS IN 2022/23 CONTINUED

CUSTOMER EXPERIENCE

Description	During 2022, the Board reviewed and considered updates on the progress of the Group's customer experience project. The project is focused on collating customer feedback and using that feedback to improve the experience of our customers
Relevant Section 172(1) decision criteria	 A, C, E
Relevant stakeholders	<ul style="list-style-type: none"> - Customers - Investors
Decision-making process	<ul style="list-style-type: none"> - The Board recognises that, as well as improving the experience of customers as a stakeholder group, continually improving the customer experience is vital to the long-term success of the Group - During the year, the Board reviewed and discussed feedback collated from customers and the proposed areas of focus for improvements - The Board monitored progress on the areas of focus, which included the introduction of a new complaints policy, changes to streamline the processes for renewals, moving within Workspace and licences to alter, and adjustments to the responsibilities of centre managers to free up more time for them to focus on customers - The Board was updated on provision of 'Customer First' training to all staff, designed to support the above initiatives, underline the importance of a positive customer experience and understand how staff can contribute within their individual roles

Values



Know your stuff


Show we care


Find a way


Make it fun

DISPOSAL OF RIVERSIDE RESIDENTIAL SCHEME

Description	The Board approved the disposal of the residential component of the Group's Riverside property
Relevant Section 172(1) decision criteria	 A, B, C, D, E, F
Relevant stakeholders	<ul style="list-style-type: none"> - Employees - Customers - Suppliers - Investors - Communities
Decision-making process	<ul style="list-style-type: none"> - In March 2023, the Group completed the sale of the residential component of the Group's Riverside mixed-use redevelopment in Wandsworth for £54 million - The scheme is an example of the Group's mixed-use regeneration approach, and the Group will construct a new major business centre providing 153,000 sq. ft. of net lettable space – creating employment opportunities and delivering on the Group's strategy of employment-led regeneration in the areas in which it operates - The new residential and commercial space will be built to the highest sustainability standards and with significant landscaping and public realm enhancements, benefitting residents and the local community - Further information can be found on page 13


Values


Know your stuff


Show we care


Find a way

CHAIR SUCCESSION

Description	The Board approved the appointment of Duncan Owen to succeed Stephen Hubbard as Chair of the Board with effect from the close of the Company's AGM in 2023
Relevant Section 172(1) decision criteria	 A, B, C, D, E, F
Relevant stakeholders	<ul style="list-style-type: none"> - Employees - Customers - Suppliers - Investors - Communities
Decision-making process	<ul style="list-style-type: none"> - As Stephen Hubbard was approaching nine years' tenure on the Board, the Nominations Committee had for some time been considering succession planning - The Committee was conscious of the significance of the Chair's role in leading the Group and the potential for the decision to impact on all the Group's stakeholders - Duncan Owen's appointment as Non-Executive Director in July 2021 formed part of that succession planning, with the role specification being created with a view to identifying candidates who could be suitable for the Chair role when it became vacant - The Board formally approved Duncan's appointment as Chair in February 2023, on the recommendation of the Nominations Committee - Further information can be found on page 146

Values


Know your stuff


Show we care


Find a way

DIVISION OF RESPONSIBILITIES

Our strong governance framework and clear delineation of Board roles enables the Chair and Non-Executive Directors to provide oversight and constructive challenge as the Executive Committee continues to deliver our strategy.

Carmelina Carfora
Company Secretary



QUICK LINKS

Board roles and responsibilities	Page 130
Our governance framework	Page 132
How we govern	Page 133

DIVISION OF RESPONSIBILITIES CONTINUED

Board roles and responsibilities

The roles and responsibilities of the Chair and the Chief Executive Officer are separate, with a clear division of responsibilities between them. The Chair is responsible for the leadership of the Board, and the Chief Executive Officer manages and leads the business.

Our governance framework can be found on page 132. In addition, the role specifications described on the right set out the clear division of responsibility between Executive and Non-Executive members of the Board.

NON-EXECUTIVE

CHAIR:**STEPHEN HUBBARD**

- Leading the effective operation and governance of the Board
- Setting agendas which support efficient and balanced decision making
 - Ensuring that the Board plays a full and constructive part in the development of the Group's strategy and making sure that there is sufficient time for boardroom discussion
 - Ensuring effective Board relationships and fostering a culture that supports constructive debate
 - Facilitating the effective contribution of the Non-Executive Directors and monitoring that all Directors receive accurate, timely and clear information
 - Overseeing the annual Board evaluation and identifying key actions required
 - With the Nominations Committee, monitoring that the Board remains appropriately balanced to deliver the Group's strategic objectives and ensuring that the Nominations Committee meets the requirements of good corporate governance
 - Promoting effective engagement with the Group's shareholders and other key stakeholders
 - Leading initiatives to assess the culture across Workspace and ensuring that the Board sets the correct tone
 - Reviewing, with the Board, diversity and inclusion initiatives

The Chair is not involved in an executive capacity with any of the Group's activities.

DESIGNATED NON-EXECUTIVE DIRECTOR FOR**EMPLOYEE ENGAGEMENT:****STEPHEN HUBBARD**

- Representing the Board in discussions with employees and communicating Board decisions on specific matters
- Developing, implementing and feeding back on employee engagement initiatives in conjunction with management
- Communicating to employees the outcomes and the developments made by the Board on specific matters

SENIOR INDEPENDENT DIRECTOR:**ROSIE SHAPLAND**

- Being available and providing an alternative communication channel for shareholders and other stakeholders, if required, and being available to meet with investors on request
- Providing a sounding board for the Chair
- If necessary, deputises for the Chair in his absence and counsels all Board colleagues
- Acts as an intermediary for Non-Executive Directors when necessary
- At least annually, leads a meeting of the Non-Executive Directors without the Chair present, to appraise the Chair's performance and to address any other matters which the Directors might wish to raise. The outcomes of these discussions are then conveyed to the Chair

INDEPENDENT NON-EXECUTIVE DIRECTORS:**ROSIE SHAPLAND, LESLEY-ANN NASH, DUNCAN OWEN, MANJU MALHOTRA AND NICK MACKENZIE**

- Constructively challenging and assisting in the development of strategy
- Scrutinising, measuring and reviewing the performance of the Executive Directors and senior management against agreed performance objectives
- Promoting the highest standards of integrity and corporate governance
- Reviewing the succession plans for the Board and key members of senior management
- Determining appropriate levels of remuneration for the senior executives
- Reviewing the integrity of financial reporting and the systems of risk management and financial controls
- Serving on or chairing various Committees of the Board

DIVISION OF RESPONSIBILITIES CONTINUED

BOARD ROLES AND RESPONSIBILITIES CONTINUED

EXECUTIVE

CHIEF EXECUTIVE OFFICER:

GRAHAM CLEMETT

- Proposing and directing the delivery of strategy as agreed by the Board through leadership of the Group's Executive Committee
- Responsible for leading and managing the business and accountable to the Board for the financial and operational performance of the Group
- Leading the Group Executive Committee in the day-to-day running of the Group's business in order to execute objectives successfully
- Regularly reviewing the Group's organisational structure and recommending changes as appropriate
- Setting overall policies for recruitment, management, staff development and succession planning and providing updates to the Remuneration Committee
- Overseeing employee initiatives, diversity and inclusion, and employee wellbeing
- Together with the Chair and the CFO, representing the Company to its customers, suppliers, shareholders and other stakeholders
- Leading on the Group's sustainability strategy and the Group's net zero carbon pathway
- Corporate communications and the IR strategy

CHIEF FINANCIAL OFFICER:

DAVE BENSON

- Supports the CEO in developing the strategic direction of the Group and works closely with the CEO and the Board to develop and implement the Group's strategy
- Provides financial leadership to the Group and aligns the Group's business and financial strategy and management of the Company's capital structure
- Responsible for financial planning and analysis, treasury and tax
- Leads and monitors the effectiveness of the key finance functions and facilitates the appropriate development of the finance team
- Responsible for the IT function and co-ordinates and delivers IT projects to support the growth and strategic priorities of the Group

COMPANY SECRETARY:

CARMELINA CARFORA

- Secretary to the Board and to the Board's Committees
- Responsible for ensuring compliance with Board procedures and for supporting the Chair
- Advising and keeping the Board updated on corporate governance developments
- Ensuring that the Board has high-quality information, adequate time and the appropriate resources
- Considering the Board's effectiveness in conjunction with the Chair
- Facilitating the Directors' induction programmes and assisting with their professional development
- Providing advice, services and support to all Directors as and when required
- Responsible for organising the Annual General Meeting

DIVISION OF RESPONSIBILITIES CONTINUED

Our governance framework

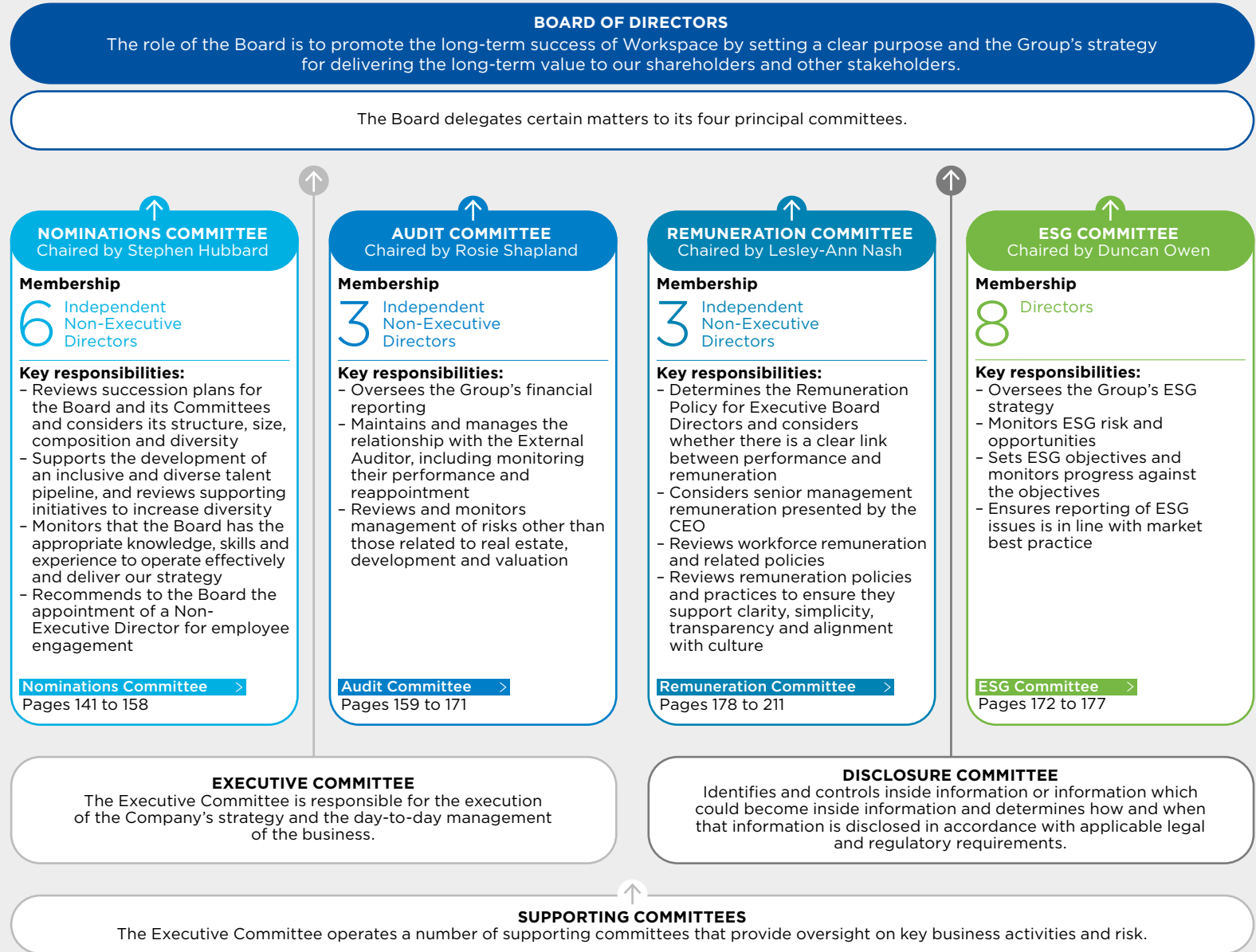
Our governance framework supports the development of good governance practices across the Group. The Board has overall responsibility for governance within the Group.

The Board delegates certain of its responsibilities to its Nominations, Remuneration, Audit and ESG Committees. Further details of the work, composition, role and responsibilities of these Committees are provided in separate reports on pages 141, 159, 172 and 178. Each of the Committees has terms of reference which were reviewed by the Committees and the Board during the year. The performance of each of the Committees is assessed annually as part of the evaluation process described later in this report.

The Board delegates all operational matters to the Executive Committee, except for matters specifically reserved to the Board. The schedule of matters reserved for the Board is reviewed at least once a year and can be accessed on the Company website at www.workspace.co.uk/investors/about-us/governance/committee-terms-of-reference.

Further information on the matters reserved and the relationship between the Board and the Executive Committee can be found on page 135.

The terms of reference of each Board Committee are available on the Company's website at www.workspace.co.uk/investors/about-us/governance/committee-terms-of-reference.



DIVISION OF RESPONSIBILITIES CONTINUED

How we govern

Non-Executive Directors	Page 133
Re-election and election of Directors	Page 134
Relationship between the Board and the Executive Committee	Page 135
Composition of the Executive Committee	Page 136
Information flow to the Board	Page 139

NON-EXECUTIVE DIRECTORS

The Non-Executive Directors have a broad mix of business skills, knowledge and experience acquired across different business sectors. This combination enables them to provide independent and external perspectives to Board discussions.

The Non-Executive Directors provide constructive challenge to the Executives. The Non-Executive Directors also help to develop proposals on strategy and they monitor performance.

Independence of Non-Executive Directors

During the year, the Board considered the independence of all of the Non-Executive Directors, save for the Chair who was deemed independent by the Board at the date of his appointment. The Board has reconfirmed that the Non-Executive Directors remain independent from executive management and that the Non-Executive Directors are free from any business or other relationship which could materially interfere with the exercise of their independent judgement. This independence is protected by a number of mechanisms including:

- Meetings between the Chair and the Non-Executive Directors, individually and collectively, without the Executive Directors being present. These meetings are typically held before each Board meeting and they are used to discuss areas relevant to the operation of the Board and the Group in a more private setting. This year, seven of these meetings were held
- Separate and clearly defined roles for the Chair, as head of the Board, and the Chief Executive Officer, as head of executive management, as set out on pages 130 to 131



100%

NON-EXECUTIVE DIRECTOR INDEPENDENCE

[Board succession](#) >
Pages 146 to 147

[Board skills and experience](#) >

The biographies of all of the members of the Board, outlining their experience, can be found on pages 115 to 116

The Nominations Committee oversees the independence of the individual Non-Executive Directors all of whom are deemed to be independent in line with the recommendations of the Code. Further details of this supporting evaluation can be found on page 148.

Time commitment and external appointments

The expected time commitment of the Chair and the Non-Executive Directors is agreed and set out in writing in the letter of appointment to the position, at which time the existing external demands on an individual's time are assessed to confirm that individual's capacity to take on the role. Further appointments which could impair the ability to meet these arrangements can only be accepted following approval of the Board.

When assessing additional directorships, the Board considers the number of public directorships held by the individual already and their expected time commitment for those roles (see biographies on pages 115 to 116). The Board considers guidance published by institutional investors and proxy advisers as to the maximum number of public appointments which can be managed both effectively and efficiently.

Executive Directors may accept a non-executive role at another company with the approval of the Board. Graham Clemett is the Senior Independent Non-Executive Director at The Restaurant Group PLC.

The Board is satisfied that each of the Non-Executive Directors can devote sufficient time to the Company's business to discharge their responsibilities effectively. The Non-Executive Directors offer strategic guidance to Board discussions and they provide independent decisions to their respective

DIVISION OF RESPONSIBILITIES CONTINUED

HOW WE GOVERN CONTINUED

NON-EXECUTIVE DIRECTORS CONTINUED

Board and Committee duties (see the table on page 113 for Board meeting attendance).

The biographies of all of the members of the Board, outlining their experience and external appointments, can be found on pages 115 to 116.

Stephen Hubbard

As in previous years, the independence of Stephen Hubbard was specifically considered during the year. Stephen was previously Chair of CBRE UK, who are the Group's external independent valuers. Stephen retired from CBRE UK in December 2019.

Furthermore, while he remained as Chair of CBRE UK, he had no involvement in any discussions or decisions regarding the appointment of CBRE or the fees paid to them.

The appointment of CBRE is by the Directors of the Company, acting through the Executives, and any communication with CBRE is entirely with them.

The Board is satisfied and it continues to conclude that Stephen remains independent both in character and in judgement, including in relation to his responsibilities as Chair of the Company.

In July 2020, Stephen stepped down from the Audit Committee on his appointment as Chair of the Company.

RE-ELECTION OF DIRECTORS

In accordance with the Code, all of the Directors will submit themselves for re-election at the AGM on 6 July 2023, except for Stephen Hubbard who will be stepping down from the Board and as Chair and who will not seek re-election. Following the Board evaluation review, detailed on page 155, and taking into account the Directors' skills and experience (set out on pages 115 to 116), the Board believes that the re-election of the Directors is in the best interests of the Company. The Nominations Committee of the Group has considered their commitments and it has concluded that the Non-Executive Directors have sufficient time to meet their Board responsibilities.



The explanatory notes in the Notice of Meeting for the AGM state the reasons why the Board believes that the Directors proposed for re-election at the AGM should be reappointed.

Duncan Owen was appointed as Chair of the newly formed ESG Board Committee in April 2022.

Mr Clemett and Mr Benson each have service contracts, details of which can be found on page 209.



None of the Non-Executive Directors have service contracts. Rather, the Non-Executive Directors are given letters of appointment. The appointments of Rosie Shapland, Lesley-Ann Nash, Duncan Owen, Manju Malhotra and Nick Mackenzie may be terminated by either the Company, or any one of them, giving three months' notice in writing. The appointment of Stephen Hubbard may be terminated by either him or the Group giving six months' notice in writing. With effect from his appointment as Chair, which will take effect at the close of the Company's AGM on 6 July 2023, the appointment of Duncan Owen may be terminated by either him or the Group giving six months' notice in writing.

The terms and conditions of appointment of Non-Executive Directors, including the expected time commitment, are available for inspection at the Company's registered office.



DIVISION OF RESPONSIBILITIES CONTINUED

HOW WE GOVERN CONTINUED

The relationship between the Board and the Executive Committee

The Board considers there to be an appropriate balance between Executive and Non-Executive Directors required to lead the business and safeguard the interests of shareholders.

As at 31 March 2023, the Board comprised the Chair, five Non-Executive Directors (all of whom are independent) and two Executive Directors. This composition meets the requirement of the Code for at least half the Board, excluding the Chair, to be independent Non-Executive Directors.

The Board delegates all operational matters to the Executive Committee except for the matters reserved to the Board.

Executive Committee – managing the business

The Executive Committee, which is chaired by Graham Clemett, supports the Board by providing executive management of Workspace within the strategy approved by the Board.

The Executive Committee is accountable to the Board for implementation of the agreed strategy. The Executive Committee monitors customer and market trends, assesses the implications and benefits of asset management initiatives and oversees the effectiveness of the governance framework.

BOARD OF DIRECTORS

The Board is responsible for contemplating market trends and their impact on our strategy, assessing appropriate levels of risk and setting the objectives for the business, including the approach to ESG matters. The Board delegates the delivery of the strategy to the Executive Committee.



The Board comprises eight people: the Chair, five Non-Executive Directors and two Executive Directors

Key responsibilities:

- review and approval of the Group's strategy, business objectives and annual budgets
- approval of the Group's dividend policy and the payment and recommendation of interim and final dividends
- approval of full-year and half-year results, including the review and approval of the going concern basis of accounting and the viability assessment
- health and safety performance across the Group
- on the advice of the Nominations Committee, reviewing succession plans for the Board and the senior management team
- review and approval of corporate transactions
- setting the Group's purpose, values and standards
- approval of decisions likely to have a material impact on the Company or Group from any perspective, including, but not limited to, financial, operational, strategic or reputational
- setting the risk appetite and tolerance of the Group

THE EXECUTIVE COMMITTEE

The Executive Committee is responsible for managing the business, making day-to-day operational decisions and delivering the strategy set by the Board.



- Driving customer-led growth
- Delivering operational excellence
- Being sustainable

Key responsibilities:

- Develop the Group strategy and budget for approval by the Board
- Receive regular feedback from centre staff and take responsibility for implementing suggestions for improvements
- Collectively responsible for the day-to-day running of the business
- Analyse and review initiatives of particular interest to the Group and present these to the Board as appropriate
- Monitor operational and financial results against plans and budgets
- Review and approve capital expenditure within the authorities delegated by the Board
- Develop leadership skills and the future talent of the business so that strong succession plans are in place as the Group develops
- Receive updates on the Company's sustainability strategy
- Consider regulatory developments
- Focus on the effectiveness of risk management and control procedures

DIVISION OF RESPONSIBILITIES CONTINUED
HOW WE GOVERN CONTINUED

Composition of the Executive Committee

The Executive Committee is collectively responsible for day-to-day operations and performance and successful implementation of the Company's strategy.

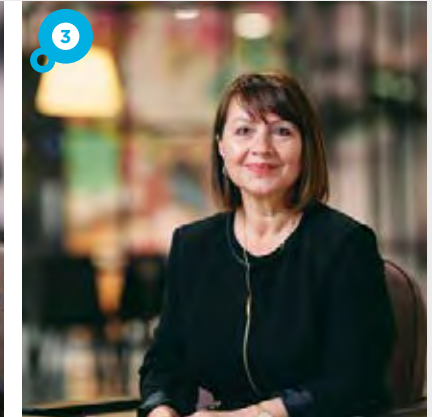
Graham Clemett
Chief Executive Officer



Graham Clemett
Chief Executive Officer



Dave Benson
Chief Financial Officer



Carmelina Carfora
Company Secretary



Will Abbott
Chief Customer Officer



Claire Dracup
Director of People & Culture



Paul Hewlett
Director of Strategy & Corporate
Development



Leo Shapland
Head of Portfolio Management



Richard Swayne
Investment Director

DIVISION OF RESPONSIBILITIES CONTINUED

HOW WE GOVERN CONTINUED

EXECUTIVE DIRECTOR

GRAHAM CLEMETT
CHIEF EXECUTIVE OFFICER

1

EXECUTIVE DIRECTOR

DAVE BENSON
CHIEF FINANCIAL OFFICER

2

CARMELINA CARFORA
COMPANY SECRETARY

3

For full details of Graham's, Dave's and Carmelina's responsibilities and experience, go to pages 115 to 117.

WILL ABBOTT

CHIEF CUSTOMER OFFICER

4

Specific responsibilities:

Marketing, brand development and customer engagement.

Background and relevant experience:

Will joined Workspace in 2020, having spent over 20 years in marketing roles across a diverse range of businesses. After beginning his career in advertising, Will worked in digital media, FMCG, financial services and travel sectors. Prior to Workspace, Will was Marketing Director at Hiscox during a significant period of growth for the insurer, and more recently was Chief Marketing Officer of Neilson Active Holidays.

CLAIRE DRACUP

DIRECTOR OF PEOPLE & CULTURE

5

Specific responsibilities:

HR; training and staff development; management of the head office, personal assistants and admin teams; internal culture; business centre support including management of the relief team; health and safety; monitoring of customer service; Chair of the Social Sustainability Committee and responsible for delivery of all social sustainability initiatives.

Background and relevant experience:

Claire joined Workspace in 1995, initially as a Centre Manager before progressing to Portfolio Manager. In 2008, Claire became Head of Support Services and she was responsible for facilities management, security, health and safety and business centre support, which included recruitment, training and improvements to service and quality control.

PAUL HEWLETT

DIRECTOR OF STRATEGY & CORPORATE DEVELOPMENT

6

Specific responsibilities:

Corporate strategic initiative development and execution; investor relations strategy.

Background and relevant experience:

Paul joined Workspace as Director of Strategy & Corporate Development in 2021. He was previously Executive Director of the UK investment Banking Real Estate team at J.P. Morgan Cazenove. Paul has over 20 years of Corporate Finance advisory and Corporate Broking experience, advising companies across the real estate sector on corporate strategy and a wide variety of transactions, most notably focused on Mergers & Acquisitions and Equity Capital Markets.

LEO SHAPLAND

HEAD OF PORTFOLIO MANAGEMENT

7

Specific responsibilities:

Asset management, development and operational performance of the portfolio including lettings, lease renewals, property management, management of the centre and facilities team and ESG matters.

Background and relevant experience:

Leo joined Workspace in March 2022 from Aviva Investors, where he was Head of UK Real Estate Asset Management, responsible for the strategy and financial performance of a large, diversified national property portfolio. Prior to that, Leo spent ten years at Tishman Speyer, holding a number of roles in investment, development and asset management in the firm's London, San Francisco and Seattle offices.

RICHARD SWAYNE

INVESTMENT DIRECTOR

8

Specific responsibilities:

Investment strategy, acquisitions and disposals, and valuations.

Background and relevant experience:

Richard joined Workspace in November 2014 as an Investment Manager. He was promoted to Head of Investment in October 2017 and to Investment Director in April 2020. Prior to joining Workspace, Richard qualified as a chartered surveyor and he worked for Cushman & Wakefield Investors and LFF Real Estate Partners.

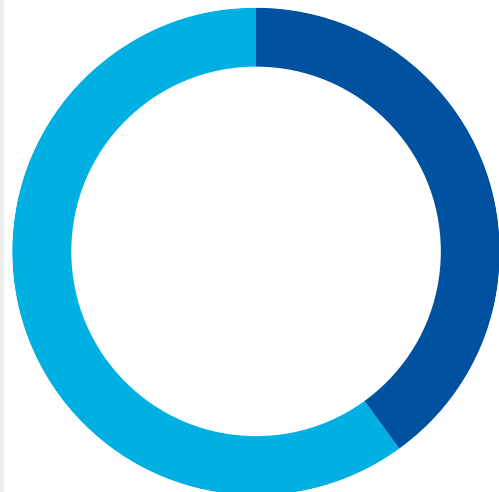
DIVISION OF RESPONSIBILITIES CONTINUED
HOW WE GOVERN CONTINUED

THE RIGHT SKILLS AND EXPERIENCE TO DRIVE LONG-TERM SUCCESS

	Executive and Leadership	Property and Real Estate	Financial	Corporate Governance	Customer and Marketing	People	ESG
Executive Directors							
Graham Clemett	●	●	●	●	●	●	●
Dave Benson	●	●	●	●	●	●	●
Executive Committee members							
Carmelina Carfora	●	●		●			●
Will Abbott	●				●	●	●
Claire Dracup	●			●	●	●	●
Paul Hewlett	●	●	●			●	
Leo Shapland	●	●	●			●	●
Richard Swayne	●	●	●			●	●

THE RIGHT BALANCE TO DRIVE LONG-TERM SUCCESS

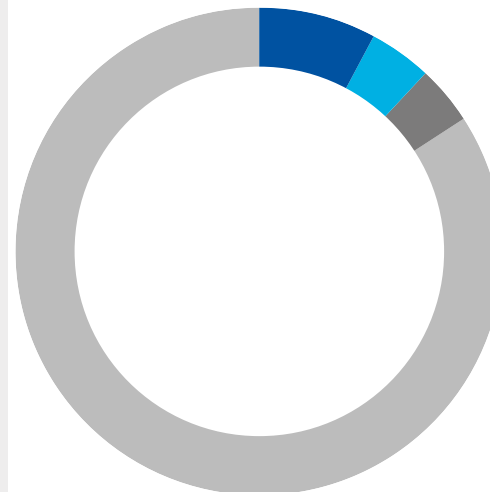
GENDER DIVERSITY OF EXECUTIVE COMMITTEE¹ AND DIRECT REPORTS
AS AT 31 MARCH 2023



Female	10
Male	15

1. We consider the Executive Committee to be 'senior management' as defined by the UK Corporate Governance Code 2018.

ETHNIC DIVERSITY OF EXECUTIVE COMMITTEE² AND DIRECT REPORTS
AS AT 31 MARCH 2023



Asian/Asian British - Indian	2
Black/African/Caribbean/Black British - Other	1
White - Other	1
White - English/Welsh/Scottish/Northern Irish/British	21

2. We consider the Executive Committee to be 'senior management' as defined by the UK Corporate Governance Code 2018.

DIVISION OF RESPONSIBILITIES CONTINUED
HOW WE GOVERN CONTINUED

Information flow to the Board

7

Board meetings in 2022/23



SCHEDULED BOARD INPUTS 2022/2023

One-to-one meetings

One-to-one meetings are held between new Directors and senior management as part of the induction process. The CEO and the CFO meet with senior management individually to discuss operations and performance, after which, the CEO and/or the CFO will report back to the Board on matters that require discussion.

Board presentations

Employees below Board level are invited to present to the Board on operational topics. During the year, our Director of Strategy & Corporate Development gave several Board updates on our integration of McKay and our Head of Portfolio Management updated the Board on the key development projects being undertaken by the Group. There were also updates from our Head of Sustainability and Chief Customer Officer.

Employee engagement

The Chair held several meetings with staff as part of his role as Non-Executive Director responsible for employee engagement and our annual employee survey also collected feedback from staff during the year.

Further details on these and the Group's other employee engagement initiatives during the year can be found on pages 21, 122 and 139.

Feedback from these initiatives was then presented to the Board.



AD HOC BOARD INPUTS IN 2022/23

Presentations from brokers

External speaker on broader market trends

Updates from legal advisers

Q&A

Stephen Hubbard

Non-Executive Director for employee engagement

Q: How do you ensure the employee voice is heard in the boardroom?

This is my third year as the designated Non-Executive Director for employee engagement and our breakfast sessions this year, were each attended by an eclectic mix of centre and head office staff. These sessions provide a vital link between our employees and the Board and have proved a great opportunity to hear feedback directly from employees and get an insight into our culture. I've really enjoyed seeing Workspace's dynamic culture and values in action. Following the breakfast sessions, I report to the Board on the discussions held and the key themes raised. As a Board we also receive regular updates on our staff and their feedback from the Executive Committee, including the results of our annual staff survey.

Q: What were the key themes raised this year?

It was great to gain insight on our day-to-day operations and the many ideas and areas for improvement shared by our staff. The issues raised ranged from how to continue to improve customer experience, communications and the impact of energy prices on our customers. I was pleased to hear overwhelming positive feedback on our initiatives to promote our culture and collaboration across the business, including our inaugural employee shadowing days, town hall events and training facilities. See page 21 for further details.

Q: What does the Board want to focus on in the next year?

We plan to continue building on the Group's open and transparent culture, and focus on how we can support our staff in their roles at the Group. We are also continuing our focus on diversity and inclusion, with a number of new initiatives planned to further our commitment in this area. I look forward to hearing feedback from staff on those new initiatives.

2

BREAKFAST SESSIONS HELD



DIVISION OF RESPONSIBILITIES CONTINUED

HOW WE GOVERN CONTINUED

Information and support to the Board

The Board and its Committees are provided with comprehensive papers in a timely manner to enable members to be fully briefed on matters to be discussed at their meetings.

In consultation with the Chair, the CEO and CFO, the Company Secretary manages the provision of information to the Board for their formal Board meetings and at other appropriate times.

The CEO and CFO keep the Board apprised of business matters relating to the Group on a timely basis. They provide various updates to the Board on many aspects of the business, ranging from trading performance, progress being made on our refurbishment and redevelopment projects, the rationale for acquisitions and disposals and how these are aligned to strategy. The CEO and CFO also inform the Board on the discussions held with analysts, investors and other stakeholders.

The Chair of each Committee separately engages with Executive Committee members and other staff relevant to their roles, as well as meeting with relevant external advisers.

The Company Secretary and external advisers periodically update the Board on regulatory changes. This year, these have included the introduction of the Register of Overseas Entities, recent FCA enforcement decisions and updates in corporate governance guidance.

The Board utilises an electronic Board paper system which provides immediate and secure access to Board papers and materials. Prior to each Board meeting, the Directors receive the agenda and supporting papers through this system meaning that they have the latest and the most relevant information in advance of the meeting.

After each Board meeting, the Company Secretary operates a comprehensive follow-up procedure to enable actions to be completed as agreed by the Board.

The Directors have access to the advice of the Company Secretary, Carmelina Carfora. Her biography can be found on page 117. At the direction of the Chair, Carmelina is responsible for advising the Board on matters of corporate governance and compliance with Board procedures.

How the Board discharges its responsibilities

The Board discharges its responsibilities through an annual programme of Board and Committee meetings which are scheduled throughout the year, with main meetings timed around the Group's financial calendar. Additional meetings are convened to consider an annual cycle of topics, including the annual strategy day, key management and financial updates, review of risk as well as the approval of acquisitions and refurbishment programmes. In the year ended 31 March 2023, the Board met formally on seven occasions, including a strategy day in September 2022. Supplementary meetings or conference calls are held between formal Board meetings as required.

The Board engaged with the Group's advisers during the year and there was a presentation from the Group's brokers and PR advisers in September 2022. The Group's valuer, CBRE, presented to the Board in May 2022 and November 2022. The CBRE presentation covered the valuation of the property portfolio and the wider market in which the Group operates. Knight Frank, the Group's former valuer for the McKay portfolio of properties, presented to the Board in November 2022.

The Directors are expected to attend all meetings of the Board, the Committees on which they serve and the AGM, and to devote sufficient time to the Group's affairs, to enable them to fulfil their duties as Directors.

Should the Directors be unable to attend meetings, they would be provided with papers to allow them to make their views known to the Chair ahead of that meeting.

Prior to each Board meeting, and periodically, the Chair meets the Non-Executive Directors without the Executive Directors present, and maintains regular contact with the CEO, CFO and with other members of the management team.

If any Director has concerns about the running of the Group or proposed action which cannot be resolved, these concerns are recorded in the Board minutes. No such concerns arose during the year under review.

Training and development

With the ever-changing environment in which Workspace operates, it is important that the Board maintains a good working knowledge of the property industry and how the Group operates within its sector, as well as remaining aware of recent and upcoming developments in the wider legal and regulatory environment.

Directors attend external seminars and briefings in areas considered appropriate for their own professional development. This training is designed to build upon the diverse range of experience that each Director brings to the Board. The Company Secretary provides regular updates on legal, regulatory and corporate governance matters. As required, Workspace invites external professional advisers to provide training and updates on their specialist areas. Updates and training are not solely reserved for legislative developments but they aim to cover a range of issues including, but not limited to, market trends, the economic and political environment, ESG, technology and social considerations.

The Directors are invited to identify areas in which they would like additional information or training, following which the Company Secretary will arrange for the necessary resources to be put in place. The resulting sessions may be internally or externally facilitated.

This year, the Directors have received updates and presentations on the following areas:

- Governance and regulatory developments
- ESG commitments and net zero carbon pathway
- Data protection compliance
- Executive remuneration trends and best practice, including ESG in remuneration
- Inclusion and diversity
- Conflicts of interest
- Market updates

COMPOSITION, SUCCESSION AND EVALUATION

The Nominations Committee is responsible for monitoring that the Board, its Committees and Workspace's senior management have a good balance of skills and experience, to lead Workspace effectively both now and in the longer term.

Stephen Hubbard

Chair of the Nominations Committee

QUICK LINKS

Membership and attendance at Nominations Committee meetings	Page 142
Chair's letter	Page 143
The role of the Nominations Committee	Page 145



COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

MEMBERSHIP AND ATTENDANCE AT NOMINATIONS COMMITTEE MEETINGS

The Committee comprises the Non-Executive Directors and is chaired by Stephen Hubbard. Details of individual attendance at the meetings held during the year are set out below. More information on the skills and experience of all Committee members can be found on pages 115 to 116.

	Member since	Meetings attended
Stephen Hubbard (Chair)	2014	3/3
Rosie Shapland	2020	3/3
Lesley-Ann Nash	2021	3/3
Duncan Owen ²	2021	2/3
Manju Malhotra	2022	3/3
Nick Mackenzie	2022	3/3
Damon Russell ¹	2013	1/1

1. Damon Russell retired from the Board on 21 July 2022.
2. Duncan Owen did not attend the January Nominations Committee.

KEY TOPICS CONSIDERED BY THE COMMITTEE DURING THE YEAR

Board Composition

Considered the composition of the Board to ensure that the Board has the right balance of skills, knowledge, experience, diversity and attributes required of existing and any future Non-Executive Directors.

Chair Succession

Rosie Shapland, Senior Independent Director, led the appointment process for a successor to Stephen Hubbard, who will be stepping down from the Board in July 2023.

Membership of the Board Committees

Implemented new Board Committee structure. An ESG Board Committee was established to provide a higher level of focus and visibility on sustainability at Board level and involved all members.

Board Effectiveness Review

Oversaw the annual Board effectiveness review, which tracked the development of key aspects of governance and provided the opportunity for the Board to consider in depth its contribution to strategy and horizon scanning.

Diversity and Inclusion Policy

Reviewed the Diversity and Inclusion Policy and considered the progress against Board diversity and inclusion principles.

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

Nominations Committee
Chair's letter

Stephen Hubbard
Chair of the Nominations Committee



The Nominations Committee has continued to play a key role in supporting Workspace's long-term sustainable success and monitoring the tenure of Non-Executive Directors to effectively manage succession planning

Dear shareholder,

On behalf of the Board, I am pleased to present the report of the Nominations Committee.

This year, a key focus for the Committee was to identify my successor as Chair. On 28 February 2023 we were pleased to announce the appointment of Duncan Owen as my successor. More information on the appointment process is highlighted in Rosie Shapland's letter, which can be found on page 144. Rosie, as Senior Independent Non-Executive Director led the Chair recruitment process. Duncan will assume the role following the conclusion of the AGM on 6 July 2023.

I am delighted the Board has identified an excellent successor. Duncan, who joined the Board in 2021, has over 30 years' experience in the real estate sector. He has served as the CEO of both public and private companies and his roles have included the Global Head of Real Estate at Schroders plc, and the CEO of ImmoCap Capital Partners, a pan-European specialist 'Green' real estate investor in the office and residential sectors. Until recently, Duncan was on the Board of Governors for the Church Commissioners and chaired its Property Investment Committee.

The Committee plays a key role in supporting the Board within the Governance Framework in reviewing the composition of the Board and its Committees. During the year, the Committee oversaw the evaluation of the Board as well as progress on the implementation of recommendations from previous evaluations. This includes assessing whether the balance of skills, diversity, experience, knowledge and independence on the Board is appropriate to enable it to operate effectively. Read more on page 155.

The Board remains focused on promoting broader diversity and creating an inclusive culture. See pages 148 to 154 for details on the Board's activities on diversity this year.

Looking forward, the Nominations Committee will continue to develop and monitor succession plans both at Board and senior management level.

Please read on for more information about the work of the Committee.

A handwritten signature in blue ink, appearing to read 'Stephen Hubbard'.

Stephen Hubbard
Chair of the Nominations Committee
6 June 2023

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

LETTER FROM THE SENIOR INDEPENDENT DIRECTOR



Rosie Shapland
Senior Independent Non-Executive Director

“
While the Board will miss Stephen’s guidance, I am delighted that Duncan is taking over the role of Chair of the Company

Stephen Hubbard was appointed to the Board in July 2014 and has held the role of Chair since 9 July 2020. Consequently, Stephen will have served on the Board for nine years in July 2023, the maximum time that the UK Corporate Governance Code 2018 recommends that the Chair should remain in post from the date of their initial appointment.

Given Stephen’s tenure and the likelihood that he would step down from the Board at the end of nine years, the Nominations Committee had for some time been considering succession planning for the Chair. Duncan Owen was appointed as a Non-Executive Director of the Company in July 2021, with his appointment forming part of the Company’s long-term succession planning. A thorough search was conducted by the Company’s Board-level external search agency, Fidelio, identifying a number of diverse and suitable candidates and through a robust process, coming to the successful selection and appointment of Duncan Owen. As part of that process, a candidate brief had been prepared which specified the experience that the Company was looking for, including deep property knowledge, long-term expertise in asset management and utilisation, understanding of capital markets and investor communications. Although this recruitment process was primarily for a Non-Executive Director role, the specifics of the brief were designed in part because the Nominations Committee was conscious that Stephen’s nine-year maximum tenure on the Board would be reached in 2023, and consequently the Committee was keen to identify candidates who could potentially be suitable for the Chair role when it became vacant.

The Nominations Committee considered carefully who would be an appropriate successor to Mr Hubbard and concluded that Mr Owen has the appropriate knowledge, experience and time available to undertake the role of Chair. Mr Owen will be appointed Non-Executive Chair of the Company at the conclusion of the Company’s 2023 Annual General Meeting.

On behalf of the Board, I would like to take the opportunity to thank Stephen for his support and guidance since joining the Board and for his excellent chairship over the past three years. He has played a key role in the growth of the Company and was especially instrumental in helping us successfully navigate the challenges during the pandemic and in refreshing the composition of the Board.

Stephen leaves the business with our very best wishes.

R Shapland

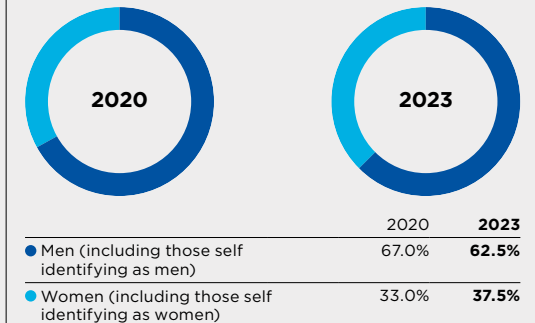
Rosie Shapland
Senior Independent Non-Executive Director
6 June 2023

[Chair succession](#) >
Page 146

[Duncan Owen’s biography](#) >
Page 116

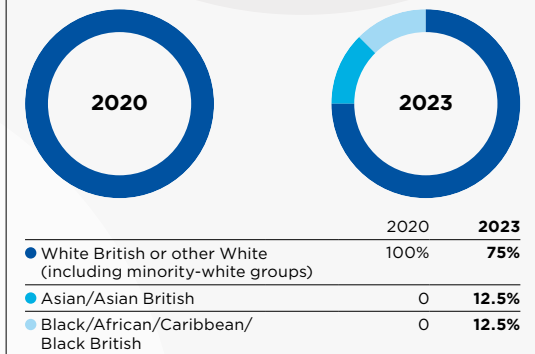
BOARD DEVELOPMENT SINCE 2020

GENDER DIVERSITY OF THE BOARD
1 APRIL 2020 – 31 MARCH 2023



Representation of women (including self identifying as women) on the Board has increased 4.5% since April 2020.

ETHNIC DIVERSITY OF THE BOARD
1 APRIL 2020 – 31 MARCH 2023



+25%
BOARD ETHNIC DIVERSITY
SINCE APRIL 2020

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

The role of the Nominations Committee

The Nominations Committee is responsible for monitoring that the Board, its Committees and Workspace's senior management have a good balance of skills, knowledge, alignment to the needs of the business and experience, to lead Workspace effectively both now and in the long term.

This is achieved through succession planning and talent development, and an understanding of the changing competencies required to support the Group's strategy, purpose, vision, culture and values. The way in which this is supported through the current Board composition is set out on page 148.

The Committee also plays a key role in supporting inclusion and diversity at Workspace, which at Board level involves reviewing and monitoring processes and initiatives in the Group, with employee engagement playing an important role.

The Committee is responsible for recommending candidates for the role of Non-Executive Director responsible for employee engagement. The Committee also oversees the development of Board members who are keen to expand their competency and knowledge.

How the Committee operates

The Committee held three meetings, primarily to progress the appointment of our new Chair.

- The meetings are usually held immediately prior to or following a Board meeting, although the Committee also meets on other occasions on an ad hoc basis, as required
- Only members of the Committee have the right to attend meetings. However, an invitation to attend meetings is, on occasion, extended to the Chief Executive Officer, in order that the Committee can understand his views, particularly on key talent within the business
- All Directors can, for the purpose of discharging their duties, obtain independent professional advice at the Company's expense. No Director had reason to use this facility during the year

Nominations Committee responsibilities

The Nominations Committee considers the structure, size and composition of the Board, its Committees and members of the Executive Committee. The Nominations Committee also receives oversight from the Chief Executive Officer on the Company's leadership roles, which include the Executive Committee members and their direct reports. The Committee's responsibilities include:

- Leading the process for new Board appointments and reviewing succession for Directors and senior management
- Regularly reviewing the structure, size and composition of the Board and its Committees
- Facilitating an effectiveness review of the Board, its Committees and Directors
- Reviewing the time commitment expected from the Chair and Non-Executive Directors
- Recommending the election and re-election by shareholders of the Directors, having due regard to their performance and ability to continue to contribute to the Board, taking into consideration the skill, experience and knowledge required along with the need for progressive refreshing of the Board

[Key activities](#) >

Pages 146 to 158

[Board succession](#) >

Page 147

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

Nominations Committee activities in 2022/23

1. Chair succession	Page 146
2. Board Succession Planning	Page 147
3. Performance of the Nominations Committee	Page 147
4. Board composition	Page 148
5. Diversity & inclusion	Page 148
6. Board evaluation	Page 155

CHAIR SUCCESSION

During the year, the Committee continued to fulfil its core responsibilities of reviewing the structure of the Board and its Committees. A key focus of the Committee has been to identify a successor to Stephen Hubbard, who will have completed nine years on the Board in July 2023. The Committee determined that Duncan Owen should succeed Stephen. Duncan was appointed as a Non-Executive Director of the Company in July 2021, with his appointment forming part of the Company's long-term succession planning. On his appointment in 2021, Duncan underwent a formal appointment and induction process. At that time, a thorough recruitment and selection process had been undertaken, assisted by the Company's Board-level external search agency Fidelio Partners Board Development & Executive Search Ltd ('Fidelio'). Fidelio is an external and independent board consultancy which specialises in building board capability and is recognised for its commitment to ESG, diversity and inclusion. Fidelio has been accredited for the sixth year in succession by the FTSE Women Leaders Review (formerly the Hampton-Alexander Review) for their contribution towards achieving greater gender balance including for FTSE 350 boards and leadership teams. Fidelio also supports the work of the Parker Review. Fidelio's commitment to identifying the most qualified and inclusive candidates for roles has resulted in strong and diverse shortlists for each of the Board appointments Workspace made over the last three years.

Fidelio has also supported with regard to Board effectiveness but has no other connection with the Company or the individual Directors.

Key considerations for the search process conducted in 2021 which resulted in the appointment of Duncan Owen.

The Nominations Committee discussed the skills and experience required for new members joining the Board. It was concluded that the successful candidate would bring the following attributes:

- Deep property expertise and familiarity with tenant and occupier trends.
- An understanding of the investment markets.
- Strong operational focus and ability to contribute to Workspace's ambition to develop its customer-centric business model.
- The ability to draw on long-term, relevant experience of driving value for the customer.
- An ability to constructively challenge and support the management team and the Board while maintaining a highly collaborative approach and collegiate style.
- Familiarity with the requirements of being a Board member of a listed company.
- A keen awareness of stakeholder interests and a strong interest in ESG and how it is shaping the work of the Board and the impacts on the business.
- A good understanding of the parameters of being a Non-Executive Director and possess a strong capability to add value to the role.
- Understand the importance of diversity and inclusion agendas and the value this brings to an organisation.
- Excellent judgement, able to lead logical and evidence-based discussions.

In addition, there was a clear expectation that candidates would be able to devote sufficient time to the role.

Our extensive search and selection process

Fidelio were engaged to conduct the selection process. They were asked to draw up a detailed role specification. This was reviewed with the Chair who then engaged with the Nominations Committee. Final role specification was then approved.

In follow-up discussions held between the Chair and the Committee, they reflected upon the experience of the candidates and their specific skill sets. The Nominations Committee considered that given Duncan's experience and the roles he was performing at that time, he would bring a fresh and complementary perspective to an existing Board of Directors, who already bring valuable knowledge, expertise and diversity from roles in property, finance and government.

Further details of the recruitment process for Duncan Owen can be found on pages 131 to 132 of the 2022 Annual Report.

Recommendation

In February 2023, after taking all of the above into consideration, the Nominations Committee concluded that it should recommend to the Board that Duncan be appointed to the role of Chair. The Board formally approved the appointment in February 2023.

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED
NOMINATIONS COMMITTEE ACTIVITIES IN 2022/23 CONTINUED**BOARD SUCCESSION PLANNING****Board succession**

The Committee regularly reviews the composition of the Board to ensure it continues to have the appropriate balance of skills to support the Company in achieving its strategy. When considering any future appointments the Committee will continue to make decisions in consideration of our Board diversity principles, detailed on page 154.

Following refreshment of the Board in the last three years, with five new Non-Executive Directors joining the Board during that time, this year the focus of the Committee was on Chair succession as detailed on page 146. No new Directors were appointed during this year. The Group has initiatives to develop staff with leadership potential which are detailed on page 149.

Time commitments

The Directors have demonstrated a strong commitment to their roles on our Board and Committees. The Directors attended meetings of the Board and Committees scheduled in 2022/23 as well as additional ad hoc meetings. For further details of attendance at meetings see page 113.

The Directors have also given careful consideration to their external time commitments to confirm that they are able to devote an appropriate amount of time to their roles on our Board and Committees. For each of the Directors, the Board considers that the time commitment that he or she is required to devote to those external roles does not compromise their role at Workspace. The Nominations Committee reviews, on an ongoing basis, Directors' time commitments and confirmed that they were fully satisfied with the amount of time each Director devoted to the business.



A diverse workforce that brings an appropriate balance of skills, experience and knowledge, as well as fresh perspectives, enriches our business and contributes to our long-term success

Stephen Hubbard
Chair

Key activities >
Pages 146 to 158

Chair succession >
Page 146

2

PERFORMANCE OF THE NOMINATIONS COMMITTEE

3

The performance of the Nominations Committee was assessed during the year.

From the responses provided, it was concluded that the Nominations Committee was operating effectively.

The Committee also recognises that there is value in the Non-Executive Directors being active on other Boards in an Executive or Non-Executive Director capacity.

Directors' induction programmes

All new Non-Executive and Executive Directors joining the Board undertake a formal and personalised induction programme, designed to provide an understanding of the Company's business, strategy, culture, ESG, governance, management and stakeholders. This covers the operation and activities of the Company, such as site visits, meeting members of the senior management team across our key business areas and operations, the Company's principal strategic risks, the role of the Board, the decision-making matters reserved to the Board, and the responsibilities of Board Committees. This is tailored to take into account a Director's previous experience and responsibilities.

The Company Secretary assists the Chair in designing and facilitating an induction programme for new Directors and ongoing training.

Directors are also briefed on their roles and responsibilities as a director of a listed company. For Non-Executive Directors, specific committee responsibilities relevant to their committee membership are covered, to enable them to function effectively as quickly as possible.

In addition, Directors are offered follow-up sessions in any areas in which they want to increase their knowledge. We also offer ongoing bespoke development for Directors and Committee Chairs.

Directors are encouraged to continue to meet with management after their induction on an ongoing basis to support them and pass on their experience.

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED
NOMINATIONS COMMITTEE ACTIVITIES IN 2022/23 CONTINUED**BOARD COMPOSITION**

4

Reviewing the Board and Committee composition

As part of the Board's annual effectiveness review, described on page 155, the Committee considers the composition of the Board and its Committees in terms of balance of skills, experience, length of service and wider diversity considerations.

The Board and its Committees continue to have a strong mix of experienced individuals on the Board who are not only able to offer an external perspective on the business, but also provide constructive challenge to review the Group's strategy. The Nominations Committee is satisfied that each Director continues to make an effective contribution to the Board and to fulfil their duty to promote the success of the Company. Furthermore, the respective skills of the Directors were found to complement one another, enhancing the overall operation of the Board.

The Board has carefully considered the guidance criteria regarding the composition of the Board under the UK Corporate Governance Code. In the opinion of the Board, the Chair and all the Non-Executive Directors bring independence of judgement and character, a wealth and diversity of experience and knowledge and the appropriate balance of skills. The Directors give sufficient time to enable them to carry out effectively their responsibilities and duties to the Board and the Committees on which they sit. They are sufficiently independent of management and are free from any other circumstances or relationships that could interfere with the exercise of their judgement.

With effect from the close of the 2023 AGM, no Non-Executive Directors will have been on the Board for more than six years.

As at 31 March 2023, the Board comprised the Chair, two Executive Directors and five Non-Executive Directors. Further details on the independence of the Directors and their re-election can be found on pages 133 to 134 and on pages 3 to 4 of the 2023 Notice of Annual General Meeting.

In accordance with the Code, with the exception of Stephen Hubbard, all the Directors will retire and offer themselves for re-election by shareholders at the 2023 Annual General Meeting. Having served on the Board for nine years in July 2023, Stephen Hubbard will retire following the conclusion of the AGM.

The biographies of all members of the Board, outlining the skills and experience they bring to their roles, are set out on pages 115 to 116.

Stephen Hubbard was appointed as the Non-Executive Director for employee engagement in July 2020. Further details can be found on page 130.

Chair's evaluation for 2022/23

The Senior Independent Director chaired a meeting of Non-Executive Directors, without the Chair present, to appraise the Chair's performance and to address any other matters which the Directors might wish to raise. The outcome of these discussions was conveyed by the Senior Independent Director to the Chair. It was concluded that the Chair is highly respected and is valued for his industry knowledge and experience. The Board is satisfied that the Chair continued to be effective and shows a high level of commitment in discharging his responsibilities.

DIVERSITY & INCLUSION

5

Our Diversity & Inclusion Policy applies both to the Board and the wider business. Workspace's purpose is to give businesses the freedom to grow. We know that a workforce made up of people with a wide range of backgrounds and experiences will contribute to our long-term success and help to achieve our strategy (see page 32 for further details on our strategy). We are committed to supporting diversity and to creating an inclusive culture that attracts the best individuals to our workforce.

We value diversity in all its richness and work hard to create an environment where talented people can thrive, without regard to gender, gender reassignment, race, ethnicity, age, religious or spiritual beliefs, sexual orientation, marital and civil partnership status, disability, education or social background. A diverse organisation benefits from the different perspectives inclusivity in these areas can bring, as well as from variety in skills, industry experience and personality.

We want to build a diverse pipeline of talented employees and senior managers to support us as we continue to grow and achieve our purpose. It is our policy to appoint the best person for the role and we are committed to ensuring that our processes and initiatives encourage diversity and allow a diverse group of potential candidates to be identified at both Board and Executive-level.

Our plans for next year

We are committed to continually progressing our initiatives to improve diversity. In the next year we plan to:

- Introduce further employee support networks
- Review our benefits and policies and implement any changes recommended
- Introduce 'back to work' inductions and coaching for those returning from parental leave
- Further increase the awareness of our staff in all areas of diversity & inclusion, for example by making greater use of external speakers and developing social impact projects that connect our business centres with their local communities
- Trial job sharing in certain roles
- Offer apprenticeships in certain roles
- Review job descriptions to ensure the language used is fully inclusive and attracts a diverse pool of talent
- Expand our career pathways to other roles within the organisation where applicable

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

NOMINATIONS COMMITTEE ACTIVITIES IN 2022/23 CONTINUED

DIVERSITY & INCLUSION CONTINUED

HOW WE PROMOTE DIVERSITY & INCLUSION

CULTURE

Every employee has the right to be treated with respect and dignity throughout their employment with us and not to be discriminated against. We have a zero tolerance attitude to bullying, harassment or victimisation of any kind

Our recruitment and selection, training and development, performance reviews and promotion processes are all based solely on individual merit and free from bias

We monitor and analyse the diversity of our employees so that we can track and progress our diversity initiatives. This year, we made changes to how we collect diversity information from our staff in order to improve the quantity and quality of data available to us

Our Board and Executive Committee are regularly updated on our progress with diversity initiatives and external guidance and recommendations for improving diversity. We provide unconscious bias and harassment training for all employees

We offer flexible working options (including hybrid working) to support employees with family and/or caring commitments

This year we introduced an employee support network aiming to provide a forum for parents and carers, including how Workspace can better support them. In the coming year, we will factor any feedback from this network into our processes for supporting returners to work

RECRUITMENT AND SELECTION

In 2022 we hired a Recruitment Manager to oversee our entire recruitment activity and process and we introduced a new recruitment policy which sets out fair and consistent recruitment procedures

We review and change job titles where appropriate. This year we changed the role of Receptionist to Centre Co-ordinator to better reflect the role and to appeal to a wider pool of candidates

We review job specifications to ensure we consistently use inclusive language that encourages both male and female candidates

We provide unconscious bias and interview skills training for all hiring managers. In the coming year we intend to introduce further training for line managers, including managing difficult conversations

Guidance and support notes are provided to hiring managers to promote fair and thorough processes

We advertise all vacancies internally before undertaking any external advertisement, to encourage internal applications

When we do advertise externally, we have increased our use of social media and other direct recruitment methods in order to reach a wider pool of talent, including encouraging applications from people who may be returning to work and from local communities via local job centres, universities and schools

Where we use recruitment agencies, we ensure they have a commitment and track record in diverse appointments

When a senior role becomes available, we seek to encourage diverse applications and to shortlist an equal number of men and women where possible

TRAINING AND DEVELOPMENT

We promote progressive career development through encouraging lateral job moves where opportunities arise

This year, we introduced bi-monthly meetings between the HR team and senior managers with a view to identifying opportunities for staff development

During our annual appraisal process, we identify employees who have strong potential for development, and put training and development plans in place for them

We provide a Group-wide internal training programme to offer employees opportunities to learn and develop skills such as organisation, people management and managing difficult situations

During this year, we have started to offer Institute of Leadership & Management training for line managers

We support staff with further studies by sponsoring external learning and development where appropriate

We trialled 'career pathways', for our centre team roles, to make it clearer to staff how they can progress their careers at Workspace

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED NOMINATIONS COMMITTEE ACTIVITIES IN 2022/23 CONTINUED



It was very important to me that we provide a forum for those with caring responsibilities to share experiences and support each other

Satpreet Dhariwal
Senior HR Manager and Chair of our Supporting Others group

SPOTLIGHT ON SUPPORT FOR PARENTS AND CARERS



Satpreet Dhariwal

Senior HR Manager and Chair of our Supporting Others group

Q: What made you want to set up a group for those with caring responsibilities and how will it support our staff?

As someone who has caring responsibilities myself, I could really relate to this topic and putting this network together was important to me. It can be very difficult to balance caring responsibilities while working as you are juggling two worlds. People can sometimes feel like they are alone and that others don't understand the challenges they face. The Supporting Others group provides a forum for people to share their experiences – both the positives and the challenges – and learn from and support each other in a safe space. It's an invaluable forum for discussing ideas on how Workspace can support those with caring responsibilities.

Q: What have been the key matters raised by the network so far?

Support on return from parental leave has been a key topic. Parents highlighted the challenges of coming back to work after an extended period, including switching your mindset back to work and understanding the changes that will inevitably have arisen in their absence.

As a result we are planning to introduce some new initiatives for those returning to work, including mini back-to-work inductions and training on any new systems and processes that have been implemented while they have been on parental leave. There has also been a focus on the importance of 'me time' amongst your work and caring responsibilities.

Q: What are your plans for the network in the next year?

We plan to build on what we have achieved this year, continuing to provide a space for employees to talk openly and support each other. We would also love to invite some guest speakers, perhaps someone who has reached the very top of their career while juggling caring responsibilities, so that they can share their experience and insights into the challenges they faced and the key to their success.

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED
NOMINATIONS COMMITTEE ACTIVITIES IN 2022/23 CONTINUED**GENDER AND ETHNIC DIVERSITY AT BOARD AND EXECUTIVE COMMITTEE LEVEL**

The Board is fully supportive of the recommendations of both the FTSE Women Leaders Review (the successor to the Hampton-Alexander Review) and the Parker Review, and of the new requirements of LR 9.8.6R(9).

The tables to the right set out the numerical data required to be disclosed in accordance with LR 9.8.6R(9), as at 31 March 2023. There have been no changes between 31 March 2023 and the date of this Report.

As at 31 March 2023, the Group has met two of the three targets set by LR 9.8.6R(9). Rosie Shapland is Senior Independent Director and the Group therefore meets the LR 9.8.6R(9) target to have at least one of the senior Board positions held by a woman. Two members of the Board are from a minority ethnic background, meeting the LR 9.8.6R(9) target that at least one member of the Board should be from a minority ethnic background.

As of 31 March 2023, the Board consists of three women and five men, meaning the Board comprises 37.5% women, narrowly missing the LR 9.8.6R(9) target that women should represent at least 40% of the Board. This represents an improvement from 33% as at 1 April 2022. In addition, Stephen Hubbard will be stepping down from the Board from the end of the Company's AGM in July 2023, at which point women will represent 42.9% of the Board.

Board positions are, by their nature, limited in number meaning that vacancies are less common, but when vacancies do become available the Board will continue to recruit in a manner which attracts a diverse mix of candidates and to shortlist an equal number of men and women wherever possible. For more information on our Board diversity principles and processes see page 148.

The data contained in the disclosures to the right was self-reported by members of the Board and Executive Committee. The Executive Committee were asked to specify their gender identity and ethnic origin via our HR system, with each question using a dropdown menu with options to select. The Board were separately each asked the same questions with the same options.

Graham Clemett and Dave Benson are members of both the Board and the Executive Committee and therefore are included in both the calculations relating to the Board and those relating to executive management.

37.5%
FEMALE REPRESENTATION
AT BOARD LEVEL AS AT 31 MARCH 2023

GENDER

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men (including those self identifying as men)	5	62.5%	3	6	75%
Women (including those self identifying as women)	3	37.5%	1	2	25%
Non-binary	0	0%	0	0	0%
Not specified/prefer not to say	0	0%	0	0	0%

ETHNICITY

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	6	75%	4	8	100%
Mixed/Multiple Ethnic Groups	0	0%	0	0	0%
Asian/Asian British	1	12.5%	0	0	0%
Black/African/Caribbean/Black British	1	12.5%	0	0	0%
Other ethnic group, including Arab	0	0%	0	0	0%
Not specified/prefer not to say	0	0%	0	0	0%

Further information on the composition of the Board can be found on page 114 and on the composition of the Executive Committee on page 136.

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED
NOMINATIONS COMMITTEE ACTIVITIES IN 2022/23 CONTINUED**DIVERSITY IN THE WIDER WORKFORCE****GENDER DIVERSITY OF ALL EMPLOYEES**
AS AT 31 MARCH 2023

Male: 123	42.0%
Female: 170	58.0%

The above disclosure is made in accordance with section 414C(8)(c)(iii) of the Companies Act 2006. The Board breakdown required by section 414C(8)(c)(i) of the Companies Act 2006 is set out on page 151. In addition, for the purposes of disclosure under section 414C(8)(c)(ii) of the Companies Act 2006, the Group had four male and two female senior managers as at 31 March 2023, calculated in accordance with sections 414C(9) and (10)(b) of the Companies Act 2006.

AGE DIVERSITY OF ALL EMPLOYEES
AS AT 31 MARCH 2023

18-29: 76	25.9%
30-39: 123	42.0%
40-49: 62	21.2%
50-59: 20	6.8%
60-69: 11	3.8%
70-79: 1	0.3%

ETHNIC DIVERSITY OF ALL EMPLOYEES
AS AT 31 MARCH 2023

White: 206	70.3%
- English/Welsh/Scottish/Northern Irish/British	151
- White - Irish	5
- White - Other	50
Black: 26	8.9%
- Black/African/Caribbean/Black British - Caribbean	14
- Black/African/Caribbean/Black British - African	10
- Black/African/Caribbean/Black British - Other	2
Asian: 37	12.6%
- Asian/Asian British - Indian	14
- Asian/Asian British - Bangladeshi	5
- Asian/Asian British - Pakistani	2
- Asian/Asian British - Chinese	2
- Asian/Asian British - Other	14
Mixed: 23	7.9%
- Mixed - White and Black Caribbean	4
- Mixed - White and Black African	4
- Mixed - White and Asian	1
- Mixed - Other	13
- Mixed	1
Other ethnic group: 1	0.3%

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED
NOMINATIONS COMMITTEE ACTIVITIES IN 2022/23 CONTINUED**SPOTLIGHT ON PROGRESSION & DEVELOPMENT**

I have been at Workspace for seven years. I joined in March 2016 as Centre Manager of The Light Bulb and Morie Street Studios and demonstrated great work ethic and commitment to prove myself in that role. Just under two years later, I was entrusted with the management of the Group's largest site, Kennington Park business centre. The site requires a meticulous approach due to the range of spaces available, from traditional office and studio space to commercial kitchens and industrial workshops. It usually has several appraisals and projects ongoing at any one time. Managing it requires a greater level of knowledge and skill and I was glad for the opportunity to step up to the challenge.

In 2021, I decided to undertake the qualification to become an Associate of RICS in the commercial property path, in order to learn additional skills and open up future opportunities for my career. Workspace were extremely supportive of me doing the qualification. Not only did they provide financial funding for my studies, but my line managers and other senior colleagues dedicated their time to help me with any questions I had, and gave me the opportunity to work on real business projects that I could then submit as case studies for my final assessment.

In late 2022 I saw the role of Associate Asset Manager advertised internally. With the knowledge I have developed from my RICS studies and my Centre Manager roles, I decided to apply for the promotion and was delighted when I was successful. I started my new role as Associate Asset Manager in April 2023 and I am looking forward to the fresh challenges and opportunities it will bring.

KEY FACTS

£61k

EMPLOYEE TRAINING
SPONSORED

25

UNCONSCIOUS BIAS AND
HARASSMENT TRAINING
SESSIONS

9

INTERNAL LATERAL
JOB MOVES

29

INTERNAL PROMOTIONS

12

WORKSPACE WINNERS

Kennington Park Business
Centre, Oval

“

I was given the opportunity to work on real life business projects that also helped with my studies as well as my development at Workspace

Ewelina Vale
Associate Asset Manager

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED
NOMINATIONS COMMITTEE ACTIVITIES IN 2022/23 CONTINUED**BOARD DIVERSITY PRINCIPLES AND PROGRESS**

At Board level, we recognise that a group that is diverse in nature, irrespective of characteristics such as gender, ethnicity, skills, experience and background, is able to provide differing perspectives and challenge to debates and decisions. When recruiting new Board members, the Nominations Committee makes all decisions in consideration of this policy and the principles below. The principles have been agreed with the aim of increasing diversity within our Board and its Committees, and developing a pipeline of high potential diverse leaders and senior managers.

PRINCIPLES	IMPLEMENTATION	PROGRESS AGAINST OBJECTIVES
<p>Ensure the Board comprises an appropriate balance of skills and brings a balance of diverse characteristics including in terms of gender, ethnicity, skills, experience and background in order to bring fresh perspectives and to enrich our business and contribute to our long-term success.</p>	<p>The diversity of the Board, in a number of respects, is continually reviewed by the Nominations Committee and is considered annually by the wider Board as part of the Board evaluation process to ensure the Board is continuing to enrich the business and contribute to its long-term success.</p>	<p>In March 2023, the Board discussed this year's Board evaluation process. An important part of the discussion related to the value of diversity, including cognitive diversity. No concerns were raised in connection with the diversity of the Board.</p> <p>37.5% female representation on our Board as at 31 March 2023 (2022: 33%). 25% ethnic minority representation on our Board as at 31 March 2023 (2022: 22%).</p>
<p>Ensure the recruitment process, including advertisements and use of recruitment agencies, allows for a diverse group of potential candidates to be identified.</p>	<p>The Board places importance on ensuring the recruitment process is fair and is based solely on individual merit. The Board instructs executive search firms to assist with sourcing the best candidates for the role. When instructing an executive search firm, the Board will explicitly request that a diverse mix of individuals are identified for the role.</p>	<p>The Board actively seeks diverse candidates. Over the last three years, five new Non-Executive Directors have been recruited. A thorough recruitment and selection process was undertaken, assisted by the Company's Board-level external search agency, Fidelio. As part of that process, candidate briefs were prepared and a diverse long and short-list was presented for each Non-Executive Director position. In making these appointments, the Board considered its Diversity & Inclusion Policy.</p>
<p>The Board and Nominations Committee will only engage with executive search firms that have signed up to the Standard Voluntary Code of Conduct for Executive Search Firms.</p>	<p>The Board will continue to engage executive search firms that have signed up to the Standard Voluntary Code of Conduct.</p>	<p>During 2022/23, Fidelio were the only executive search firm engaged by the Board. Fidelio is accredited under the Hampton-Alexander Enhanced Code of Conduct and has signed up to the Standard Voluntary Code of Conduct in order to provide sufficient support to the Board in enhancing diversity.</p>
<p>Board attention and focus is given to initiatives designed to develop a pipeline of talented, high potential employees and senior managers from a diverse range of backgrounds including in terms of gender, ethnicity, skills, experience and background.</p>	<p>The HR team has been tasked with continuing to progress our existing initiatives to support development of a diverse pipeline of talent (see page 149 for further details) as well as delivering the new initiatives detailed on page 148.</p>	<p>During the year, the HR team continued to introduce and progress a number of initiatives aimed at increasing diversity across the workforce. See page 149 for more details for our diversity initiatives.</p>

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED
NOMINATIONS COMMITTEE ACTIVITIES IN 2022/23 CONTINUED**BOARD EVALUATION**

6



We conducted an internal Board evaluation for 2023 in line with best practice corporate governance requirements. This followed an internal evaluation facilitated by Fidelio in 2022 and an external evaluation conducted by Fidelio in 2021, the outcomes of which are detailed on page 156.

The evaluation focused on the overall effectiveness of the Workspace Board, building on the prior year's evaluation which enabled the Board to monitor progress on key aspects of governance, including the composition of the Board. In addition, the 2023 evaluation provided a deep dive into how effectively the Board is contributing to strategy and horizon scanning.

Fidelio prepared a tailored Board questionnaire, including both a quantitative and qualitative element, comprising open questions around the Board's oversight of strategy and emerging risk.

Fidelio has supported with regard to Board composition. They have no other connection with the Company or individual Directors.

In conducting this evaluation, the Board was conscious of ensuring that the process met the requirements of the Code and had a clear focus on enhancing the effectiveness of the Board. Following Fidelio's evaluation in 2021 and 2022 and the ongoing Board refreshment, the Board decided to leverage this momentum and conduct a review that would lead to meaningful insights and enable the Board to make further progress in enhancing performance and its effectiveness.

Fidelio worked with the Company to develop an innovative approach to the internal evaluation which met the needs of the Code through the combination of a tailored questionnaire and facilitated Board discussion to explore the findings from the questionnaire.

An established
timeline with
incremental
improvements made
each year

Stephen Hubbard
Chair of the Nominations
Committee

2020/21**EXTERNAL BOARD EVALUATION**

The Board effectiveness review was conducted against a backdrop of change, with new appointments to the Board combined with the impact of the pandemic on both the business and the work of the Board.

2021/22**INTERNAL BOARD EVALUATION**

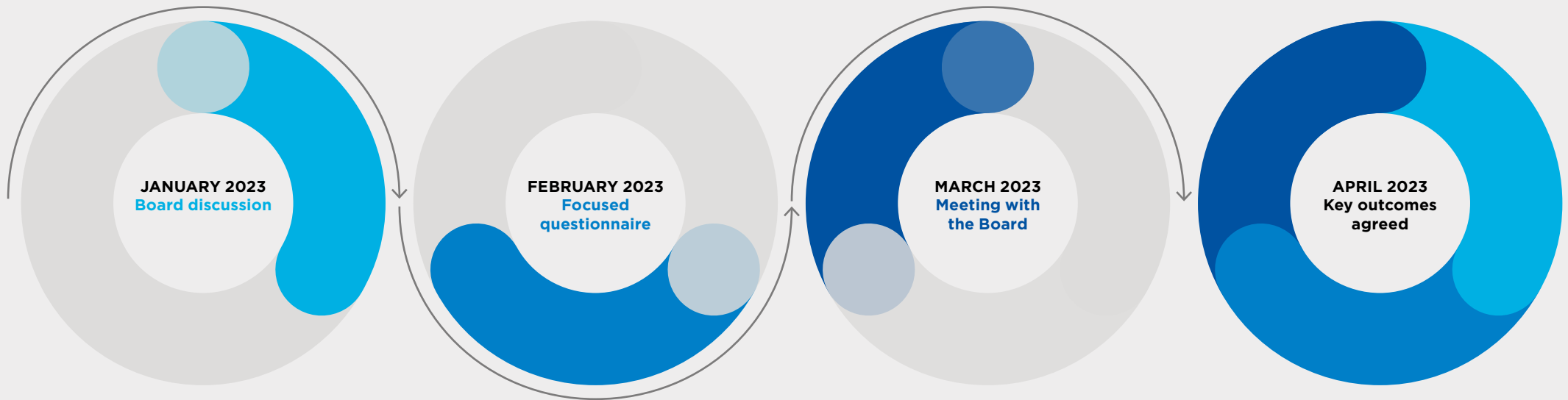
This process was developed with a clear focus on the 'high-performing Board' and how the Board adds value. This approach built on the prior Board evaluation and the progress made and also contributed to the momentum and potential of a relatively new Board.

2022/23**INTERNAL BOARD EVALUATION**

The evaluation covered the effectiveness of the Workspace Board, and how this has developed over the past year. Looking ahead it has a clear focus on the Board's contribution to strategy and horizon-scanning.

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED
NOMINATIONS COMMITTEE ACTIVITIES IN 2022/23 CONTINUED

BOARD EVALUATION – SPOTLIGHT ON DEVELOPING A HIGH-PERFORMANCE BOARD CONTINUED



BOARD DISCUSSION

A discussion was held by the Board to consider key subject areas for this external review.

Key questions

- Is there scope to develop the Board's contribution to strategy and horizon scanning?
- How can Board Members and the Executive Committee engage further beyond the formal Board Meetings?
- How effective are the various Board Committees and does the Committee structure remain appropriate?
- What is the quality of Board learning?
- What are the next steps for the Workspace Board to enhance performance and effectiveness?

FOCUSED QUESTIONNAIRE ISSUED TO THE BOARD

Fidelio developed a tailored questionnaire, focused on Board effectiveness and contribution to strategy and horizon scanning.

Key focus areas

The quantitative questionnaire enabled the Board to provide feedback on eight key aspects on governance. This was broadly comparable with the prior year and provided the opportunity to monitor progress. The qualitative questionnaire enabled a deep dive on four key aspects of strategy and horizon scanning including examples of best practice.

MEETING WITH THE BOARD

The Board then had the opportunity to explore the findings during its meeting in March.

Discussion points

The discussion was designed to review progress on key aspects of governance and to consider whether specific steps needed to be taken. In addition the discussion enabled a good debate around strategy formation, horizon scanning and where there were opportunities to increase effectiveness.

KEY OUTCOMES AGREED

The feedback from this year's Board evaluation was positive and concluded that the Board worked well and the Committee structure continued to evolve.

Specific development themes

- The Board will continue to develop its oversight of strategy and horizon scanning
- Holding more regular strategy updates
- Inviting external and internal speakers to focus on a particular area of interest.

Following the recommendations from this external review, an implementation plan and progress tracker will be developed by Gillian Karran-Cumberlege from Fidelio and the Company Secretary which will be reviewed by the Board.

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED
NOMINATIONS COMMITTEE ACTIVITIES IN 2022/23 CONTINUED

PROGRESS AGAINST THE EXTERNAL BOARD EFFECTIVENESS REVIEW CONDUCTED IN 2022

Item discussed by the Board	Focus area	Progress
Strategy	Continue to develop its oversight of strategy and horizon scanning.	The Board continues to consider the Group strategy at each Board meeting. An annual strategy day was held in September 2022 and this was attended by some members of the Executive Committee. Actions from the strategy day were then circulated to the Board. This will remain a focus for the Board going forward.
Board Committee structure	<p>Review of the Board Committee structure and membership for the next phase of Workspace's development.</p> <p>Consider the formation of an ESG Board Committee and the disbandment of the Risk Committee, with responsibilities to be integrated into the Board and Audit Committee's remits.</p>	<p>A review of the Board Committee structure was undertaken during the year. It was concluded that membership of the Audit Committee would include Rosie Shapland (Chair), Lesley-Ann Nash and Manju Malhotra. Previously, the Audit Committee consisted of all Non-Executive Directors. Other NEDs are invited to attend those meetings of the Audit Committee convened to review the full and half-year results, typically held in May and November.</p> <p>No changes were proposed to either the Remuneration or Nominations Committees.</p> <p>The ESG Committee was formed during the year, with its first meeting held in September 2022. The Committee is chaired by Duncan Owen. More details can be found on pages 172 to 177.</p> <p>The Risk Committee was disbanded during the year, with the final Risk Committee Report included in the 2022 Annual Report. The responsibilities of the Risk Committee have been integrated into the Board and Audit Committee remits.</p>
Employee engagement	Continue to focus on effective workforce engagement.	<p>During the year we continued with a programme of events outside of Board meetings at which members of the Board and the Executive Committee can build relationships on a more informal basis.</p> <p>The Chair also held breakfast meetings with staff during the year. Further details can be found on page 139.</p> <p>The Director of People and Culture attended the Board meeting in November 2022, where the Board were provided with feedback received from staff on the employee survey conducted during the year.</p> <p>The CEO provides the Board with oversight of the broader people agenda, succession planning, development and changes in staff across the business. This includes updates from town hall meetings.</p>

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED
NOMINATIONS COMMITTEE ACTIVITIES IN 2022/23 CONTINUED

PROGRESS AGAINST THE EXTERNAL BOARD EFFECTIVENESS REVIEW CONDUCTED IN 2022 CONTINUED

Item discussed by the Board	Focus area	Progress
Board learning	Continuous learning for Board members to enhance understanding of the Company and the business it operates in.	<p>The Board strategy day offers an opportunity for members of the Board to hear from internal and external speakers on a variety of topics, including market trends and developments as well as strategic planning across areas of the business.</p> <p>Whilst the approach to Board learning will be kept under review, we shall continue to develop a dynamic programme of relevant subject areas that reflect strategic priorities or challenges.</p> <p>Bespoke Board learning programmes will also continue, as appropriate.</p>
Diversity, inclusion and ESG	Review progress on diversity and inclusion and ESG both at Board level and throughout the business.	<p>For details of our progress with diversity and inclusion, see pages 148 to 154.</p> <p>A commitment to acting sustainably is one of the three pillars to our strategy which demonstrates how deeply it is embedded and ensures we consider sustainability in all business decisions.</p> <p>The ESG Committee was established during the year and will review our sustainability strategy, governance, and science-based targets to transition to net zero.</p> <p>We have continued to progress our social impact through initiatives such as the InspiresMe programme and employee wellbeing activities. Read more on pages 50 to 57.</p>

AUDIT, RISK AND INTERNAL CONTROL

AUDIT COMMITTEE REPORT

The Audit Committee plays a key role in promoting the maintenance of a strong and transparent control environment at Workspace.

Rosie Shapland

Chair of the Audit Committee

QUICK LINKS

Membership and attendance at Audit Committee meetings	Page 160
Key topics considered	Page 160
Chair's letter	Page 161
Role of the Audit Committee	Page 163
Significant matters considered	Page 164
Developing a robust Viability Statement	Page 166
Fair, balanced and understandable	Page 167
External audit	Page 168
Risk management and internal controls	Page 170



AUDIT, RISK AND INTERNAL CONTROL CONTINUED

MEMBERSHIP AND ATTENDANCE AT AUDIT COMMITTEE MEETINGS

The Committee is made up entirely of Non-Executive Directors and each Committee member has considerable commercial knowledge and broad industry expertise. The Committee is chaired by Rosie Shapland. Details of individual attendance at the meetings held during the year are set out below. More information on the skills and the experience of all Committee members can be found on pages 115 to 116.

	Member since	Meetings attended
Rosie Shapland (Chair) ^{1,2}	2020	4/4 ³
Lesley-Ann Nash ²	2021	4/4 ³
Manju Malhotra ²	2022	4/4 ³

- In accordance with the UK Corporate Governance Code 2018, the Board considers that Rosie Shapland has significant recent and relevant financial experience.
- Following Board discussions on the structure of its Committees, it was agreed that from 21 April 2022, the Committee will be made up of three members, Rosie Shapland, Lesley-Ann Nash and Manju Malhotra. Other Non-Executive Directors are welcome to attend meetings should they wish to do so. All Non-Executive Directors attended meetings held in May and November 2022 to review the full and half-year results and the first joint meeting of the Audit and ESG Committee meeting held in January 2023.
- The Audit Committee meeting in January 2023 was a joint meeting with the ESG Committee.

KEY TOPICS CONSIDERED BY THE COMMITTEE DURING THE YEAR

Portfolio valuation

- Considered the objectivity and independence of the external valuers
- Discussed the presentation of the portfolio valuation by the external valuers

Financial and Narrative Reporting

- Reviewed the year-end financial statements including key judgements, estimates and assumptions

External Audit

- Reviewed and discussed reports from KPMG, summarising their findings arising from the 2021/22 audit and the half-year review of the results of the Group for the six months ended 30 September 2022
- Assessed the independence and objectivity of the external auditors

Changes to principal risks

- Reviewed management's proposal to include climate risk as a principal risk

Internal controls and risk management

- Reviewed and discussed an update from the Group's Head of Technology on the Group's business continuity plan and cyber security
- Reviewed the effectiveness of the Company's control environment and the Company's process for self-certification of the operating effectiveness of controls

Governance

- Reviewed terms of reference
- Discussed assessment of the effectiveness of the Audit Committee

AUDIT, RISK AND INTERNAL CONTROL CONTINUED

Audit Committee
Chair's letter

Rosie Shapland
Chair of the Audit Committee



The Audit Committee has a key role in checking that the Group's narrative reporting gives a fair, balanced and understandable assessment of the Group's position and prospects and establishing that the financial statements provide a true and fair view of the Group's financial affairs

MONITORING FUTURE DEVELOPMENTS

Continue to focus on climate change and its potential impact on the financial statements, review mitigation strategies whilst monitoring risk across business decisions including assurance from Accenture on our carbon emissions disclosures. See page 101 for more details.

Jointly, with the ESG Committee, review the programme of activity being undertaken to ensure the effectiveness of ESG policies and procedures.

Continue to focus on the Company's protection against cyber threats.

Monitor proposed changes to the UK Corporate Governance Code, particularly with respect to internal controls.

Dear shareholder,

On behalf of the Board, I am pleased to present the Audit Committee Report. This report is intended to provide shareholders with an understanding of the work we have done to provide assurance on the integrity of the Annual Report and Financial Statements for the year ended 31 March 2023. Much of the work of the Committee is necessarily targeted around the key areas of financial reporting, external audit, internal control and risk management, all of which is underpinned by a robust governance framework.

This has been a busy period for the finance team, with the McKay acquisition and preparation for the implementation of a new finance system.

Review of material issues

The Audit Committee has a key role in checking that the Group's narrative reporting gives a fair, balanced and understandable assessment of the Group's position and prospects and establishing that the financial statements provide a true and fair view of the Group's financial affairs. As part of this process, we considered the significant financial judgements made during the year, along with other key financial reporting issues. In this context and in conjunction with the Board, we considered the twice annual valuation of the investment portfolio, the valuation process and the key assumptions made by the valuers and their independence. Following our review, we are satisfied that the valuation process is robust, the assumptions and estimates used in the valuation are appropriate and that the valuers remain independent. Further details can be found on page 164.

We also considered, as we do on a regular basis, the potential for fraud in revenue recognition, scope for management override of controls and compliance with regulations. We found no concerns arising from this review.

A description of the main activities that the Committee considered during the year can be found on page 160.

Climate change

As the Group is committed to being net zero carbon by 2030, it is important that our financial reporting reflects and supports this goal. The Board discussed the impact of climate change on the Group's financial reporting and financial statements and it considered the requirement for companies to disclose, on a comply or explain basis, against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Board received updates on the Company's progress against this requirement from our Head of Sustainability. More information can be found on page 118.

As part of its review of Principal Risks, and following the joint meeting with the ESG Committee in January 2023, the Audit Committee agreed that climate change be included as a principal risk.

Cyber security

Cyber security remains a focus area for the Committee. The Head of Technology attended the March Audit Committee to give an assessment of cyber risk and update on progress made in protecting the Group against evolving threats.

[The role of the Audit Committee >](#)

Pages 163 to 164

[Risk management and internal controls >](#)

Pages 170 to 171

AUDIT, RISK AND INTERNAL CONTROL CONTINUED

Viability and going concern statements

The Committee considered the going concern statements in the interim statement and the Annual Report, and the viability statement in the Annual Report. This included reviewing the work undertaken by management, which considered plausible downside forecasts factoring in the Group's principal risks and certain uncertainties, and the appropriateness of the five-year viability assessment period. Following this review, we were satisfied that management had conducted robust viability and going concern assessments and recommended approval of these to the Board.

See our viability and going concern statements on pages 87 to 88.

2023 Annual Report

The External Auditor confirmed that they had found no unadjusted material misstatements in the course of their work.

After reviewing the reports from management, and following discussions with the External Auditor and valuers, the Committee is satisfied that:

- the process used to determine the property valuation was satisfactory
- the financial statements appropriately address the key judgements and the key estimates
- the Group has adopted appropriate accounting policies
- both the External Auditor and the valuers remain independent and objective in their work

The Board as a whole is responsible for assessing the Group's position, performance, business model and strategy. The Committee's role in this assessment is covered on page 167. For the year ended

31 March 2023, the Committee confirmed to the Board it was satisfied that the Annual Report and Accounts was fair, balanced and understandable.

Committee effectiveness

The Company undertook an internally facilitated Board effectiveness evaluation this year, which assessed our performance as a Committee. I am pleased that this concluded that we operate effectively and that the Board takes assurance from the quality of our work.

Risk, control and assurance

The Group has several processes in place to provide effective internal control, including self-certification of controls by risk owners, reviews of fraud, anti-bribery and whistleblowing policies and a risk management framework under which controls, and their effectiveness, are managed and evaluated. Between the Audit Committee and the full Board, we have reviewed the effectiveness of the Group's risk management and internal control systems where we have not identified any significant failings or weaknesses.

In January 2023, the Audit Committee held a joint meeting with the newly established ESG Committee. At this meeting, the Audit and ESG Committees reviewed the Company's policies and procedures that support the implementation of our ESG strategy, as well as the programme of assurance being undertaken to ensure the effectiveness of these policies and procedures. Both Committees were satisfied that the Company's policies and procedures in this area operate effectively, and that adequate assurance is undertaken.

The Committees also considered whether climate risk should be identified as a Principal Risk. Whilst the Company has an active programme of managing its climate risk exposures through ongoing assessment of risk, the establishment of control measures

and active management of physical risk, it was concluded that given the nature of climate risk, which will require greater oversight of mitigation strategies and monitoring of risk across business decisions, it should be considered as a Principal Risk.

We do not have a formal internal audit function, a matter which is kept under review by the Audit Committee. The Group has, however, appointed a Head of Security and Risk Management whose remit includes maintaining our risk management and control framework and conducting regular independent assurance.

During the year the Head of Security and Risk Management chaired monthly Risk Management meetings attended by senior management, conducted bi-annual self-certification of controls across the Group, completed a principal risk review and mapped out our internal and external assurance activities. The focus for the following 12 months is to evolve our internal assurance programme with additional independent reviews across the business.

I hope that you find this report informative and can take assurance from the work undertaken by the Committee during the year to deliver its key responsibilities.


Rosie Shapland

Chair of the Audit Committee
6 June 2023



The Committee was satisfied that management had conducted robust viability and going concern assessments

[Developing a robust Viability Statement >](#)

Page 166

[Fair, balanced and understandable reporting >](#)

Page 167

AUDIT, RISK AND INTERNAL CONTROL CONTINUED

The role of the Audit Committee

The Audit Committee reviews and monitors the integrity of the Group's financial reporting in advance of its consideration by the Board. The Committee oversees the relationship with the External Auditor in order to assess their effectiveness and to annually assess their independence and objectivity. Following the changes in Committee structure, the Audit Committee now also reviews and monitors the Group's risk management and internal controls framework.

“Through our ongoing programme we identified that, while the Company has an active programme of managing its climate risk exposures, climate change should be considered a Principal Risk

HOW THE COMMITTEE OPERATES



The Audit Committee is composed solely of independent Non-Executive Directors, with a wide diversity of experience. Rosie Shapland, as a Chartered Accountant with many years of senior financial experience, satisfies the requirement of having appropriate recent and relevant financial experience. The Committee as a whole has competence in the sector in which the Group operates.

Meetings of the Audit Committee coincide with key dates in the financial reporting and audit cycle. During the year, the Committee met on four occasions, in May and November 2022 and in January and March 2023. The meeting in January was a joint meeting with the ESG Committee to review the Group's ESG related policies and procedures that support the implementation of our ESG strategy.

A forward plan of agenda items guides the business to be considered at each meeting and is regularly reviewed and developed. This pre-planning facilitates the work of the Committee, enabling it to give thorough consideration to matters of particular importance to the Group.

The Committee receives information in advance of its meetings including information from management and detailed reports from the External Auditor including the audit report. The Committee meets privately with the External Auditor, at least annually, and it liaises with Company management in considering areas for review.

The Committee regularly invites the external audit lead partner, the Chair of the Board, the Chief Executive Officer, the Chief Financial Officer, the Group Financial Controller and the Head of Security and Risk Management to attend Committee meetings. Representatives from our external valuers, CBRE, attend Board meetings twice per year to present the half- and full-year valuation reports.

Meetings of the Committee are held in advance of the Board meetings to allow the Committee Chair to provide a report on the key matters discussed to the Board, and for the Board to consider any recommendations made.

All of this, along with ongoing challenge, debate and engagement, allows the Committee to discharge its responsibilities effectively.

AUDIT COMMITTEE RESPONSIBILITIES

Financial reporting

- Review the year-end and interim financial statements and monitor the reporting process, including key judgements, estimates and assumptions and the presentation of significant transactions. Information on significant matters in relation to the financial statements that were considered by the Committee can be found on page 164
- Review the appropriateness of accounting policies and practices
- Advise the Board on the Group's viability and going concern statements including the assumptions in plans, key risks considered, and the sensitivities tested. More information on the Committee's assessment of the Group's viability and going concern status can be found on pages 166 to 167
- Review the content of the Annual Report and Accounts and advise the Board on whether, taken as a whole, they are fair, balanced and understandable and provide the information necessary for shareholders to assess performance, the business model and strategy. The Group's strategy and business model are explained on pages 32 to 35 and 64 to 68 respectively

External audit

- Assess the work of the External Auditor in relation to significant financial judgements made by management. More information is available on pages 168 to 169
- Assess the effectiveness of the external audit process and the ongoing relationship with the External Auditor. This is done by considering their approach to the audit and understanding of our business, discussing their reporting and any issues identified and obtaining the views of management

AUDIT, RISK AND INTERNAL CONTROL CONTINUED

AUDIT COMMITTEE RESPONSIBILITIES CONTINUED

- Review and monitor the objectivity and the independence of the External Auditor, including its policy governing the provision of non-audit services. Refer to page 169 for more information on our process for maintaining their independence
- Agree the remuneration of the External Auditors

Portfolio valuation

- Consider the objectivity and independence of the external valuers
- Review and challenge the methodology, assumptions and judgements used by the external valuers to ensure they are appropriate
- Review the External Auditor's assessment of the valuation, including an explanation as to how the valuation is audited

Internal controls and risk management

- Review the adequacy and effectiveness of the Group's overall risk assessment processes that inform the Board's decision making, including the design, implementation and effectiveness of those processes
- Advise the Board on the Group's overall risk appetite, tolerance and strategy, and the principal and emerging risks the Company is willing to take to achieve its long-term strategic objectives. See page 170 for details of how the Committee has considered risk appetite and strategy during the year
- Advise the Board on the likelihood and impact of principal risks materialising, and the management and mitigation of principal risks to reduce the likelihood of their incidence or their impact. See pages 69 to 76 for information on the Committee's consideration of principal risks

- Review the effectiveness of the Group's control environment, including the adequacy of key financial controls
- Review whistleblowing arrangements whereby employees may, in confidence, raise concerns about possible improprieties in financial reporting or other matters, to receive assurance that there are proportionate and independent procedures in place. See page 91 for more information on our Whistleblowing Policy
- Review the Group's procedures for preventing and/or detecting fraud
- Review the Group's procedures for the prevention and detection of bribery and monitor the reports generated by such procedures. See page 91 for more information on our Anti-Bribery Policy
- Consider whether the Group should have an internal audit function

Governance, best practice and development

- Keeping up to date with expected changes to the Code, specifically regarding the control environment following the recommendations of the BEIS consultation
- Keeping up to date on investor, shareholder and market sentiment (with advice from the Company's brokers)
- Ensuring compliance with applicable accounting standards, monitoring developments in accounting regulations as they affect the Group and reviewing the appropriateness of accounting policies and practices in place

- Keeping up to date with regulatory and legislative matters relevant to the Group
- Considering ESG matters in all decision making
- Approve the Committee timetable and planner which detail the areas of focus for the Committee each year
- Discuss the assessment of the effectiveness of the Committee
- Review and approve changes to the Committee's terms of reference

Internal controls >

More information on the Group's internal controls and risk management process is available:
Pages 170 to 171

Significant matters considered by the Committee**Valuation of the investment property portfolio**

The valuation of the investment property portfolio is inherently subjective, requiring significant judgement. The outcome is significant for the Group in terms of its investment decisions, results and remuneration, and is a major component of Total Property Return and Total Accounting Return, two of our KPIs.

Therefore, this matter is considered by both the Board and the Audit Committee.

The valuation is conducted externally by independent valuers, CBRE, one of the world's largest commercial real estate services firms. CBRE presented the year-end and interim valuations to the Board and Committee, who reviewed the methodology and the outcomes of the valuation, challenging the key assumptions and judgements. The Audit Committee also considered the objectivity and independence of the valuers.

Following the acquisition of McKay in May 2022, the Board and Committee also reviewed the half-year McKay valuation prepared by their previous valuers Knight Frank.

KPMG met with the valuers and they presented their views on the valuation to the Committee, as well as an explanation of how the valuation is audited. The Board and Committee considered that they were satisfied that the methodology, assumptions and judgements used by the valuers were appropriate, that the valuations were suitable for inclusion in the financial statements and the work of the External Auditor was appropriate.

AUDIT, RISK AND INTERNAL CONTROL CONTINUED

The Committee considers all financial information published in the full and interim financial statements and considers accounting policies adopted by the Group, presentation and disclosure of the financial information and it challenges the key judgements and estimates made by management in preparing the financial statements.

The Committee pays close attention to matters it considers to be important by virtue of their impact on the Group's results, or the level of complexity, judgement or estimation involved in their application on the consolidated financial statements.

The Committee reviewed a number of other key matters which have been considered by management and discussed with KPMG, including the uncertainty relating to collection of trade receivables and the accounting for the McKay acquisition and for the costs of the new ERP system implementation.

Portfolio valuation

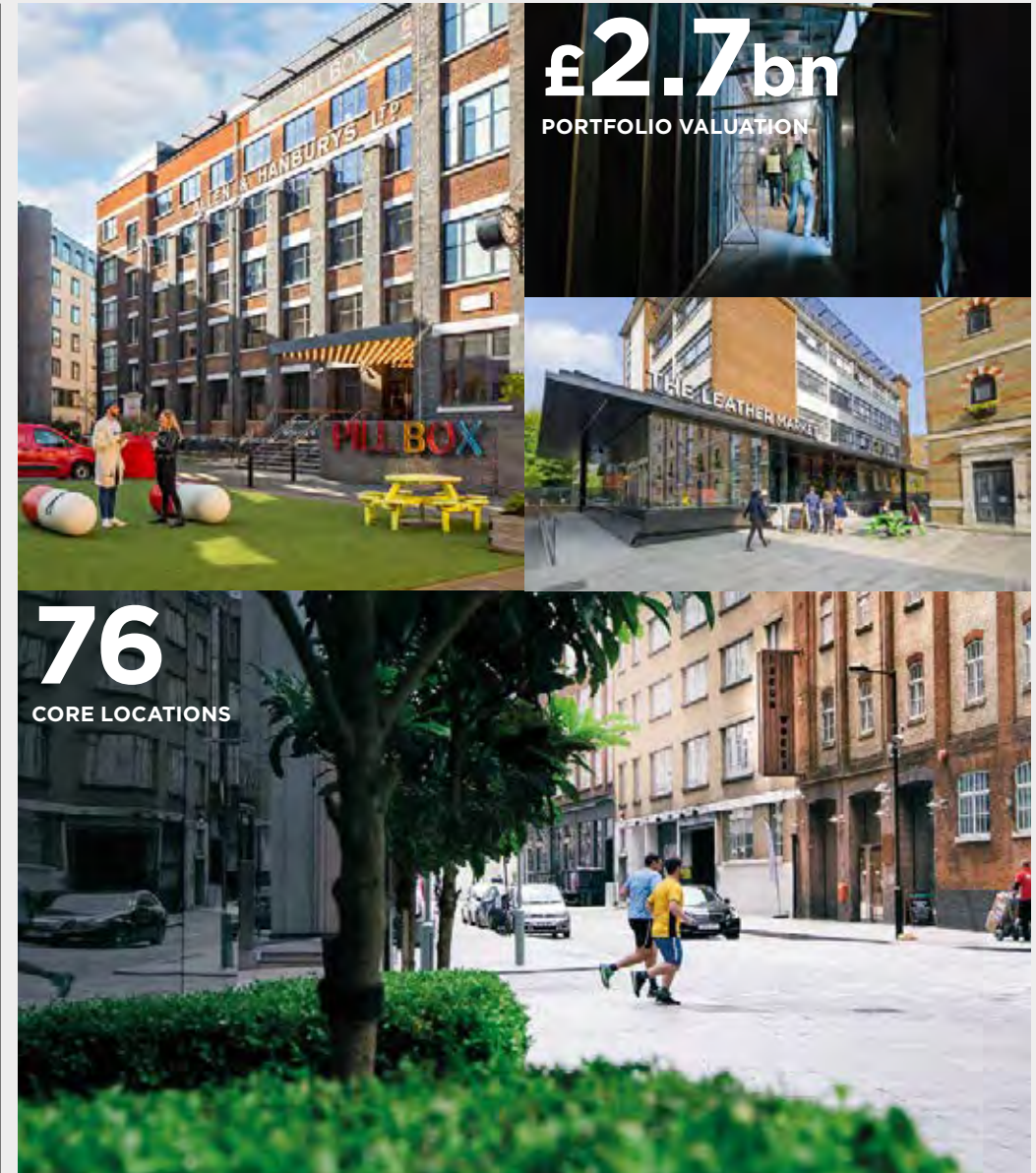
Our property portfolio, is independently valued twice annually by our external valuers, CBRE Limited.

Our properties are critical to our business and the valuation demonstrates the value that we are delivering to our shareholders. It is a measure of how well we are managing our buildings and driving rental income. Furthermore, the valuation is a significant part of both our net asset value and Total Property Return, which are both key performance indicators.

Given its significance, management, the Board and the Committee monitor the objectivity and independence of the valuers, and review the methodology and outcomes of the valuation, challenging the key assumptions and judgements.

A number of meetings are held between key management and CBRE ahead of the valuation at which the inputs and methodology of the valuation are discussed. Key discussions include:

- London commercial property market: current trends and circumstances expected to affect the market are discussed
- comparable market evidence: recent transactions are considered and compared to assumptions made in valuing our portfolio
- development projects: we provide CBRE with any updates to ongoing or future schemes and we discuss the assumptions CBRE has made, particularly for more complex schemes where more significant levels of judgement are required
- estimated rental values: the estimated rental values proposed by CBRE are discussed and reviewed, with management ensuring that these are in line with our recent rental activity
- property information: we provide CBRE with information on any changes to properties that may affect the valuation
- other inputs used by the valuers are reviewed and discussed



AUDIT, RISK AND INTERNAL CONTROL CONTINUED

Developing a robust Viability Statement

[Our Viability Statement](#) >
Pages 87 to 88

[Our Going Concern Statement](#) >
Page 87

As part of the Group's Viability Statement, the following factors were considered:

- the Group's current financial and operational position and the current economic outlook
- the Group's cash flows, financing headroom and financial ratios
- reassessment of key risks and their potential impact on the business model

THE PROCESS WE UNDERTOOK WAS AS FOLLOWS:



STAGE 1: Risk identification	STAGE 2: Risk assessment	STAGE 3: Scenario sensitivity analysis	STAGE 4: Conclusions
Responsibility <div style="background-color: #0070C0; color: white; padding: 2px; margin-bottom: 2px;">Executive Committee</div> <div style="background-color: #0070C0; color: white; padding: 2px; margin-bottom: 2px;">Risk Management Group</div> <div style="background-color: #808080; color: white; padding: 2px; margin-bottom: 2px;">Heads of Department</div>	Responsibility <div style="background-color: #0070C0; color: white; padding: 2px; margin-bottom: 2px;">Executive Committee</div> <div style="background-color: #0070C0; color: white; padding: 2px; margin-bottom: 2px;">Risk Management Group</div> <div style="background-color: #808080; color: white; padding: 2px; margin-bottom: 2px;">Heads of Department</div>	Responsibility <div style="background-color: #0070C0; color: white; padding: 2px; margin-bottom: 2px;">Executive Committee</div> <div style="background-color: #808080; color: white; padding: 2px; margin-bottom: 2px;">Heads of Department</div>	Responsibility <div style="background-color: #0070C0; color: white; padding: 2px; margin-bottom: 2px;">The Board</div> <div style="background-color: #00AEEF; color: white; padding: 2px; margin-bottom: 2px;">Audit Committee</div> <div style="background-color: #0070C0; color: white; padding: 2px; margin-bottom: 2px;">Executive Committee</div> <div style="background-color: #808080; color: white; padding: 2px; margin-bottom: 2px;">Heads of Department</div> <div style="background-color: #A9A9A9; color: white; padding: 2px; margin-bottom: 2px;">External Auditor</div>
<p>The strategic and operational risks were reviewed to identify the principal risks to viability over the period under consideration. The risks that would impact solvency and liquidity, either individually or in combination with other risks, were considered</p>	<p>For each risk, the following factors were considered:</p> <ul style="list-style-type: none"> - our risk appetite (the level of risk the Board is willing to take) - the controls in place to mitigate the risk - the quantum of risk 	<p>For those risks identified as being severe enough to impact the viability of the Group, sensitivity analysis was performed to understand the potential impact on liquidity and financial ratios</p>	<p>The Audit Committee considered the findings from this analysis and made their recommendations to the Board, which was given the opportunity to question the process and the findings</p>

AUDIT, RISK AND INTERNAL CONTROL CONTINUED

Fair, balanced and understandable reporting

On behalf of the Board, the Committee has considered whether, in its opinion, this Annual Report and Accounts, taken as a whole, is fair balanced and understandable and whether it provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.



Andrew Dodson
Group Financial Controller

THE PROCESS WE FOLLOWED

1
AUDIT COMMITTEE REVIEW

The Committee reviewed the Annual Report at an early stage, and throughout the process, to enable sufficient time for comment and review and to check overall balance and consistency.


2
REPORT FROM THE CFO AND GROUP FINANCIAL CONTROLLER

The Committee discussed a report from the CFO and the Group Financial Controller covering the financial statements within the Annual Report and Accounts: this highlighted the significant changes and the areas of focus in the financial statements and commented on any new accounting standards in the period.


3
FAIR, BALANCED AND UNDERSTANDABLE ASSESSMENT

A fair, balanced and understandable assessment was prepared by the management team and circulated to the Committee. This assessment highlights factors which support the responsibility of the Committee.


4
EXTERNAL AUDIT REVIEW

The External Auditor presented the results of its audit work to the Committee.


5
RECOMMENDATION TO BOARD AND BOARD'S CONCLUSION

The Board consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

AUDIT, RISK AND INTERNAL CONTROL CONTINUED

External audit

Following a competitive tender process, KPMG were appointed by shareholders as the Workspace External Auditor for the financial year ended 31 March 2018 and KPMG continue to be Workspace's External Auditor.

Following the completion of the former lead audit partner's five-year tenure, a new lead audit engagement partner, Bano Sheikh, was appointed for this reporting period.

Audit and non-audit fees

Fees payable to the External Auditor for audit and non-audit services are set out in note 2 on page 232. This year, the non-audit services performed by KPMG included the review of the Group's half-year results and Green Bond use of proceeds assurance.

Audit quality

An important part of the Committee's work consists of overseeing the relationship with, and performance of, the External Auditor, in particular with regards to the independence, quality, rigour and challenge of the external audit process. The Committee reviews the effectiveness of the audit throughout the year taking into account:

- the detailed audit strategy for the year and coverage of any risks, scope, and level of fees for the audit
- the quality, knowledge and expertise of the engagement team
- insight around the key accounting and the audit judgements
- the quality of reporting and discussions at the Audit Committee meetings
- the outcome of the review of effectiveness of the External Auditor and the audit process discussed below

Annually, the Committee assesses the qualifications, expertise, resources and independence of the Group's External Auditor, as well as the effectiveness of the audit process. The Chair of the Committee also meets with the KPMG partner.

AUDIT AND NON-AUDIT FEES
2022-2023

£440k

Audit 370
70 Non-audit

AUDIT AND NON-AUDIT FEES
2021-2022

£335k

Audit 280
55 Non-audit

AUDIT AND NON-AUDIT FEES
2020-2021

£336k

Audit 240
96 Non-audit

THE EFFECTIVENESS OF EXTERNAL AUDIT

As part of the effectiveness review following the March 2022 year end, a questionnaire was issued to Committee members, regular attendees of the Committee and those involved in the external audit process.

QUESTIONS WERE POSED AROUND THE FOLLOWING SUBJECTS:

Effectiveness

Effectiveness of the external audit process, the quality and scope of the audit plan, advising, on a timely basis, about any new developments regarding risk management, corporate governance, financial accounting and related risks

Delivery

Delivery and execution of the agreed external audit process for the 2021/22 financial year

Efficiency

Efficiency and performance of the audit team as well as relevant and qualified specialists involved in the audit process and continuity of staff during the audit process

Communication

Communication and engagement between the senior management team, the finance team, KPMG and the Committee

Contact

Contact with the audit team outside of the audit

OUTCOMES

From its discussions during the year, the challenges presented to the External Auditor and a review of the reporting received, the Committee considers that the External Auditor provides appropriate professional challenge and reports its findings in an open and direct manner.

The Committee remains satisfied: with the effectiveness of the external audit and the interaction between the External Auditor and the Committee and with the External Auditor's qualifications, expertise and resources.

The Committee discussed a summary of the key findings and results at its meeting in November 2022 and no significant concerns were identified.

The results of the review were discussed with the External Auditor to monitor the continuing quality of audit services. The External Auditor, the Committee and management agreed to focus on improving communications going forward. The Committee's relationship with the External Auditor is one of openness and professionalism.

AUDIT, RISK AND INTERNAL CONTROL CONTINUED**AUDITOR INDEPENDENCE AND OBJECTIVITY**

In addition to the annual review of effectiveness, the Committee considered the independence and objectivity of the External Auditor through a combination of assurances provided by the External Auditor on the safeguards in place to maintain independence; oversight of the Non-Audit Services Policy and fees paid.

KPMG LLP have confirmed to the Committee that:

- the audit of the consolidated financial statements is undertaken in accordance with the UK firm's internal policies and procedures
- they have internal procedures in place to identify any aspects of non-audit work which could compromise its role as auditor and to ensure the objectivity of their audit report
- they believe that, in their professional judgement, the safeguards they have in place sufficiently guard against the threats to independence
- the total fees paid by the Group during the year do not represent a material part of the firm's fee income
- they consider that they have maintained audit independence throughout the year

The Committee is satisfied that the External Auditor is independent.

The Audit Committee will continue to review the effectiveness and the independence of the External Auditor each year.

The Group complies with the Competition and Markets Authority Order 2014 relating to audit tendering and the provision of non-audit services, and it is the Group's intention to put the audit out to tender at least every ten years as required by applicable law and regulation. The external audit was last tendered in 2017 following which the External Auditor changed from PricewaterhouseCoopers LLP (PwC) to KPMG.

It is currently anticipated that an audit tender will be conducted before the end of the financial year ending 31 March 2024 in respect of the audit for the year ending 31 March 2025 to allow sufficient time for a handover period if required.

There are no contractual obligations which restrict the Committee's choice of external auditor or which put in place a minimum period for their tenure.

SAFEGUARDING AUDITOR INDEPENDENCE

- As required by the Code, the Audit Committee has a formal policy governing the engagement of our External Auditor, KPMG, to supply non-audit services and to assess the threats of self-review, self-interest, advocacy, familiarity and management. KPMG has discontinued the provision of all non-audit services (other than those closely related to the audit) to all FTSE 350 companies, meaning non-audit services will be confined to a more limited scope of work than that defined by the Audit Committee's terms of reference
- During the year, KPMG was asked to provide additional services in the form of assurance over the allocation of proceeds from the green bond
- If the External Auditor is to be considered for the provision of non-audit services, the scope of work and the fees must be approved in advance by the Chief Financial Officer, the Company Secretary and the Chair of the Audit Committee. For larger assignments, in excess of £100,000, this would involve a competitive tender process, unless there are compelling commercial or timescale reasons to use the External Auditor or another specific accountancy firm

AUDIT, RISK AND INTERNAL CONTROL CONTINUED**Risk management and internal controls**

The Committee, on behalf of the Board, keeps under review the effectiveness of the Group's risk management and internal control systems through management updates and output from the Group's Risk Management Group to ensure that the controls in place are effective. This framework is designed to manage rather than eliminate business risks and to provide reasonable assurance against material misstatement in the financial statements.

On the basis of the processes outlined on this page and having regard to the 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' issued by the FRC in September 2014, the Board, supported by the Audit Committee, has reviewed the effectiveness of the risk management and internal control systems. No significant control failings or weaknesses were identified during the period under review.

The Directors confirm that the processes described below have been in place during the 2022/23 financial year and up to the date of approval of the Annual Report and Accounts.

AUDIT COMMITTEE

The Audit Committee has a key role in developing appropriate governance and challenge around risk management and considering processes and assurance. It also sets the tone and culture within the organisation regarding risk management and internal control.

THE BOARD

The Board has defined its risk appetite for strategic and operational risks. A standard methodology for risk assessment is applied across the Group to assist with monitoring inherent and residual risk and to assist with comparing residual risk against target risk.

The Group had the following key procedures and monitoring processes in place during the year to provide effective internal control:

- an ongoing process to identify, evaluate and manage risks, including the self-certification of controls by risk owners, which is monitored and regularly reviewed by the Risk Management Group and executive team. Significant issues are presented to the Board and Audit Committee
- the Group's key controls include appropriate segregation of duties that are embedded across the organisation
- on behalf of the Board, the Audit Committee reviews fraud and anti-bribery policies and procedures; annual anti-bribery training is in place for all employees and there have been no reported instances of whistleblowing, bribery or corruption during the period under review
- the Group has in place a system for planning, reporting and reviewing financial performance, including performance against strategy and its business plan
- in April 2022, the Board formed an ESG Committee which reviews the Group's environmental and social related risks
- the Audit Committee reviews technology risks including IT systems and cyber risk, to ensure that the Group's IT function effectively implements preventative and detective controls to monitor and to mitigate risk

As required by the Code, the Board, through the Audit Committee has carried out a robust assessment of the principal and emerging risks facing the Group, including those that could threaten its business model, future performance, solvency or liquidity.

This assessment is further described in the Strategic Report on pages 69 to 76.

AUDIT, RISK AND INTERNAL CONTROL CONTINUED

OUR RISK MANAGEMENT FRAMEWORK

With effect from 21 April 2022, the activities of the Risk Committee were integrated into the Audit Committee, with the Board retaining overall responsibility for risk management, and in particular for risks relating to valuation, development and real estate. This updated risk management framework reflects the new structure from 21 April 2022.

Board of Directors

- Sets the Group's overall risk appetite, tolerance and strategy
- Oversees the Group's principal risks, including property valuation, development and real estate risks
- Receives advice and recommendations from the Audit Committee and Executive Committee

Audit Committee

- Oversees the Group's risk management framework
- Advises the Board on risk appetite, tolerance and strategy
- Oversees all risks except risks related to property, valuation, development and real estate which are overseen by the Board

Executive Committee

- Oversees and manages the Group's day-to-day risk management procedures
- Reports to the Board and Audit Committee on the operation and effectiveness of controls

Risk Management Group

- Responsible for the implementation and embedding of risk management activities
- Reviews and challenges the risk information provided by Risk Owners
- Reports to the Executive Committee, although the Audit Committee has the power to request attendance or reports from the Risk Management Group directly if it is felt this is necessary

Risk owners

- Each risk identified by the Group is assigned a Risk Owner
- Risk Owners are responsible for monitoring, managing and reporting on their risks, as well as identifying any emerging risks

OUR RISK MANAGEMENT PROCESS

Risk identification

- Risks are identified when projects are being considered or through being raised organically by members of staff
- Identified risks are captured in Risk Registers
- A Risk Owner is assigned to each risk and has responsibility for assessing and monitoring that risk

Risk assessment

- Each risk is assessed and scored according to the potential impact and likelihood of it materialising
- Each risk is given an Inherent Risk Score (pre-controls) and a Residual Risk Score (post-existing controls)
- Each risk is also assigned a Target Risk Score representing the Group's risk tolerance for that risk

Risk monitoring and reporting

- Risks are regularly monitored by the Risk Owners
- Control owners regularly certify that their controls continue to operate effectively
- The Risk Management Group oversees this activity and escalates significant changes and new risks to the Executive Committee, Audit Committee and/or Board as appropriate

Risk response

- Each Residual Risk Score is compared to its Target Risk Score
- If the Residual Risk Score is higher than the Target Risk Score, action is taken to reduce it towards the target
- Controls are assigned an owner who is responsible for monitoring whether the controls operate effectively

INTERNAL AUDIT

Due to its size, the Group does not have an internal audit function, a matter reviewed by the Audit Committee during the year. The Committee has advised the Board that, currently, it considers there to be no need for an internal audit function. The External Auditor has confirmed this currently has no impact on their audit approach.

The Group has a Head of Security and Risk Management whose responsibilities include maintenance of our risk management and control processes.

To supplement reviews of risk management and internal control, a programme of operational, facilities management and health and safety reviews are undertaken across our properties by qualified senior head office personnel. Any significant findings will then be reported to the Audit Committee. In addition, all key controls are recorded on a central register and control owners are required to certify the effectiveness of controls for which they are responsible and to provide details of further actions to address any identified ineffectiveness. No significant issues were identified during the year.

ESG COMMITTEE REPORT

The ESG Committee's role is to promote long-term sustainable success of the Company by ensuring environmental and social factors are fully integrated in business strategy and decision making.

Duncan Owen

Chair of the ESG Committee

QUICK LINKS

Membership and attendance at ESG Committee meetings	Page 173
Key topics considered by the Committee during the year	Page 173
Chair's letter	Page 174
Governance of ESG matters at Workspace	Page 175
Spotlight on Net Zero Pathway	Page 176
ESG policies, procedures and related assurance	Page 177



ESG COMMITTEE REPORT CONTINUED

MEMBERSHIP AND ATTENDANCE AT ESG COMMITTEE MEETINGS

The Committee consists of six independent Non-Executive Directors, the Chief Executive Officer and the Chief Financial Officer (biographies are available on pages 115 to 116). At the request of the Committee, members of the Executive Committee, the senior management team and/or external advisers may be invited to attend all or part of any meeting, as and when appropriate.

Meetings of the ESG Committee

During the year under review, the Committee held two meetings (in September 2022 and in January 2023). The September meeting established the Committee and approved its terms of reference. Moving forwards, the Committee has agreed to hold three meetings a year. These meetings are expected to be held in January, April and September.

	Member since	Meetings attended
Duncan Owen (Chair)	2022	2/2 ¹
Rosie Shapland	2022	2/2 ¹
Lesley-Ann Nash	2022	2/2 ¹
Manju Malhotra	2022	2/2 ¹
Nick Mackenzie	2022	2/2 ¹
Stephen Hubbard	2022	2/2 ¹
Graham Clemett	2022	2/2 ¹
Dave Benson	2022	2/2 ¹

1. The ESG Committee meeting in January 2023 was a joint meeting with the Audit Committee.

KEY TOPICS CONSIDERED BY THE COMMITTEE DURING THE YEAR

Progress on net zero carbon

- Reviewed net zero carbon pathway and progress made across all scopes of carbon
- Discussed appropriateness of interim milestones and key metrics that should be prioritised
- Reviewed the overall investment plan to 2030
- Considered key dependencies for successful delivery of net zero carbon commitment

Evidence of social impact

- Reviewed the approach to social impact, key focus areas and progress made to date
- Agreed key social programmes, as a key focus for the year along with performance indicators to measure progress
- Reviewed industry best practice on social impact and identified improvement opportunities
- Discussed the ambition to have a long-term flagship social impact target

ESG risk mitigation

- Reviewed climate risk exposure of the business against a number of warming scenarios
- Assessed the level of residual risk and mitigation strategy
- Considered elevating climate risk as a principal risk for business

Governance and reporting

- Established the ESG Committee and agreed the terms of reference
- Agreed how sustainability will be governed at all levels of business, and set five ESG targets at Board level which are linked to remuneration
- Reviewed and approved information reported on sustainability
- Reviewed all ESG policies and effectiveness of programmes and audit procedures

ESG COMMITTEE REPORT CONTINUED

ESG Committee
Chair's letter

Duncan Owen
Chair of the ESG Committee



I am proud to chair the ESG Committee at Workspace, a business where sustainability, social impact and strong governance is at the heart of everything. There is a real potential within the business to be a market leader on sustainability and making a positive impact for our customers. I am committed to supporting the long-term sustainable success of the Company

Dear shareholder,

I am pleased to present to you the first report of the ESG Committee for the year ended 31 March 2023.

The Committee was established in April 2022 to strengthen the Board's oversight of environmental and social issues. The Board, recognising the increasing stakeholder focus on ESG matters, considered it prudent to have a dedicated forum in which to discuss ESG-related matters. The proposal for establishing a Board-level ESG Committee was put forward in March 2022 when the Board was exploring the characteristics that would make it a high performing Board. The ESG Committee was established the following month.

From the beginning, the Committee agreed that there would be four key themes for it to focus on:

- (i) having a clear and a credible path to net zero;
- (ii) evidencing long-term commitment to social welfare;
- (iii) active management of ESG risks and opportunities; and
- (iv) maintaining high standards of corporate governance and reporting.

Undeniably, the business has an inherent sustainable business model, and as a Committee our role is to ensure Workspace continues to stay at the forefront of sustainability performance.

In its first-year establishment, the Committee has effectively delivered on several tasks we had set out, including establishing a robust governance structure with clear terms of reference, deeper dive into the Company's net zero pathway and climate risk profile, prioritising social impact alongside

environmental commitment and conducting a critical review of ESG policies and procedures. The Committee also received technical briefings from subject matter experts on a number of topics, including evolving sustainability reporting requirements. I detail on page 173 an overview of the activities which we have carried out.

Net zero carbon transition

In 2019, Workspace made a commitment to becoming a net zero carbon business by 2030. Workspace has signed up to the Better Buildings Partnership ('BBP') Climate Commitment to deliver net zero carbon real estate portfolios by 2030. Following a detailed analysis of the emissions across the business and the value chain, Workspace have also developed a set of science-based targets which are aligned to the goals of the Paris Agreement and the IPCC's 1.5°C report. These targets have been approved by the Science Based Targets initiative (SBTi) and cover both our operational emissions and our embodied carbon emissions.

Embedding ESG into the workings of other Committees

To ensure the ESG agenda is not siloed, we also identified ways in which ESG considerations are embedded within the workings of other Committees. This year we held a joint meeting with the Audit Committee to review the ESG policies and effectiveness of the audit programme in place. ESG input is also informing discussions at the Nominations Committee regarding requisite expertise at Board level and with the Remuneration Committee regarding aligning compensation with ESG targets.

ESG COMMITTEE REPORT CONTINUED
ESG COMMITTEE CHAIR'S LETTER CONTINUED

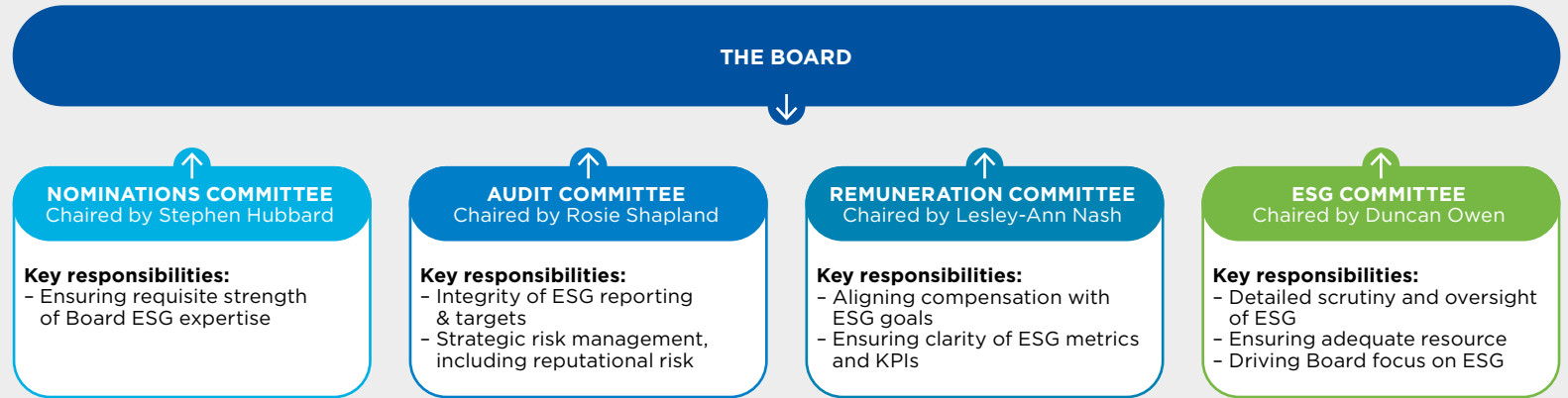
Looking forward

Given the fast-evolving pace of the ESG agenda, the Committee recognises that it needs to be future-focused and evolve its priorities to maintain oversight of both existing flagship initiatives and capturing new opportunities. As such, we will be revisiting the materiality assessment for the business each year to identify new frontiers to focus on. Undeniably, the urgency will remain on driving net zero carbon transition at pace and the Committee will continue to closely monitor the Company's progress on its net zero pathway. However, our responsibility towards our people, our customers and our communities take equal priority. We believe there is both a moral and a commercial imperative to maximise broader stakeholder value, ensuring the business is leading the way on responsible and inclusive practices for its employees, customers, suppliers, and local communities. To this end, the Committee will focus on setting a framework for social impact alongside long-term ambitious goals.



Duncan Owen
Chair of the ESG Committee
6 June 2023

GOVERNANCE OF ESG MATTERS AT WORKSPACE



The role of the Board

The Chief Executive Officer along with the Workspace Board have the highest level of responsibility on all ESG matters. The role of the Board is to maintain close oversight of the ESG programme, ensuring long-term sustainable success of the business.

An ESG Committee comprising of six independent Non-Executive Directors, the Chief Executive Officer and the Chief Financial Officer is set up to assist the Board in incorporating ESG considerations in business strategy and decision making.

The ESG Committee receives a detailed update on our sustainability and climate-related goals three times a year, from members of the Executive Committee and the Head of Sustainability. The update from the Committee and any associated recommendations are then put forward to the Board for consideration.

The ESG Committee also informs the working of other Board Committees with ESG considerations as it pertains to remuneration, nominations and audit functions.

Management responsibility

The Executive Committee at Workspace are responsible for creating the ESG strategy for the business and individual Executive Committee members are responsible for leading on the delivery of environmental and social programmes. The Executive Committee receives monthly updates on ESG matters, including progress against the annual ESG targets.

At operational level, the day-to-day management of ESG initiatives is managed by the members of the Environmental and Social Sustainability Committee, a cross function group comprising of heads of departments who are responsible for individual workstreams. Both these Committees include several Executive Committee members, which ensures senior level ownership and oversight

of implementation plans and streamlines communication to the wider Executive Committee and the Board.

Ownership and accountability

ESG considerations are embedded across the business, ensuring there is clear oversight and accountability at each level – at Board level, at Executive level and at operational delivery level. Further, the core ESG targets for the business have been translated into performance objectives for all employees and are linked to their remuneration.

Terms of reference

The Committee's role and responsibilities are set out in the terms of reference, which were last updated in September 2022 and which are available on the Company's website at workspace.co.uk/investors/about-us/governance/board-committees.

ESG COMMITTEE REPORT CONTINUED

ESG COMMITTEE CHAIR'S LETTER CONTINUED

SPOTLIGHT ON NET ZERO PATHWAY

During the year, the Committee conducted a deeper dive of the net zero pathway for the business to ensure it is on track to achieving full decarbonisation by 2030.

Whilst this will not be an easy undertaking, I am pleased with the progress the business has already made by reducing its like-for-like scope 1 and 2 emissions by 11% compared to last year, particularly the significant reduction achieved in fossil fuel use and achieving market-leading performance on embodied carbon associated with its development and construction activity.

I am pleased with the progress made on the net zero pathway, particularly the significant reduction in embodied carbon associated with development activities

Duncan Owen
Chair of the ESG Committee

Leroy House,
Islington

TRACKING PROGRESS ON NET ZERO CARBON PATHWAY

Despite owning several historic buildings, Workspace has successfully refurbished a significant proportion of the portfolio to all electric, highly sustainable buildings, resulting in a significant 27% reduction of scope 1 emissions this year. It is also very encouraging to see the level of knowledge within various teams on the topic and a real dedication towards driving positive impact. It is important that Workspace continues to maintain a lead on its decarbonisation journey and hence the Committee made a decision to govern progress on net zero pathway, as described below.

1

REVIEW OF EXISTING NET ZERO PATHWAY

The Committee reviewed the scope of Workspace's net zero commitment and the proposed net zero pathway. Four key workstreams were identified as key levers for achieving net zero carbon by 2030. Within each workstream, annual milestones were set and progress against these tracked at each Committee meeting



2

ESTABLISHING TARGETS AT BOARD LEVEL

Given the strategic importance of net zero carbon to the business, the Remuneration Committee decided to link energy and carbon reduction targets to Director's remuneration



3

NET ZERO DUE DILIGENCE

It was agreed to implement detailed climate risk and net zero due diligence to inform all new acquisitions and establish alignment with the existing net zero pathway. The existing pathway was subsequently updated to reflect the acquisition of the McKay portfolio



4

INVESTMENT DECISIONS

The Board considered attainment of high energy and carbon performance as a key factor when evaluating and approving all capex decisions

ESG COMMITTEE REPORT CONTINUED

ESG policies, procedures and related assurance

Once a year, Workspace holds a joint Audit Committee and ESG Committee meeting. The objective of this meeting is to review and to approve a programme of assurance aimed at assessing the effectiveness of policies and processes relating to ESG matters. The detailed review conducted by the Committee gave confidence that Workspace has a robust assurance programme, supported by internal and external checks to ensure compliance with policies. This year the Company also launched its Supplier Code of Conduct which ensures all the suppliers are aligned with Workspace's expectations and ambitions, especially when it comes to issues such as living wage, modern slavery, anti-bribery, health and safety, equal opportunities, and sustainability.

The table to the right shows the list of policies and procedures that support the implementation of our ESG strategy:

Environmental	Climate change policy	Ensures that Workspace conduct their business in a climate responsible way
	Environmental policy	Ensures that Workspace conduct their business in an environmentally responsible way
	Sustainable development brief	Sets minimum requirements for our development and refurbishment projects on energy, carbon, waste, water, materials, nature and wellbeing
	Net zero pathway	Ensures that Workspace have quantifiable emission reduction targets and a clear plan to achieve net zero carbon in alignment with a 1.5°C future
	Green finance framework	A framework used by Workspace to issue a green debt instrument including green bonds, private placement, and green loans
Social	Health and safety policy	Ensures that Workspace delivers its obligations under health and safety legislation. The policy aims to reduce accidents and it endeavours to control health and safety risks to employees and others who may be affected by Workspace's activities
	Supplier Code of Conduct	Sets Workspace's principles for ethical conduct and behaviour in business practices. The Supplier Code of Conduct also ensures that Workspace's suppliers, contractors, service providers and representatives live up to our values and standards
	Modern slavery statement	Sets out a zero-tolerance stance towards slavery and human trafficking for Workspace's operations and amongst its suppliers
	Equal opportunities and dignity at work policy	Sets Workspace's expectations and standards regarding equal opportunities and dignity at work. The policy also outlines managerial and staff responsibilities to ensure the business' principles are observed
Governance	Risk management framework	A five-step approach to ensure Workspace has a robust process to assess and to manage risks
	Anti-Bribery and Corruption, and Gifts and Hospitality policy	Sets out standards and expectations for employees to ensure relationships with suppliers are conducted in an ethical way which is compliant with relevant legislation and provides guidance on how to recognise and deal with corruption issues
	Whistleblowing policy	Ensures that staff are aware of how to raise serious concerns. The policy provides guidance, and it ensures a robust process exists to enable an adequate response to the concerns raised. Ensures that staff will be protected from retribution
	Inclusion and diversity policy	Ensures that Workspace is committed to supporting diversity and to creating an inclusive culture



Workspace has a robust assurance programme, supported by internal and external checks to ensure compliance with policies

REMUNERATION

Our approach to Remuneration is designed to be simple and transparent and to support the Company's strategy, values, and our purpose to give businesses the freedom to grow.

Remuneration for 2023 has been framed by the Company's excellent operational performance and the broader stakeholder experience.

Lesley-Ann Nash

Chair of the Remuneration Committee

QUICK LINKS

Membership and attendance at Remuneration Committee meetings	Page 179
Chair's letter	Page 181
Remuneration at a glance	Page 185



REMUNERATION CONTINUED

MEMBERSHIP AND ATTENDANCE AT REMUNERATION COMMITTEE MEETINGS

The Committee consists of Non-Executive Directors and is chaired by Lesley-Ann Nash. Details of individual attendance at the meetings held during the year are set out below. More information on the skills and experience of all Committee members can be found on pages 115 to 116.

	Member since	Meetings attended
Lesley-Ann Nash (Chair)	2021	6/6
Stephen Hubbard	2014	6/6
Rosie Shapland	2020	6/6

Support for the Remuneration Committee

During the year, we sought external support from PwC and internal support from the CEO, whose attendance at Committee meetings was by invitation from the Chair, to advise on specific questions raised by the Committee and on matters relating to the performance and remuneration of the senior management team. The Company Secretary attended each meeting as Secretary to the Committee. No Director was present for any discussions that related directly to their own remuneration.

KEY TOPICS CONSIDERED BY THE COMMITTEE DURING THE YEAR

Remuneration Policy (the 'Policy') 2023

As part of the triennial review of the Directors' Remuneration Policy, the Committee undertook a review of the remuneration arrangements for the Executive Board Directors. This included a review of our key remuneration principles and a review of the current policy in order to agree initial proposals for the new Policy. Shareholders and proxy agencies were approached and consulted, with feedback reviewed and responded to by the Committee (further details can be found on page 190). The proposals were put forward and the changes were approved by the Committee.

Wider workforce remuneration

The Committee reviewed wider workforce remuneration arrangements and took these into account when reviewing remuneration for the Executive Directors. One particular area of focus during the year was the Committee's approval of management proposals for staff in response to the increased cost of living.

Executive and senior management remuneration framework

The Committee reviewed annual bonus outcomes for 2021/22 and reviewed performance outcomes under the 2019 LTIP. The Committee also set performance metrics and targets for the 2022/23 annual bonus, including appropriate sustainability and ESG metrics, and approved the 2022 LTIP awards. This year included a review of performance metrics for 2023/24 incentives against our strategy, including ESG, and a review of annual monitoring of shareholding guidelines.

Reflecting ESG targets under the annual bonus and the LTIP

The Committee approved appropriate sustainability metrics in both the annual bonus for 2022/23 and for the 2023 LTIP grant.

Gender Pay Gap

2022 was the first year in which we met the requirement regarding employee numbers to publish our gender pay gap. The Committee received a presentation from Human Resources which outlined our gender pay gap and this was published in March 2023.

Committee Governance

The Committee considered key executive remuneration trends and market practice including updates on the current executive pay environment, shareholder guidelines and corporate governance. A review of the results of the internal performance evaluation of the Remuneration Committee was conducted as well as a review of the Committee terms of reference. During the year, the Committee approved the Directors' Remuneration Report; Directors' Remuneration Policy; and Gender Pay Gap Report.

REMUNERATION CONTINUED

Aligning our purpose and strategy with our remuneration principles and the experience of all our stakeholders

OUR PURPOSE, STRATEGY AND STAKEHOLDERS



OUR KEY REMUNERATION PRINCIPLES

Alignment with our strategy and purpose	Workspace has worked hard to articulate and define our purpose, alongside our established values and corporate strategy. Our remuneration is aligned with the Group’s objectives and long-term strategy through a mix of short and long-term performance metrics. This aligns with the ‘alignment to culture’ principle under Provision 40 of the UK Corporate Governance Code.
A focus on risk	A significant part of an Executive’s reward is linked to performance with a clear line of sight between business performance and the delivery of Shareholder value. Performance measures applicable to the 2023 LTIP grant have been reviewed and are based on a combination of financial, share price, ESG and strategic measures aligned with the Company’s strategic plan. This aligns with the ‘risk’ and ‘proportionality’ principles under the UK Corporate Governance Code.
Acting in a sustainable way	Incorporating ESG into our incentive arrangements strongly aligns to the sustainability pillar of our strategy. Staying ahead of the sustainability curve and delivering on our net zero carbon commitments is a fundamental part of Workspace’s long-term strategy. This aligns with the ‘alignment to culture’ principle under Provision 40 of the UK Corporate Governance Code.
Transparency and simplicity for the benefit of all our stakeholders	The Committee seeks to embed simplicity and transparency in the design and delivery of Executive reward. The remuneration structure is simple to understand for both participants and Shareholders and is aligned to the strategic priorities of the business. This aligns with the ‘clarity’, ‘simplicity’ and ‘predictability’ principles under Provision 40 of the UK Corporate Governance Code.
Consistency of application	Short and long term incentive plans, operated across the organisation, reward the delivery of the business strategy. A high percentage of rewards are delivered in the form of equity, meaning that Executives are strongly aligned with Shareholders. Executives are also required to build significant shareholdings in Workspace. This aligns with the ‘risk’ principle under Provision 40 of the UK Corporate Governance Code.

REMUNERATION CONTINUED

Remuneration Committee
Chair's letter

Lesley-Ann Nash
Chair of the Remuneration Committee



Our key priorities as a Remuneration Committee are to ensure that remuneration arrangements attract and retain a high-calibre team of Executive Directors and senior management and to offer them every encouragement to successfully deliver our strategy and to create shareholder value in a sustainable and responsible manner

29%

INCREASE IN TRADING PROFIT
AFTER INTEREST

20%

INCREASE IN DIVIDEND PER SHARE

84%

CUSTOMER SATISFACTION

[Gender pay gap report](#)
Page 124

Dear shareholder,

As Chair of the Remuneration Committee and on behalf of the Board, I am pleased to present our 2023 Remuneration Report.

The report is split into:

- Remuneration at a glance: highlighting how executive pay, simply and transparently, incentivises delivery of our strategy and promotion of our values - pages 185 to 188
- Our new Directors' Remuneration Policy that will be put to shareholders at our 2023 AGM - pages 189 to 196
- Annual Report on Directors' remuneration explaining how our policy aligns with our objectives and strategy including the implementation of pay for 2023/24 - pages 197 to 211

We as a Committee are highly conscious of our role in underpinning the Company's ability to develop long-term value for all stakeholders and none more so than at a time of significant economic uncertainty. The Committee continues to be guided by its key principles which are detailed on page 180.

Business performance

This year has seen market volatility persist with increases in interest rates against a backdrop of slow global growth and the ongoing conflict in Ukraine. The increases of interest rates has affected most real estate markets globally resulting in higher yields and correspondingly lower values. This economic environment is a challenge for the real estate sector and only agile businesses which continue to evolve and provide excellent operational performance will succeed.

Despite these challenges facing the market, Workspace has made good progress against its strategic priorities and key performance indicators. A strong trading performance during the year resulted in a 29% increase

in trading profit alongside a 34% increase in net rental income. This has been fuelled by resilient levels of customer demand, as our flexible offer is an increasingly attractive option for successful innovative businesses in London's SME community. The increased interest rates, in the case of Workspace, have therefore been largely offset by our improved ability to drive higher levels of occupation through operational excellence.

The integration of McKay has also been a focus for Workspace over the year. We have successfully completed the operational integration of the McKay portfolio. We continue to make progress in our plan to add value to the portfolio by adapting the former McKay buildings to fit our strategy, rolling out our flexible lease offer. We have also now disposed of the majority of the non-core McKay assets. Initial delays did however mean the sales were a significant challenge for the management team, against the negative backdrop of rising interest rates and reduced investor confidence.

Notwithstanding the above, we remain mindful that the negative valuation change has resulted in a falling EPRA NAV per share of 6.2% for shareholders. We are aware of the challenges our customers and business partners are facing in the current economic environment. Therefore, we must remain focused on continuously offering good value and great service.

The experience of our stakeholders

We as a Committee actively considered various aspects of the wider context in reviewing outcomes for the 2022/23 remuneration of our Executive Directors, including the experience of all the Company's stakeholders during the year, such as our employees, customers and suppliers.

REMUNERATION CONTINUED

REMUNERATION COMMITTEE CHAIR'S LETTER CONTINUED

We remained mindful of the pressures and challenges faced by many of our employees in the current economic climate. As part of this, the Company determined that our 2023/24 staff salaries would increase by 6%, with a minimum uplift of £3,000 for staff earning below £50,000, as well as that payment being accelerated to April. More information about other benefits that are offered to employees can be found on page 198.

This year we also published our inaugural gender pay gap report which can be found on our website. The Board and the Committee are fully committed to effectively promoting diversity throughout the business as an integral part of our corporate culture and purpose. We are fully aware that a diverse workforce that brings an appropriate balance of skills, experience and knowledge, as well as fresh perspectives, enriches our business and contributes to our long-term success.

A summary of how the remuneration outcomes align with the experience of our other stakeholders is set on page 184.

Remuneration outcomes in 2022/23

After very careful consideration, and taking into account all relevant factors as described and detailed throughout this Annual Report, the Committee took the following decisions in respect of remuneration for the Executive Directors:

Base salary

Executive Directors will receive a base salary increase of 3% which is below the level awarded to the wider workforce (as set out above), and this will take effect from 1 April 2023.

Annual bonus 2022/23

Despite the challenges facing the market, it has been a productive year across the Company. We delivered a strong trading performance in the year leading to above

target outcomes under this measure of the bonus. With ESG at the top of the Company's agenda, we have made real progress against a number of objectives set in this area. We are also pleased to report various achievements under our strategic financial and operational efficiency metrics, including the delivery of integration cost savings from the McKay acquisition and successful integration of McKay's staff and processes. This detail is set out on page 204.

As a result, the formulaic outcome under the bonus was 89% of maximum (106.4% of salary).

The Committee assessed the outcome in the context of ensuring it is reflective of corporate performance as well as the experience and expectation of shareholders. The Committee has decided to use its discretion to apply a reduction to the overall bonus outturn for the CEO of 20% of salary. This results in a bonus outcome of 72% of maximum (86.4% of salary) for the CEO.

This equates to £448,589 for Graham Clemett and £380,167 for Dave Benson. Of the bonus award, 33% will be deferred in shares for three years under the Deferred Bonus Plan.

Vesting of 2020 Long Term Incentive Plan

The LTIP awards granted to Graham Clemett and Dave Benson in 2020 were subject to performance conditions measured over the three financial years from 1 April 2020 to 31 March 2023. The vesting of 50% of the awards was subject to Total Shareholder Return (TSR) performance relative to FTSE 350 real estate companies (excluding agencies), with the remaining 50% subject to Total Property Return (TPR) versus the IPD Benchmark.

Having tested the performance conditions, TPR performance was above upper quartile, meaning this element vested in full. Therefore, the overall formulaic outcome is 50%.

SUMMARY OF EXECUTIVE DIRECTORS' TOTAL REMUNERATION

The tables below set out a single figure for the total remuneration received by each Executive Board Director for the year ended 31 March 2023. The full table can be found on page 200.

GRAHAM CLEMETT		2022/23
Chief Executive Officer		£000
FIXED PAY		519.2
	● BASE SALARY	51.9
	● PENSION ¹	22.5
	● BENEFITS ²	593.6
	TOTAL FIXED	448.6
VARIABLE PAY		391.1
	● ANNUAL BONUS ³	0
	● LTIP ^{4,5}	839.7
	● OTHER – SAYE, SIP	1,433.3
	TOTAL VARIABLE	£0
TOTAL		1,433.3
OF WHICH SHARE PRICE GROWTH		£0
DAVE BENSON		2022/23
Chief Financial Officer		£000
FIXED PAY		357.3
	● BASE SALARY	35.2
	● PENSION ¹	0
	● BENEFITS ²	392.5
	TOTAL FIXED	380.2
VARIABLE PAY		269.1
	● ANNUAL BONUS ³	0
	● LTIP ^{4,5}	649.3
	● OTHER – SAYE, SIP	1,041.8
	TOTAL VARIABLE	£0
TOTAL		1,041.8
OF WHICH SHARE PRICE GROWTH		£0

- Pension: During 2022/23 each of Messrs Clemett and Benson received a cash allowance in lieu of pension contribution.
- Benefits: Taxable value of benefits received in the year by Executive Directors includes a car allowance, private health insurance and death in service cover.
- Annual bonus: This is the total bonus earned in respect of performance during the relevant year. For 2022/23, the Committee set a minimum deferral requirement of 33% of the bonus earned. For 2022/23, this deferral was equivalent to £148,034 for Mr Clemett and £125,455 for Mr Benson.
- None of the LTIP single figure is attributable to share price growth.
- The 2022/23 figure includes the estimated value of 50% of the 2020 LTIP shares that vested based on performance to 31 March 2023. The share price used is the three-month average to 31 March 2023 of £4.88. This will be updated in next year's report to reflect the share price on the date of vesting. As allowable under the relevant plan rules and approved Policy, the Committee determined that dividend equivalents are payable under the 2020 LTIP award – this figure therefore includes the value of dividend equivalents accrued on the shares that are vesting over the relevant performance period.

REMUNERATION CONTINUED

REMUNERATION COMMITTEE CHAIR'S LETTER CONTINUED

This equates to a total of £391,084 for Graham Clemett and £269,114 for Dave Benson (these figures include dividend equivalents). The net vested shares will be subject to a two-year holding period.

The Committee considered that the LTIP performance outturns were fair and reasonable relative to the financial performance of the business and also stakeholder experience.

As disclosed in our 2020 Directors' Remuneration Report, the Committee was mindful of the context prevailing on grant of the 2020 LTIP awards. We concluded that the awards would be granted on the normal timetable but committed to remaining mindful of guarding against windfall gains as a result of share price movements over the period. Taking into consideration a number of factors, including the current share price compared to that at the time of the grant and share price movements over the period, the Committee has concluded that participants will not benefit from a windfall gain on the 2020 LTIP awards and therefore has determined that no adjustment is required.

Proposed changes to the Directors' Remuneration Policy

Our current Directors' Remuneration Policy was approved by shareholders at our 2020 AGM with a vote in favour of 99.54%. In line with the regulatory timeline for Policy reviews, we will be seeking shareholder approval for a new Policy at our AGM in July this year.

Having carried out a detailed review, the Remuneration Committee believes that whilst our current Policy has worked well for us and our stakeholders and remains strategically aligned, the review provides us an opportunity to further enhance this alignment with limited change in a couple of areas.

As part of the Policy review, the Committee completed a comprehensive programme of shareholder engagement to ensure their views

were reflected in the new Policy and I would like to thank them for their highly valued time. I outline a summary of the key changes here, and the full Policy is on pages 189 to 196.

Maximum annual bonus opportunity for the CEO

The outcome of our Policy review this year determined that, whilst the measures and structure of our annual bonus Policy remain fit for purpose, the current opportunity for the CEO is materially behind that of companies within the FTSE 250 and the FTSE 350 real estate sector.

Whilst the Committee does not solely base the remuneration of Workspace on the comparison with its peers, it is essential that the CEO package remains competitive in the context of a complex and growing business such as Workspace. As such, we are proposing to increase the maximum bonus opportunity for the CEO from 120% to 150% of salary.

This change enhances the portion of the CEO's total remuneration that is subject to stretching performance targets, ensuring Workspace rewards for strong business performance.

The CFO's maximum bonus opportunity will remain at 120% of salary.

The current annual bonus deferral of 33% of the award into shares for three years will be retained, which alongside the CEO's shareholding requirement of 200% of salary, ensures full alignment with the experience of shareholders.

LTIP performance measures

For the past five years, awards granted under the LTIP have been subject to TSR and TPR performance measures with equal weighting. Following careful consideration, we are proposing to remove TPR from the LTIP and introduce three new measures to better align our LTIP with our strategic priorities. No changes are proposed to the existing TSR measure.

The proposed LTIP measures and weightings for the 2023 LTIP grant are:

- TSR relative to FTSE 350 Real Estate companies (excluding agencies) (25%)
- Earnings per Share ('EPS') growth (25%)
- Total Accounting Return ('TAR') (25%)
- Environmental, Social and Governance ('ESG') metrics (25%)

The combination of these measures better reflects the alignment with strategy and purpose.

EPS growth is an important headline measure of Workspace's financial performance, with outcomes better aligned to our success in active portfolio management and investment. Including TAR as a measure in our LTIP ensures we reward the creation of value for shareholders in the form of dividends paid and growth in Net Asset Value. Incorporating ESG strongly aligns to the sustainability pillar of our strategy, which includes focus on creating sustainable environments and achieving net zero by 2030. Full details on the targets for the 2023 LTIP grant can be found on page 207.

The Committee determined that 2023 LTIP awards would be granted at the normal level of 200% of salary for the CEO and CFO.

When making this decision, the Committee was mindful of our share price performance over the year, particularly since awards were last granted, and determined that at the end of the performance period, careful consideration will be given as to whether any windfall gains have arisen from these awards. Further to this, as with previous awards, a performance underpin will apply to the awards which allows the Committee to reduce vesting should the Committee believe that the outturn is inconsistent with the overall performance of the business.

No other changes are proposed to our Policy which is set out on pages 189 to 196. A full summary of the implementation of Policy, including annual bonus measures for the 2023/24 financial year, is set out on page 206.

Changes to below Board remuneration

Although the remuneration of below Board employees does not fall in the remit of the Policy, the Committee believes it is important to communicate the proposed changes as part of our open dialogue with shareholders. It is a priority of the Committee to ensure that employees below Board are rewarded appropriately for their continued contributions to the business, incentivised to remain with Workspace, and are fully aligned to the experience of our shareholders. We are therefore proposing to grant restricted share awards ('RSAs') below Board in place of the performance based LTIP structure. Executive Directors will not receive RSAs.

Engagement with our shareholders

We are grateful for the feedback and support we receive from shareholders, and believe that regular engagement with our stakeholders is key to our commitment to achieving the highest standards of corporate governance and integrity. As I mentioned above, in line with this, the Committee consulted with our largest investors ahead of the renewal of our Policy at our 2023 AGM. I am pleased to say that the shareholders that engaged with us appreciated our approach.

I look forward to your continued engagement and I hope you will join the Board in supporting our Directors' Remuneration Report and Directors' Remuneration Policy at the upcoming 2023 AGM.



Lesley-Ann Nash

Chair of the Remuneration Committee
6 June 2023

REMUNERATION CONTINUED

Consideration of the experience of our stakeholders

OUR PURPOSE, STRATEGY AND STAKEHOLDERS

**Our people**

Mindful of the challenging economic environment faced by our employees, the Committee oversaw the decision to award salary increases of 6% with a minimum uplift of £3,000 to those earning below £50,000. The introduction of the restricted share award for senior employees below board level ensures these individuals can share directly in the success of Workspace and are fully aligned with shareholders' experience.

Employee engagement and wellbeing are reflected in our sustainability objectives as part of our Executive Directors' bonuses. The Committee set objectives on employee wellbeing initiatives, achieved through the roll-out of a series of successful events.

[Stakeholder experiences in 2023](#) >
Pages 181 and 182

Our investors

We believe in an open dialogue with investors. As part of our Directors' Remuneration Policy review, the Committee consulted with major shareholders and investor bodies, receiving helpful and positive feedback.

We ensure that shareholders' experience is reflected in remuneration outcomes as demonstrated by our exercise of discretion to the overall bonus outturn for the CEO this year.

During the year, the Committee reviewed the LTIP performance measures to ensure these continue to align to our strategic priorities. Subsequently, the Committee approved the introduction of an EPS growth measure for the 2023 LTIP grant. EPS is an important headline measure of Workspace's financial performance and profitability. The existing relative TSR condition remains a performance measure for the 2023 LTIP grant and a key measure in ensuring outcomes from the LTIP align with the experience of our shareholders.

Our partners and suppliers

We work with a broad range of long-term partners and these relationships are governed by stringent ethical and sustainability standards. As an accredited Living Wage employer ourselves, we are committed to paying the Real London Living Wage to 100% of our suppliers and partners working on Workspace premises.

Our communities

We create a flatter, fairer London: by providing high-quality, affordable space, we bring employment into the local areas and help create community hubs. We strongly believe in giving something back to the communities where we have a presence, which is why we offer employment support to disadvantaged young people.

As part of our annual bonus sustainability metrics, our InspiresMe programme was launched to local schools, colleges and youth organisations where students benefitted from career sessions and work experience.

The environment

Sustainability is at the heart of our strategy and this is reflected in incentives for our Executive Directors. Whilst sustainability objectives are part of our annual bonus, during the year the Committee discussed and approved the inclusion of ESG metrics within the LTIP for the 2023 grant. The measures include key objectives which directly support our strategy in focusing on creating sustainable environments and achieving net zero by 2030.

Our customers

Our customers are at the heart of our business and this is reflected in our strategy, with one of our three strategic pillars relating to customer-led growth. Customer satisfaction is a measure within our annual bonus for our Executive Directors and the Committee was satisfied that the bonus outcomes for the year accurately reflected the experience of our customers at Workspace.

REMUNERATION CONTINUED

Remuneration at a glance

All staff in the Company are eligible to participate in the Company’s annual bonus plan, all-employee share schemes, pension scheme, life assurance arrangements and medical insurance benefits.

While the Executive Directors participate in the Company’s LTIP, the rest of the Executive Committee and some senior employees receive the Company’s new Restricted Share Awards (‘RSA’). Executive Directors and Executive Committee members are also required to adhere to the Company’s shareholding guidelines.

When making remuneration decisions for the Executive Directors, the Committee considers pay and employment conditions elsewhere in the Group. The Committee receives regular updates from the Executive Directors on employee feedback. The Committee also monitors bonus payout and share award data.

In respect of share ownership we operate the following:

LTIP:
Reinforces a strong performance culture at more senior levels and delivery of long-term sector outperformance.

Restricted Share Awards:
Supports retention and motivation by providing greater line of sight over outcomes and fully aligns participants to shareholders’ experience.

SAYE and SIP:
Provides all employees with the opportunity to become shareholders of the Company.

WORKSPACE’S APPROACH TO REMUNERATION AND HOW WE INCENTIVISE AT ALL LEVELS WITHIN THE COMPANY

ELEMENTS OF PAY AT WORKSPACE

	BASE SALARY	PENSION	BENEFITS	ANNUAL BONUS	SHARE OWNERSHIP
	Salaries are set to reflect market value of the role and aid recruitment and retention.	Employees are eligible for a 2:1 match on employee pension contributions of 3% or 5% of salary.	Employees receive a combination of benefits relevant for their role including life assurance arrangements and medical insurance benefits.	Opportunities and performance conditions are tailored to reflect an individual’s role and responsibilities.	Share ownership enables all employees to share in the long-term success of the Group and aligns them with shareholder interests.
ELIGIBILITY WITHIN WORKSPACE					
Executive Directors	✔	✔	✔	✔	✔ LTIP SAYE and SIP
Executive Committee	✔	✔	✔	✔	✔ Restricted share awards SAYE and SIP
Other senior employees	✔	✔	✔	✔	✔ Restricted share awards SAYE and SIP
Rest of employees	✔	✔	✔	✔	✔ SAYE and SIP

ELIGIBILITY WITHIN WORKSPACE

Executive Directors

2

Executive Committee

6

Other senior employees

65

Rest of employees

220

REMUNERATION CONTINUED
REMUNERATION AT A GLANCE CONTINUED

How our variable pay aligns to our strategic pillars

- In executing our strategy we aim to create value and positive outcomes for our shareholders and all other stakeholders.
- We frequently consider the performance measures we use for our incentives to check that they support the delivery of our strategy.

OUR THREE STRATEGIC PILLARS:



- Driving customer-led growth
- Delivering operational excellence
- Being sustainable

ANNUAL BONUS

The component measures provide a good balance of reward against the three pillars of our strategy which are the foundations of Workspace's future growth.

Measures shown as % of award
Total: 100%

LTIP

The balance of the measures is well aligned to our strategy of driving income growth and enhancing shareholder value over the longer term whilst always acting in a sustainable way.

Measures shown as % of award
Total: 100%

THE 2022 LTIP MEASURES WERE AS FOLLOWS

Measure and % weighting	Link to strategy
50%: Total Shareholder Return (TSR) relative to FTSE 350 Real Estate companies (excluding agencies)	● ● ●
50%: Total Property Return (TPR) versus IPD benchmark	●

2023/24 ANNUAL BONUS AND LINK TO STRATEGY

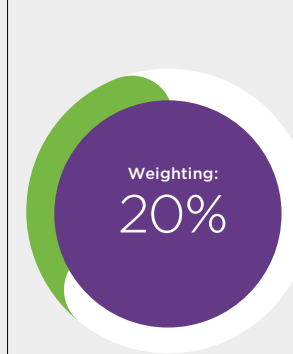
Measure:

Financial objectives (Trading profit after interest (50%), Strategic financial (10%))



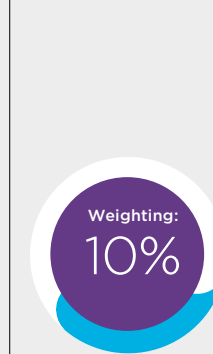
Measure:

Sustainability



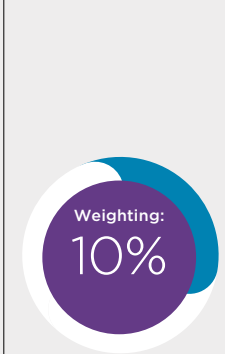
Measure:

Operational efficiency



Measure:

Customer satisfaction

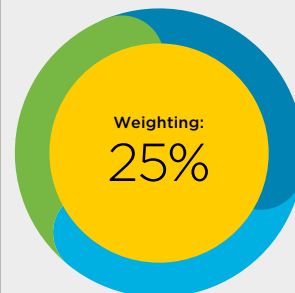


2023 LTIP AND LINK TO STRATEGY

We have amended the measures for 2023/24, as we believe there is an opportunity to better align our LTIP with our strategy.

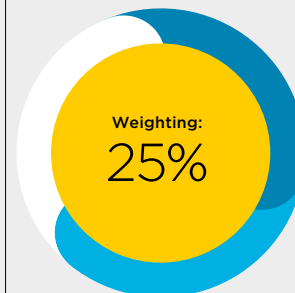
Measure:

Total Shareholder Return (TSR) relative to FTSE 350 Real Estate companies (excluding agencies)



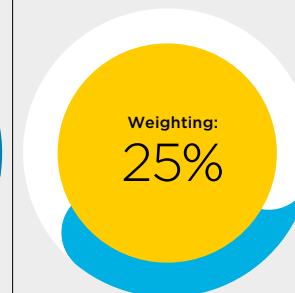
Measure:

Total Accounting Return (TAR)



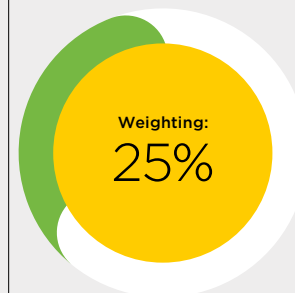
Measure:

Earnings Per Share (EPS) Growth



Measure:

Environmental, Social and Governance (ESG) metrics



REMUNERATION CONTINUED

REMUNERATION AT A GLANCE CONTINUED

Summary of Executive Directors' Total Remuneration

Graham Clemett

Chief Executive Officer

FIXED COMPONENTS OF EXECUTIVE PAY

	£000
BASE SALARY	519.2
PENSION	51.9
BENEFITS	22.5
TOTAL FIXED	593.6

VARIABLE COMPONENTS OF EXECUTIVE PAY

ANNUAL BONUS	448.6
LTIP	391.1
OTHER - SAYE, SIP	0
TOTAL VARIABLE	839.7

SINGLE FIGURE FOR 2022/23 **1,433.3**



ANNUAL BONUS

OUTCOMES UNDER THE 2022/23 ANNUAL BONUS

Measure:	Threshold (0% payable)	Maximum (100% payable)	Outcome (% of salary)	CEO actual £000
TRADING PROFIT AFTER INTEREST	£57.3m	£62.3m	51.0% (60%)	264.8
STRATEGIC FINANCIAL OBJECTIVES	0%	100%	9.0% (12%)	46.7
SUSTAINABILITY OBJECTIVES	0%	100%	24% (24%)	124.6
OPERATIONAL EFFICIENCY	0%	100%	11.1% (12%)	57.6
CUSTOMER SATISFACTION	72%	80%	11.3% (12%)	58.6
FORMULAIC OUTTURN			106.4% (120%)	552.4
DISCRETIONARY REDUCTION APPLIED TO OUTTURN OF 20% OF SALARY			86.4%	448.6

- This excludes the impact of the McKay acquisition.
- With adjustment, see page 201.



LTIP

OUTCOMES UNDER THE 2020 LTIP PERFORMANCE MEASURES OVER THE PERIOD 1 APRIL 2020 TO 31 MARCH 2023

Measure:	Threshold (20% payable)	Maximum (100% payable)	Formulaic outcome (% of award)	CEO actual £000
TOTAL SHAREHOLDER RETURN (TSR) RELATIVE TO FTSE 350 REAL ESTATE COMPANIES (EXCLUDING AGENCIES)	MEDIAN	UPPER QUARTILE	0% (50%)	£340.7 OF WHICH SHARE PRICE: ENIL
TOTAL PROPERTY RETURN (TPR) VERSUS IPD	MEDIAN	UPPER QUARTILE	50% (50%)	£50.4 DIVIDEND EQUIVALENT:
TOTAL			50% (100%)	£391.1

REMUNERATION CONTINUED

REMUNERATION AT A GLANCE CONTINUED

Summary of Executive Directors' Total Remuneration

Dave Benson

Chief Financial Officer

FIXED COMPONENTS OF EXECUTIVE PAY

	£000
BASE SALARY	357.3
PENSION	35.2
BENEFITS	0

TOTAL FIXED 392.5

VARIABLE COMPONENTS OF EXECUTIVE PAY

	£000
ANNUAL BONUS	380.2
LTIP	269.1
OTHER - SAYE, SIP	0

TOTAL VARIABLE 649.3

SINGLE FIGURE FOR 2022/23 1,041.8



ANNUAL BONUS

OUTCOMES UNDER THE 2022/23 ANNUAL BONUS

Measure:	Threshold (0% payable)	Maximum (100% payable)	Formulaic outcome (% of salary)		CFO actual £000
TRADING PROFIT AFTER INTEREST	£57.3m	£62.3m	51.0%	60%	182.2
		Actual: £61.4m ¹			
STRATEGIC FINANCIAL OBJECTIVES	0%	100%	9.0%	12%	32.2
		Actual: 75%			
SUSTAINABILITY OBJECTIVES	0%	100%	24%	24%	85.8
		Actual: 100%			
OPERATIONAL EFFICIENCY	0%	100%	11.1%	12%	39.7
		Actual: 92.5%			
CUSTOMER SATISFACTION	72%	80%	11.3%	12%	40.3
		Actual: 84% ²			
BONUS OUTTURN			106.4%	120%	380.2

1. This excludes the impact of the McKay acquisition.
2. With adjustment, see page 201.




LTIP

OUTCOMES UNDER THE 2020 LTIP PERFORMANCE MEASURES OVER THE PERIOD 1 APRIL 2020 TO 31 MARCH 2023

Measure:	Threshold (20% payable)	Maximum (100% payable)	Formulaic outcome (% of award)		CFO actual £000
TOTAL SHAREHOLDER RETURN (TSR) RELATIVE TO FTSE 350 REAL ESTATE COMPANIES (EXCLUDING AGENCIES)	MEDIAN	UPPER QUARTILE	0%	50%	234.5
		Actual: 5th percentile			OF WHICH SHARE PRICE: ENIL
TOTAL PROPERTY RETURN (TPR) VERSUS IPD	MEDIAN	UPPER QUARTILE	50%	50%	34.7
		Actual: 77th percentile			DIVIDEND EQUIVALENT:
TOTAL			50%	100%	269.1

REMUNERATION CONTINUED



This section sets out the Directors' Remuneration Policy and Annual Report on Remuneration. A binding shareholder resolution to approve the Directors' Remuneration Policy (pages 190 to 196) will be put forward at the 2023 Annual General Meeting ('AGM') of the Company on 6 July 2023.

REMUNERATION CONTINUED

Our new Remuneration Policy

This section sets out the Directors' Remuneration Policy. A binding shareholder resolution to approve this section will be proposed at the 2023 Annual General Meeting ('AGM') of the Company on 6 July 2023. The Policy will be effective from the 2023 AGM subject to shareholder approval and will be available to view at workspace.co.uk/investors in the corporate governance section.

CONSIDERATION OF SHAREHOLDER VIEWS

The Committee values ongoing dialogue with shareholders and welcomes feedback on Directors' remuneration. As part of the Policy review, the Committee directly consulted with major shareholders. A letter setting out our proposals was shared with investors reflecting over two-thirds of our issued share capital, as well as with investor bodies, including ISS, Glass Lewis and the Investment Association.

Through this process, the Committee responded to questions raised and held meetings where requested to further clarify the proposals.

We were grateful for the feedback received and pleased that this was positive overall.

REMUNERATION POLICY TABLE

The table below describes the Policy in relation to the components of remuneration for Executive Directors.

FIXED COMPONENTS OF EXECUTIVE PAY

PURPOSE AND LINK TO STRATEGY		OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRICS	CHANGES FROM PREVIOUS POLICY
BASE SALARY To reflect market value of the role and an individual's experience, performance and contribution.	2023/24	Salaries are normally reviewed annually. Salary levels take account of: <ul style="list-style-type: none"> - Role, performance and experience. - Business performance and the external economic environment. - Salary levels for similar roles at relevant comparators. - Salary increases across the Group. 	Increases are applied in line with the outcome of the review. There is no prescribed maximum. Increases for Executive Board Directors will typically be in line with those of the wider workforce.	Both Company and individual performance are considered when setting Executive Director base salaries.	None.
	2024/25				
	2025/26				
	2026/27				
	2027/28				
PENSION To provide market competitive pensions.	2023/24	Directors participate in a defined contribution pension scheme or may receive a cash allowance in lieu of pension contribution.	Up to 10% of salary. For individuals with less than a year's service with Workspace, this will be 6% of salary.	None.	None.
	2024/25				
	2025/26				
	2026/27				
	2027/28				
BENEFITS To provide market competitive benefits.	2023/24	Benefits typically include car allowance, private health insurance, and death in service cover. Where appropriate, other benefits may be offered including, but not limited to, allowances for relocation. In addition, Directors are eligible to participate in all-employee share plans, currently the SAYE and Share Incentive Plan.	Benefits may vary by role and individual circumstance, and are reviewed periodically. There is no overall maximum. Include car allowance, private health insurance and other benefits.	None.	None.
	2024/25				
	2025/26				
	2026/27				
	2027/28				

REMUNERATION CONTINUED

OUR NEW REMUNERATION POLICY CONTINUED

VARIABLE COMPONENTS OF EXECUTIVE PAY

PURPOSE AND LINK TO STRATEGY		OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRICS	CHANGES FROM PREVIOUS POLICY
<p>ANNUAL BONUS To reinforce and reward delivery of annual strategic business priorities, based on performance measures relating to both Group and individual performance.</p> <p>Bonus deferral provides alignment with shareholder interests.</p>	<p>2023/24</p> <p>2024/25</p> <p>2025/26</p> <p>2026/27</p> <p>2027/28</p>	<p>A portion of the annual bonus is deferred into shares for a period of three years. The deferral is 33% of bonus earned.</p> <p>Dividend equivalents may be accrued on deferred shares.</p> <p>The Committee may apply malus and clawback in circumstances of gross misconduct, material misstatement of the Group's results, an error in calculation, serious reputational damage, and corporate failure up to the end of the deferral period.</p>	<p>The maximum bonus potential for Executive Board Directors is as follows: CEO: 150% of salary p.a. CFO: 120% of salary p.a.</p>	<p>Performance is measured relative to financial, operational, ESG, strategic and individual objectives in the year aligned with the Company's strategic plan.</p> <p>Performance measures and weightings are reviewed each year to ensure they remain appropriate and reinforce the business strategy. At least 60% of the total bonus will be based on financial measures.</p> <p>Bonus awards are at the Committee's discretion and the Committee will consider the Company's performance in the round. The Committee may override the formulaic bonus outcome within the limits of the plan where it believes the outcome is not reflective of performance, to ensure fairness to both shareholders and participants.</p> <p>The bonus pays out on a straight-line basis from threshold to 100% at maximum performance.</p>	<p>The maximum bonus potential for the CEO is now 150% of salary, the maximum bonus potential for the CFO remains at 120% of salary.</p>
<p>LONG TERM INCENTIVE PLAN (LTIP) To reward and align to the delivery of sustained long-term performance and to align the interests of participants with those of shareholders</p>	<p>2023/24</p> <p>2024/25</p> <p>2025/26</p> <p>2026/27</p> <p>2027/28</p>	<p>The Committee may grant annual awards of Performance Shares which vest after three years, subject to performance conditions.</p> <p>Vested shares are subject to a further two-year holding period.</p> <p>The Committee has discretion to apply malus and clawback to awards (circumstances as listed in the Annual Bonus row above) up to the end of the holding period.</p> <p>Dividend equivalents may be accrued on shares in respect of the performance and holding period.</p>	<p>Normal maximum award of up to 200% of salary p.a.</p> <p>An award of 300% of salary p.a. may be made in exceptional circumstances.</p>	<p>Performance share plan awards will be based on a combination of financial, share price, ESG and strategic measures aligned with the Company's strategic plan.</p> <p>For 2023 awards the performance measures will be:</p> <ul style="list-style-type: none"> - Total Shareholder Return (TSR) relative to FTSE 350 Real Estate companies (excluding agencies) (25%) - Earnings Per Share (EPS) Growth (25%) - Total Accounting Return (TAR) (25%) - Environmental, Social and Governance (ESG) (25%) <p>A performance underpin will apply which allows the Committee to reduce vesting if performance is inconsistent with the overall performance of the business.</p> <p>For threshold performance, vesting is typically 20% of maximum.</p> <p>The Committee may, in the context of the underlying business strategy, use different measures and/or vary the weightings of the measures. The Committee would consult with major shareholders prior to making any significant changes.</p>	<p>None.</p>

REMUNERATION CONTINUED
OUR NEW REMUNERATION POLICY CONTINUED**Notes to the Remuneration Policy table**

Share awards will be operated in accordance with the rules of the relevant plan. In accordance with those rules, the Committee has discretion in the following areas:

- In the event of a variation of share capital or a demerger, delisting, special dividend, rights issue or other similar event which may, in the Committee's opinion, affect the current or future value of shares, the number of shares subject to an award and/or any performance condition attached to awards, may be adjusted
- The Committee may determine that awards may be settled in cash
- The Committee may determine the basis on which dividends will be calculated which may include notional reinvestment. The Committee may increase the time horizons for deferral or holding periods

REMUNERATION POLICY TABLE CONTINUED

PURPOSE AND LINK TO STRATEGY		OPERATION				CHANGES FROM PREVIOUS POLICY
SHAREHOLDING REQUIREMENT	2023/24	Shareholding guideline for Executive Board Directors of 200% of salary. Post-cessation shareholding requirement of 200% of salary for two years post-departure. In the event a leaver has not met the relevant shareholding requirement at the point of cessation of employment, they would be required to retain their full pre-cessation shareholding for the two-year period.				None.
	2024/25					
	2025/26					
	2026/27					
	2027/28					

NON-EXECUTIVE DIRECTORS' REMUNERATION

PURPOSE AND LINK TO STRATEGY		OPERATION				CHANGES FROM PREVIOUS POLICY
FEES To reflect the time commitment in performing the duties and responsibilities of the role.	2023/24	The Chair receives an annual fee. Non-Executive Directors receive an annual base fee. Additional fees are paid to Non-Executive Directors for additional responsibilities such as chairing a Board Committee. Fees are reviewed from time to time, taking into account time commitment, responsibilities and fees paid by companies of a similar size and complexity.				Expenses incurred in the performance of non-executive duties for the Company may be reimbursed or paid for directly by the Company, including any tax due on the expenses. Non-Executive Directors do not normally receive any benefits, however these may be provided in the future if in the view of the Board this was considered appropriate. Total fees paid to Non-Executive Directors will remain within the limit stated in the Articles of Association.
	2024/25					
	2025/26					
	2026/27					
	2027/28					

REMUNERATION CONTINUED

OUR NEW REMUNERATION POLICY CONTINUED

PERFORMANCE MEASURES AND TARGETS

As part of the review of the Policy, the Committee gave careful consideration to performance measures and targets for incentives to ensure that they are aligned to the Company's strategy and to performance for our shareholders. To that end, no changes to the annual bonus measures are proposed at this stage.

The annual bonus measures are intended to provide a good balance of rewarding operational excellence, customer relationships and building deep market knowledge which are the foundations of the Company's future growth, whilst ensuring a greater focus on sustainability.

To better align with Workspace's strategy, the performance measures for the 2023 LTIP award will be:

- Total Shareholder Return (TSR) relative to FTSE 350 Real Estate companies excluding agencies (25%)
- Earnings Per Share (EPS) Growth (25%)
- Total Accounting Return (TAR) (25%)
- Environmental, Social and Governance (ESG) (25%)

The Committee may, in the context of the underlying business strategy, use different performance measures and/or vary the weightings of the measures. Major shareholders would be consulted prior to any significant changes.

The Committee will set Group financial targets for the annual bonus with reference to the prior year and forward-looking business forecasts, ensuring the levels of performance required are appropriately challenging.

The measurement of performance against performance targets is at the Committee's discretion, which may include appropriate adjustments to financial or non-financial elements and/or consideration of overall performance in the round.

Performance conditions and targets may be varied if an event occurs or circumstances arise which cause the Committee to determine that they have ceased to be appropriate. If they are varied, they must, in the opinion of the Committee, be fair, reasonable and materially no less difficult than the original condition when set.

RECRUITMENT AND PROMOTION POLICY

The Committee will appoint new Executive Board Directors with a package that is in line with the Remuneration Policy in place and agreed by shareholders at the time.

Component	Approach
BASE SALARY	The base salaries of new appointees will be determined by reference to the individual's role and responsibilities, experience and skills, relevant market data, internal relativities and their current basic salary. Base salary may be higher or lower than the previous incumbent. Salaries may be set at an initially lower level with the intention of increasing salary at a higher than usual rate as the executive gains experience in the role.
PENSION	New appointees will be eligible to participate in the Group's defined contribution pension plan or receive a cash alternative, in line with the Policy.
BENEFITS	New appointees will be eligible to receive benefits in line with the Policy, including relocation benefits if appropriate (relocation benefits are subject to a maximum time limit of two years).
ANNUAL BONUS	The structure described in the Policy table will normally apply to new appointees with the relevant maximum being pro-rated to reflect the proportion of the year served. The Committee retains the flexibility to determine that for the first year of appointment any annual incentive award will be subject to such terms as it may determine.
LTIP	New appointees will be eligible for awards under the LTIP which will normally be on the same terms as other executives, as described in the Policy table.

The maximum aggregate value of incentives (excluding buyouts) on appointment will be in line with the aggregate maximums in the Policy table.

REMUNERATION CONTINUED**OUR NEW REMUNERATION POLICY CONTINUED****RECRUITMENT AND PROMOTION POLICY CONTINUED**

To facilitate recruitment the Committee may need to 'buy out' remuneration forfeited on joining the Company. This will be considered on a case-by-case basis and may comprise cash or shares. In general:

- If such remuneration was in the form of shares, compensation would be in the Company's shares
- If remuneration was subject to achievement of performance conditions, compensation would normally be subject to performance
- The timing of any compensation will, where practicable, match the vesting schedule of the remuneration forfeited

The over-riding principle would be that the value of any replacement buy out awards should be no more than the commercial value of awards which have been forfeited. For any buyout award, the leaver provisions may be determined at the time of the award.

The approach in cases of appointing a new Executive Board Director by way of internal promotion will be consistent with the policy for external appointees detailed above. Where such an individual has contractual commitments made prior to their promotion to Executive Board Director level, the Company will continue to honour these arrangements. Similarly, if an Executive Board Director is appointed following a merger or an acquisition of a company by Workspace, legacy terms and conditions may be honoured.

For interim positions a cash supplement may be paid rather than salary (for example a Non-Executive Director taking on an executive function on a short-term basis).

TERMINATION POLICY

Payments of basic salary, benefits and pension made up to the termination date are in line with contractual notice periods. Payments in lieu of notice are limited to the Executive Board Director's basic salary for the unexpired portion of the notice period. A payment may be made in lieu of unused holiday entitlement. The Company may make phased payments which are paid in monthly instalments and subject to mitigation.

The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of a compromise or settlement of any claim arising in connection with the cessation of a Director's office or employment. Any such payment may include but is not limited to paying reasonable relocation costs, any reasonable level of fees for outplacement assistance and/or the Director's legal or professional advice fees in connection with his cessation of office or employment.

In the event that a participant ceases to be an employee of Workspace, treatment of outstanding awards under the Group's incentive plans will be determined based on the relevant plan rules.

Component	Approach
ANNUAL BONUS	There is no automatic entitlement to an annual bonus. The Committee retains discretion to award bonuses for leavers taking account of the circumstances of departure. Leavers during the plan year normally lose any entitlement to bonus unless the individual is considered a 'good leaver'. Good leavers are eligible for an award to the extent that performance conditions have been satisfied and pro-rated for the proportion of the financial year served, with Committee discretion to treat otherwise.
DEFERRED BONUS SHARES	Deferred bonus shares normally lapse unless the individual is considered a 'good leaver', in which case awards normally continue and are released at the usual time, although the Committee has the discretion to allow earlier release. On death, awards typically vest immediately.
LTIP	Under the LTIP, unvested shares normally lapse unless the individual is considered a 'good leaver', in which case awards are normally tested for performance over the full performance period and pro-rated for time based on the proportion of the vesting period served, with Committee discretion to treat otherwise. On death, awards will typically vest immediately subject to the satisfaction of performance conditions as determined by the Committee. LTIP awards which are subject to an additional holding period will typically be retained and released at either (a) the end of the holding period; or (b) two years from cessation - whichever is soonest, although the Committee has the discretion to allow earlier release.
ALL-EMPLOYEE PLANS	For all-employee HMRC registered plans such as SAYE and SIP, leavers will be treated in accordance with the approved rules of these plans.

1. A good leaver is defined as an employee who ceases to hold employment during the plan year by reason of: injury, ill-health or disability proved to the satisfaction of the Committee; retirement with the agreement of the Group Company by which he is employed; the participant's employing Company ceasing to be a Group Company; the business or part of the business to which the participant's employment relates being transferred to a person who is not a Group Company; or any other reason which the Committee in its absolute discretion so permits.

REMUNERATION CONTINUED

OUR NEW REMUNERATION POLICY CONTINUED

TREATMENT OF CORPORATE EVENTS

In the event of a change of control or winding up of the Company, the LTIP awards will vest based on the extent to which the Committee determines that the performance conditions have been or would have been met. Pro-rating for service in the vesting period will apply unless the Committee decides otherwise. Outstanding deferred bonus awards will vest in full as soon as practicable in such circumstances. In the event of a variation of share capital, demerger, special dividend or any other transaction which will materially impact the value of shares the Committee may, at its discretion, allow deferred bonus and LTIP awards to vest on the same basis as for a change of control described above. Alternatively, an adjustment may be made to the number of shares if considered appropriate.

CONSIDERATION OF EMPLOYMENT CONDITIONS ELSEWHERE IN THE COMPANY

When setting remuneration for Executive Directors the Committee takes into account contextual information about pay and conditions within the Group, including salary increases and bonus awards for all employees.

The Committee members receive regular updates from the Executive Directors in relation to employee feedback, and on pay and employment conditions elsewhere in the Company. Our Chair, Stephen Hubbard, is our designated Non-Executive Director responsible for overseeing employee engagement. During the last financial year, employees were not formally consulted on the design of the Executive Directors' Policy but were informed of the Company's performance and key remuneration decisions.

We are committed to sharing business success across the organisation with all employees participating in a short-term incentive plan. At more senior levels, remuneration is more long term and larger proportions are dependent on both Group and individual performance and paid in the form of shares. We operate both an SAYE and a SIP open to all employees. The illustration on page 185 provides an overview of remuneration throughout Workspace and the way in which our share incentive plans cascade through the organisation.

LEGACY COMMITMENTS

The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above where the terms of the payment were agreed: (i) before 16 July 2014 (the date the Company's first shareholder-approved Directors' Remuneration Policy came into effect); (ii) before the Policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved Directors' Remuneration Policy in force at the time they were agreed; or (iii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes 'payments' include the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted.

MINOR AMENDMENTS

The Committee may make minor amendments to the Policy (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval.

REMUNERATION CONTINUED
OUR NEW REMUNERATION POLICY CONTINUED

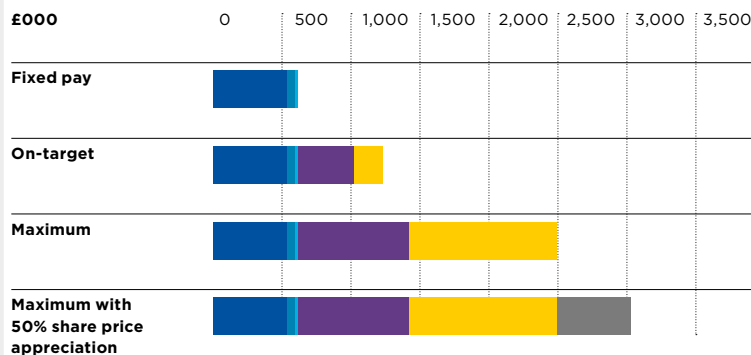
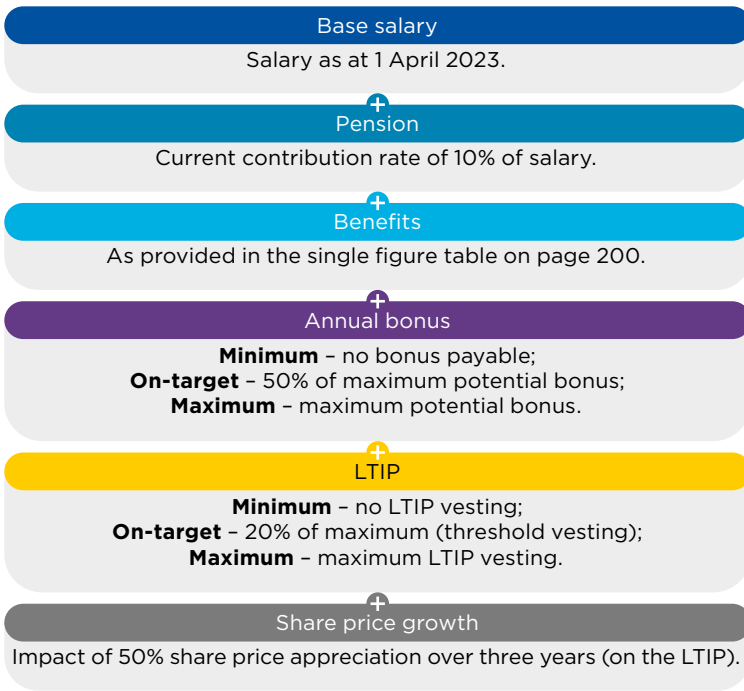
Possible payouts under policy

Based on our proposed Remuneration Policy, we set out below scenarios for the potential remuneration to be earned by our Executive Directors under the Policy for various performance assumptions. In line with the Companies (Miscellaneous Reporting) Regulations 2018, we have included the impact of a potential scenario of a 50% share price appreciation on the LTIP.

A high proportion of the Executive Board Directors' packages are made up of shares, supporting the alignment of executive pay with the interests of our shareholders. The increased value in remuneration from share price appreciation is beneficial for both Executive Directors and shareholders.

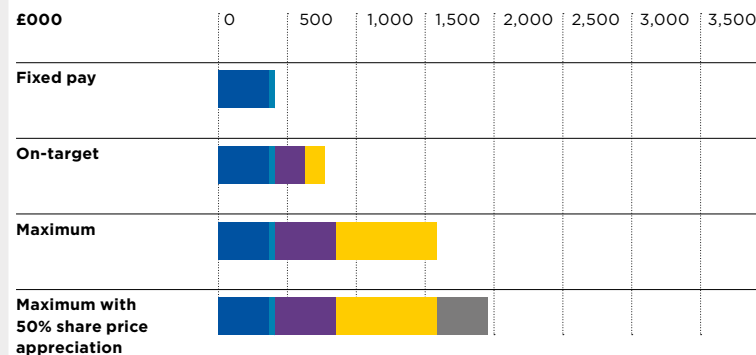
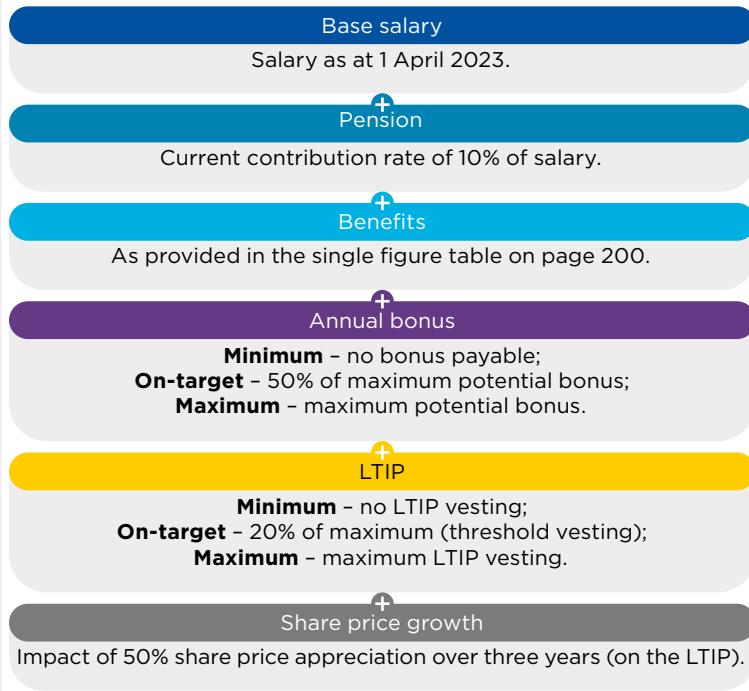
SINGLE FIGURE SCENARIOS

Graham Clemett, CEO



SINGLE FIGURE SCENARIOS

Dave Benson, CFO



REMUNERATION CONTINUED

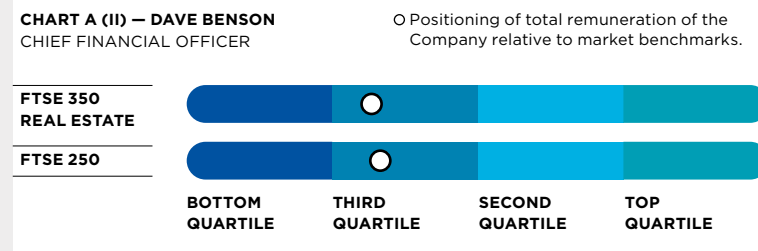
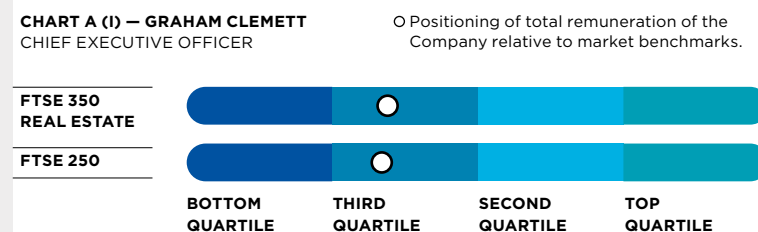
Annual report on remuneration

This section sets out the Annual Report on Remuneration. An advisory shareholder resolution to approve this section, together with the Chair's statement on pages 180 to 183 will be put forward at the 2023 AGM of the Company on 6 July 2023.

WHAT WE PAID OUR DIRECTORS IN 2022/23

TOTAL TARGET COMPENSATION COMPARED TO OUR PEERS

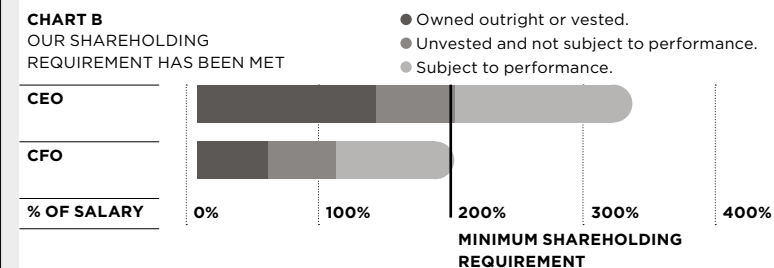
Chart A below shows the relative position of target total compensation for our Executive Directors compared to our peers. When we set the target total compensation for the Executive Directors, one of the factors the Committee considers is the competitive market for our Executive Directors, which we believe is the FTSE 250 and FTSE 350 Real Estate companies, and the size of the Company compared to these peers. The Committee has been pleased to report above target-performance against market benchmark has been achieved over recent years.



OUR SHAREHOLDING REQUIREMENTS (AUDITED)

Our Executive Directors are encouraged to hold a high number of shares in order to align their interests to those of the shareholders, and to encourage a long-term view of the sustainable performance of the Company. As such, our Directors are impacted by the share price over the year in the same way as our shareholders.

Chart B below shows that, in the year, the CEO met his minimum shareholding requirements. The CFO joined in April 2020 and is building his shareholding.



- All shares that are either unvested and not subject to performance or subject to performance have been included on a net of tax basis (i.e. at a 50% discount).
- This is based on a share price of £5,2854 being the average share price over the year to 31 March 2023 and salaries of £519,200 and £357,300 for Graham Clemett and Dave Benson respectively.

OVERALL LINK TO REMUNERATION AND EQUITY OF THE EXECUTIVE DIRECTORS

Table A below sets out the single figure for 2022/23, the number of shares held by the Director at the beginning and end of the financial year, and the impact on the value of these shares taking the opening price and closing price for the year.

TABLE A	Graham Clemett	Dave Benson
2022/23 single figure (£000)	1,433.3	1,041.8
Shares held at start of year	135,311	20,085
Shares held at end of year	141,930	39,765
Value of shares at start of year (£000) ¹	926.9	137.6
Value of shares at end of year (£000) ²	620.2	173.8
Difference (£000)	(306.7)	36.2

- Based on a closing share price on 31 March 2022 of £6.85.
- Based on a closing share price on 31 March 2023 of £4.37.

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

OUR APPROACH TO FAIRNESS AND WIDER WORKFORCE CONSIDERATIONS

When making remuneration decisions for the Executive Board Directors, the Committee considers pay, policies and practices elsewhere in the Group.

We receive regular updates from the Executive Board Directors, and we monitor bonus payout and share award data.

In this section, we provide context to our Executive Board Director remuneration by explaining our employee policies and our approach to fairness, as well as the ratio of CEO pay to that of the wider workforce.

Communication and engagement with employees

The Board is committed to an open dialogue with our employees over various decisions. Our Chair, Stephen Hubbard, is our designated Non-Executive Director responsible for overseeing employee engagement. During the last financial year, employees have been informed about activities, performance and the Company's response to the increased cost of living through staff briefings held by the CEO and other members of the Executive team. Mr Hubbard also held three informal staff events during the year. Employees are kept informed about activities and performance not only through these briefings but also by the circulation of corporate announcements and other relevant information to all staff, supplemented by updates on the intranet.

Share schemes

Share schemes are a long-established and successful part of our total reward package, encouraging and supporting employee share ownership. In particular, all employees are invited to participate in the Company's Savings Related Share Option Scheme and the Share Incentive Plan.

Equal opportunities

Workspace is committed to an active Equal Opportunities Policy from recruitment and selection, through training and development and in performance reviews and promotion. All decisions relating to employment practices are objective, free from bias and based solely upon work criteria and individual merit. We consider the needs of all employees, customers and the community.

We use everyone's talents and abilities, and we value diversity. The Company aims to make our promotion and recruitment practices fair and objective. We encourage continuous development and training, as well as the provision of equal opportunities and career development for employees. Further details of this are shown on pages 148 to 154.

Retirement benefits

The Company provides pension benefits for the majority of its employees. The Company's commitment to pension contributions, consistent with last year, ranges from 6% to 10% of an employee's salary. The pension scheme is open to every employee in accordance with the new Government auto-enrolment rules.

THE YEAR ON YEAR CHANGE IN OUR DIRECTORS' REMUNERATION

The table below sets out the changes year on year between our Director pay and average employee pay. As per our Policy, salary increases applied to Executive Directors will typically be in line with those of the wider workforce.

Table B below shows the percentage change in Director remuneration, comprising salary, taxable benefits and annual bonus, and comparable data for the average of employees within the Company. The comparator group is based on all employees (excluding the CEO, CFO and Non-Executive Directors), normalised for joiners and leavers during the year. The average number of people employed by the Company during the year was 291 (2022: 249). All employees are eligible for consideration for an annual bonus.

TABLE B

Director	2023			2022			2021		
	Salary/fees	Taxable benefits	Annual variable	Salary/fees	Taxable benefits	Annual variable	Salary/fees	Taxable benefits	Annual variable
Executive Directors									
Graham Clemett	3%	4%	-11%	2%	1%	157%	9%	-15%	-54%
Dave Benson	3%	n/a	10%	2%	n/a	157%	n/a	n/a	n/a
Non-Executive Directors									
Stephen Hubbard	6%	n/a	-	24%	n/a	-	198%	n/a	-
Damon Russell ¹	-65%	n/a	-	10%	n/a	-	10%	n/a	-
Rosie Shapland	31%	n/a	-	194%	n/a	-	n/a	n/a	-
Lesley-Ann Nash	15%	n/a	-	345%	n/a	-	n/a	n/a	-
Duncan Owen ²	73%	n/a	-	n/a	n/a	-	n/a	n/a	-
Nick Mackenzie ²	491%	n/a	-	n/a	n/a	-	n/a	n/a	-
Manju Malhotra ²	491%	n/a	-	n/a	n/a	-	n/a	n/a	-
All other employees									
	19%	-4%	-11%	5%	-24%	58%	5%	-5%	-5%

- Damon Russell stepped down from the Board on 22 July 2022, therefore the above information reflects his time in role.
- Duncan Owen joined the Board in July 2021 with both Nick Mackenzie and Manju Malhotra joining the Board in January 2022, and therefore were paid a partial fee in the prior year.
- This increase is a result of the acquisition of McKay Securities and the inclusion of these employees in the figures for 2023.

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

PAY COMPARISONS

Chart C shows the single figure of remuneration for our CEO over time, and the pay of our average employee, each rebased to 2013. We have also included our TSR performance over this period.

- FTSE 350 Real Estate Supersector Index
- FTSE 250 Index
- Workspace Group PLC TSR
- CEO single figure

CHART C

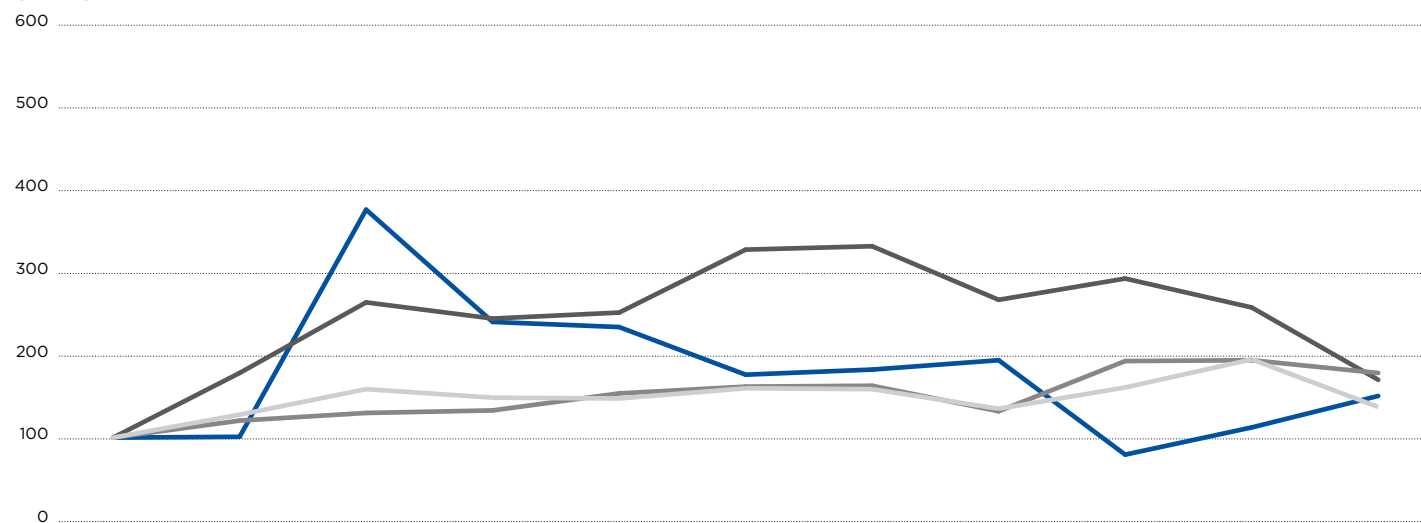


TABLE C

CEO single figure of total remuneration £000	31 Mar 2014	31 Mar 2015	31 Mar 2016	31 Mar 2017	31 Mar 2018	31 Mar 2019	31 Mar 2020	31 Mar 2021	31 Mar 2022	31 Mar 2023
Graham Clemett ¹	-	-	-	-	-	-	1,349.9	764.4	1,080.0	1,433.3
Jamie Hopkins ²	966.9	3,533.1	2,262.7	2,205.6	1,674.2	1,728.2	490.9	-	-	-
Annual bonus payout										
Graham Clemett (% of maximum opportunity)	-	-	-	-	-	-	78%	33%	83%	72%
Jamie Hopkins (% of maximum opportunity)	97.8%	97.2%	95.3%	100%	100%	95.8%	-	-	-	-
LTIP vesting										
Graham Clemett (% of maximum opportunity)	-	-	-	-	-	-	87.24%	0%	0%	50%
Jamie Hopkins (% of maximum opportunity)	-	100%	100%	88.7%	62.7%	50.7%	87.24%	-	-	-
Ratio of single total remuneration figure shown to employees as a whole										
to employee lower quartile ³	-	-	-	-	-	53x	47x	23x	32x	43x
to employee median	34x	128x	79x	72x	48x	33x	43x	15x	23x	29x
to employee upper quartile ³	-	-	-	-	-	23x	23x	11x	15x	20x

1. Mr Clemett assumed the role of Interim CEO on 1 June 2019 and was appointed CEO on 24 September 2019.

2. Mr Hopkins was appointed as an Executive Director on 12 March 2012 and stepped down from the Board on 31 May 2019.

3. See next page for details on calculation.

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

PAY COMPARISONS CONTINUED

Chief Executive's Pay Ratio

The table below compares the single total figure of remuneration for the CEO with that of the Group employees who are paid at the 25th percentile (lower quartile), 50th percentile (median) and 75th percentile (upper quartile) of its employee population.

Despite voluntarily disclosing the ratio of CEO pay to workforce pay in previous years (see page 199, this is the first year in which Workspace meets the requirement regarding employee numbers as per the Companies (Miscellaneous Reporting) Regulations 2018.

Year	Methodology	25th percentile ratio	50th percentile ratio	75th percentile ratio
2023	Option A	43:1	29:1	20:1

Option A, as set out under the reporting regulations, was used to calculate remuneration for 2023, as well as 2022 and 2021.

The UK employees included are those employed on 31 March 2023 and remuneration figures are determined with reference to the financial year ending on 31 March 2023.

We have chosen Option A as we believe that it is the most robust methodology for calculating these figures. The value of each employee's total pay and benefits was calculated using the single figure methodology consistent with the CEO, with the exception of the annual bonus, which was calculated using 2021/22 financial year bonuses (which were paid during 2022/23) as the individual 2022/23 financial year bonus information was not available at the last practical date before the finalisation of this report. For employees who joined during the 2022/23 financial year (82 employees), we've included their bonus

as nil as they were not entitled to receive a 2021/22 financial year bonus. This means that the ratios are higher than if we were able to include a bonus amount for these employees. No elements of pay have been omitted. Where required, remuneration was approximately adjusted to be full-time and full-year equivalent basis based on the employee's average full-time equivalent hours for the year and the proportion of the year they were employed. No other adjustments were made.

The table below sets out the salary and total pay and benefits of the employee at the lower quartile, median and upper quartile for the 2022/23 financial year.

	25th percentile	50th percentile	75th percentile
Salary	£28,300	£41,200	£58,500
Total pay and benefits	£33,286	£48,886	£73,350

There is significant volatility in this ratio, caused by the following:

- Our CEO pay was made up of a higher proportion of incentive pay than that of our employees, in line with shareholder expectations. This introduces a higher degree of variability in his pay each year versus that of our employees
- Long-term incentives, which make up a significant proportion of our CEO's pay, are provided in shares, and their value on vesting, included in his single figure, reflects the movement in share price over the three years prior to vesting. This outcome can add significant volatility to the CEO's pay and this is reflected in the ratio

For these reasons, we believe the median pay ratio this year is consistent with pay, reward and progression policies for UK colleagues.

SINGLE FIGURE OF EXECUTIVE DIRECTORS (AUDITED)

The illustrations below set out a single figure for the total remuneration received by each Executive Board Director for the year ended 31 March 2023 and the prior year.

	Graham Clemett, CEO		Dave Benson, CFO	
	2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000
Fixed pay				
Base salary	519.2	504.0	357.3	346.8
Pension ¹	51.9	50.4	35.2	30.8
Benefits ²	22.5	21.6	0	0
Total fixed	593.6	576.0	392.5	377.6
Variable pay				
Annual bonus ³	448.6	502.0	380.2	345.4
LTIP ⁵	391.1	0	269.1	-
Other – SAYE, SIP ⁴	0	2.0	0	2.0
Total variable	839.7	504.0	649.3	347.4
Total	1,433.3	1,080.0	1,041.8	725.0
Of which share price growth	0	0	0	0

1. Pension: During 2022/23 each of Messrs Clemett and Benson received a cash allowance in lieu of pension contribution.
2. Benefits: Taxable value of benefits received in the year by Executive Directors includes a car allowance, private health insurance and death in service cover.
3. Annual bonus: This is the total bonus earned in respect of performance during the relevant year. For 2021/22 and 2022/23, the Committee set a minimum deferral requirement of 33% of the bonus earned. For 2022/23, this deferral was equivalent to £148,034 for Mr Clemett and £125,455 for Mr Benson.
4. SIP awards granted in September 2021. See page 211 for details.
5. The 2022/23 figure includes the estimated value of 50% of the 2020 LTIP shares that vested based on performance to 31 March 2023. The share price used is the three-month average to 31 March 2023 of £4.88. This will be updated in next year's report to reflect the share price on the date of vesting. As allowable under the relevant plan rules and approved Policy, the Committee determine that dividend equivalents are payable under the 2020 LTIP award - this figure includes accrued dividends on vested shares.

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

Annual bonus payout in respect of 2022/23 (Audited)

For 2022/23 the maximum bonus opportunity for the Executive Directors was 120% of salary. Payouts are subject to the assessment of performance against stretching financial, strategic and business performance targets, and are calculated on a straight-line basis from 0% at threshold to 100% at maximum performance. Both Graham Clemett and Dave Benson are required to defer 33% of their bonus into Company shares for three years. The targets are set based on our budgeting process, which takes account of market expectations, planned acquisitions and disposals of assets, and aspirations around Company growth.

The performance measures, targets and outcomes for each measure are shown to the right.

ANNUAL BONUS PAYOUT IN RESPECT OF 2022/23



ANNUAL BONUS

OUTCOMES UNDER THE 2022/23 ANNUAL BONUS

Measure:	Threshold (0% payable)	Maximum (100% payable)	Formulaic outcome and opportunity as a % of salary	
TRADING PROFIT AFTER INTEREST	£57.3m	£62.3m	51.0%	60%
		Actual: £61.4m ¹		
STRATEGIC FINANCIAL OBJECTIVES	0%	100%	9.0%	12%
		Actual: 75%		
SUSTAINABILITY OBJECTIVES	0%	100%	24%	24%
		Actual: 100%		
OPERATIONAL EFFICIENCY	0%	100%	11.1%	12%
		Actual: 92.5%		
CUSTOMER SATISFACTION	72%	80%	11.3%	12%
		Actual: 84% of this element ²		
TOTAL			106.4%	120%
OUTCOME (£000)				
GRAHAM CLEMETT, CEO	FORMULAIC OUTTURN	£552.4	86.4% TOTAL BONUS	OF WHICH IS DEFERRED BONUS
	DISCRETIONARY REDUCTION APPLIED TO OUTTURN OF 20% OF SALARY			
	BONUS OUTTURN	£448.6		
OUTCOME (£000)				
DAVE BENSON, CFO	BONUS OUTTURN	£380.2	106.4% TOTAL BONUS	OF WHICH IS DEFERRED BONUS

1. This excludes the impact of the McKay acquisition.

2. The overall outcome was reduced as there was a 0.6% increase in the number of disagree/strongly disagree categories.

REMUNERATION CONTINUED
ANNUAL REPORT ON REMUNERATION CONTINUED

Strategic financial, operational efficiency and sustainability objectives 2022/23

A summary of the strategic financial, operational efficiency and sustainability objectives is shown to the right. Full details for each performance measure are set out on pages 203 and 204.

STRATEGIC FINANCIAL, OPERATIONAL EFFICIENCY, SUSTAINABILITY OBJECTIVES (AUDITED)

Strategic financial objectives 1

- Activity**
- Disposal of non-core assets
 - Delivery of integration cost savings from McKay acquisition
 - Complete debt refinancing post McKay acquisition
 - Continue to build Workspace brand profile



Operational efficiency objectives 2

- Activity**
- Integration of McKay staff and processes
 - Roll-out of new finance system
 - New customer complaints policy and process
 - Continued roll-out of Workspace Inclusive offer



Sustainability objectives 3

- Activity**
- Progress our pathway to net zero carbon by 2030
 - All lettable units to be A and B rated by 2030
 - Improve customer advocacy of our sustainable credentials
 - Launch our new InspiresMe programme to local schools, colleges and youth organisations
 - Employee and customer well-being initiatives



REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

STRATEGIC FINANCIAL OBJECTIVES - OUTCOME 9%/12%

1

	Target	Achievement
Disposal of non-core assets	- Sale of McKay industrial portfolio	- Exchanged for sale of 5 of the 9 non-core industrial assets on 16 May 2023 for £82m
	- Sale of other McKay non-core assets	- Disposal of Newbury medical centre for £7m in July 2022
	- Sale of Riverside residential scheme	- Sale of Riverside residential scheme completed for £54m in March 2023
Delivery of integration cost savings from McKay acquisition	- 50% reduction in McKay corporate costs by exit 22/23	- Costs reduced from £6.4m p.a. prior to acquisition to £0.9m p.a. based on average cost in Q4 (80% reduction)
Complete debt refinancing post McKay acquisition	- Rollover of Aviva debt facility	- Completed transfer of Aviva facility in September 2022 avoiding £13m break cost
	- Replacement of short-term acquisition facilities with long-term debt	- Acquisition facility replaced by £135m of McKay revolver facilities transferred to Workspace on same terms as existing facilities with maturity subsequently extended to April 2025
Continue to build Workspace brand profile	- Raise brand awareness by 2% (average awareness in 21/22 of 11%)	- Now reached 14% average spontaneous brand awareness (based on Opinium brand research)

OPERATIONAL EFFICIENCY OBJECTIVES - OUTCOME 11.1%/12%

2

	Target	Achievement
Integration of McKay staff and processes	- Completed successfully by December 22	- Integration completed in November 2022
Roll-out of new finance system	- Completed successfully by April 23	- System design, build, data load and testing substantially complete with end-user training under way by the end of April 2023.
		- System went live on 16 May 2023.
New customer complaints policy and process	- Roll-out new policy and process across Company by December 22	- Processes established and customer feedback portal launched 13 December 2022 - 56 cases raised to date
		- Monthly reporting in place with resolution of cases being monitored to ensure SLA's being met
Continued roll-out of Workspace inclusive offer	- Roll-out to further 10 centres by March 23	- This has been rolled out to 9 out of 10 of the remaining centres in scope of the Workspace Inclusive Offer
		- The only exception is Canalot Studios which is undergoing refurbishment where the required Wi-Fi roll-out will be installed as part of the building upgrade

REMUNERATION CONTINUED
ANNUAL REPORT ON REMUNERATION CONTINUED

SUSTAINABILITY OBJECTIVES – OUTCOME: 24%/24%

3

	Target	Achievement
Progress of our pathway to net zero carbon by 2030	- Reduce energy intensity across the portfolio by 5%	- 5% reduction in energy intensity
	- Reduce scope 1 emissions (gas) per sq. ft. by 5%	- 27% reduction in gas consumption (subject to minor adjustment for emissions from refrigerant leaks)
All lettable units to be A and B rated by 2030	- Eliminate all F and G rated units	- No F, G or unrated units remaining
	- Increase the percentage of A and B rated area in the portfolio by 10%	- 12% of floor area upgraded to EPC A/B
Improve customer advocacy of our sustainable credentials	- Improve our 'agree and strongly agree' customers satisfaction score to 70% (currently 66%)	- The percentage of customers who agree or strongly agree that Workspace is a socially and environmentally responsible business has increased from 66% to 70.5% Source: Workspace 2023 customer survey
Launch our new InspiresMe programme to local schools, colleges and youth organisations	- Successful roll-out at four centres	- Achieved roll-out of InspiresMe at five pilot centres: Kennington Park, Brickfields, Cargo Works, The Chocolate Factory and Mare Street
		- 182 students benefitted from CV workshops, career sessions and 20 students were hosted for work experience
		- The responses from school partners and customers were extremely positive with 100% of the schools who took part agreeing they were keen to continue with this initiative next year
Employee and customer well-being initiatives	- Continued roll-out of a variety of wellbeing events, both virtual and physical	Employees
		- 23 employee wellbeing and mental health events delivered with 600 attendees at these sessions
		- Over 160 employees utilised our wellbeing cashback programme (Healthshield) with claim back of circa £28,000
		- We received an average score from the recent annual employee survey of 75% on employee wellbeing across six wellbeing questions
		Customers
		- Our central events team hosted 71 events of which 50 were wellbeing focused. This includes Paws in Work, cocktail master-classes, Leafage terrarium building, yoga classes, art for wellbeing initiatives, and were attended by 1,600 customers
		- In addition centre teams hosted 37 wellbeing themed events

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

LTIP AWARD VESTING IN RESPECT OF 2022/23 (AUDITED)

The 2020 LTIP awards measured performance over the period 1 April 2020 to 31 March 2023. Details of the performance targets and achievement against them are set out below.

On this basis, 50% of the 2020 LTIP will vest.

The 2021 LTIP awards are based on the same targets and weightings as the 2020 LTIP award shown below, measured over the period 1 April 2021 to 31 March 2024.

TABLE D

Measure	Threshold (20% payable)	Maximum (100% payable)	Actual	Formulaic outcome (% of award)
TOTAL SHAREHOLDER RETURN (TSR) RELATIVE TO FTSE 350 REAL ESTATE COMPANIES (EXCLUDING AGENCIES)	MEDIAN	UPPER QUARTILE	5th PERCENTILE	0%/50%
TOTAL PROPERTY RETURN (TPR) VERSUS IPD	MEDIAN	UPPER QUARTILE	77th PERCENTILE	50%/50%
LTIP (% MAXIMUM) VESTING				50%/100%
NUMBER OF SHARES VESTING (AUDITED)			CEO 69,819	CFO 48,044

LTIP AWARDS MADE DURING THE 2022/23 FINANCIAL YEAR (AUDITED)

Under the current Policy conditional share awards under the LTIP are granted to a maximum of 200% of salary. Awards under the 2022 LTIP are subject to the performance conditions detailed in Table E below measured over the period 1 April 2022 to 31 March 2025.

TABLE E

	Relative TSR vs. sector group ¹ (50% of the award)	Total Property Return versus London IPD index (50% of the award)
Threshold ³ (20% vesting)	Median	Median
Maximum ³ (100% vesting)	Upper Quartile	Upper Quartile

- The comparator group for the 2022 LTIP cycle is FTSE 350 Real Estate companies excluding agencies.
- For any shares to vest on relative TSR, the Company's TSR outcome must exceed the median TSR of the comparator group over the performance period.
- There is straight-line vesting between the 'Threshold' and 'Maximum' performance levels.

The following awards were granted during the year under the 2022 LTIP:

Director	Date of grant	Market price at date of award ¹	Number of shares	Performance share award	
				£	Face value % of salary
Graham Clemett	24 June 2022	£6.2800	165,350	1,038,398	200%
Dave Benson	24 June 2022	£6.2800	113,789	714,594	200%

- The share price for calculating the levels of awards was £6.2800, the average mid-market closing price over the three dealing days 21, 22 and 23 June 2022, in accordance with the LTIP rules.

Deferred shares were granted (as conditional share awards) under the 2021/22 bonus of 25,380 shares to Mr Clemett and 17,463 shares to Mr Benson (33% of bonus awarded) on 27 June 2022. The share price on the date of grant was £6.475 which represented the average mid-market closing price.

REMUNERATION CONTINUED
ANNUAL REPORT ON REMUNERATION CONTINUED

How we will apply the policy in 2023/24

As explained in the Remuneration Committee Chair's letter, we are seeking shareholder approval for a new Directors' Remuneration Policy at the AGM on 6 July 2023. On the basis that it is approved by shareholders, it will be implemented as set out below.

BASE SALARY

The Executive Directors will be awarded a 3% salary increase which is below the average applied to the wider workforce. Salaries will be as follows:

CEO	CFO
£534,800	£368,100

PENSION

In line with the proposed Policy set out in this report, the Executive Directors will receive a contribution to a defined contribution plan or a cash allowance in lieu of contribution of 10% of salary respectively.

ANNUAL BONUS

As per the proposed Policy, there is a change to the CEO's annual bonus maximum potential in 2023/24 and this will be 150% of salary. There is no change to the CFO's annual bonus maximum potential in 2023/24, and this will continue to be 120% of salary.

33% of the total bonus paid will be deferred into shares for three years. Dividend equivalents may be accrued on deferred shares.

Whilst we believe that disclosing the exact performance conditions and targets for all measures would not be in the best interests of shareholders, we remain committed to best

practice disclosure. We therefore set out to the right some examples of the objectives that the Committee will consider in respect of evaluating the strategic financial and operational efficiency and sustainability objectives. Full disclosure on the targets, performance achieved and resulting bonus payouts for 2023/24 will be provided in next year's report.

Operational efficiency objectives will include elements which optimise value and service such as centre and asset management. Strategic financial targets will cover key drivers of our commercial success including capital management and brand awareness. ESG metrics will align to our core sustainability focus including the reduction in energy intensity and an increase in social value impact.

2023/24 ANNUAL BONUS AND LINK TO STRATEGY

Measure: Financial objectives (Trading profit after interest (50%), Strategic financial (10%))



Measure: Sustainability



Measure: Operational efficiency



Measure: Customer satisfaction



Full disclosure on the targets, performance achieved and resulting bonus payouts for 2023/24 will be provided in next year's report.

LINK TO STRATEGY

- Driving customer-led growth
- Delivering operational excellence
- Being sustainable

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

HOW WE WILL APPLY THE POLICY IN 2023/24

LONG-TERM INCENTIVE PLAN (LTIP)

Following careful consideration, we have decided to amend the performance measures of the 2023 LTIP, to better align with Workspace's strategy.

Maximum award 200% of salary. The performance measures and targets for the four elements are as follows:

	Total Shareholder Return relative to FTSE 350 Real Estate companies (excluding agencies)	Earnings Per Share (EPS) Growth	Total Accounting Return (TAR)	Environmental, Social and Governance (ESG)
Weighting (% of award)	25%	25%	25%	25%
Threshold (20% vesting)	Median	5% p.a.	4.5% p.a.	See below
Maximum (100% vesting)	Upper Quartile	10% p.a.	10% p.a.	See below

A holding period of two years will apply to any net vested shares under the LTIP.

To allow any payouts to be fully reflective of underlying performance, the LTIP underpin allows the Committee to reduce vesting should the Committee believe that the performance is inconsistent with the overall performance of the business.

ESG LTIP THREE YEAR TARGETS

Environmental, social and governance (ESG)	Threshold (20% vesting)	Maximum (100% vesting)	Weighting
Reduction in scope 1 gas emissions	15%	20%	50%
Increase in percentage of EPC A or B rated space	20%	27%	50%

NON-EXECUTIVE DIRECTOR FEES

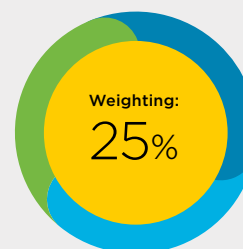
The fees for Non-Executive Directors are reviewed and agreed annually. The fees, which are effective from 1 April 2023, are set out in the table below.

	2023/24 fee	2022/23 fee	% change
Chair	£200,000	£200,000	0%
NED base fee	£55,000	£55,000	0%
Chair of Audit Committee fee	£10,800	£10,800	0%
Chair of Remuneration Committee fee	£10,800	£10,800	0%
Chair of ESG Committee fee	£10,800	£10,800	0%
Senior Independent Director fee	£10,800	£10,800	0%

2023 PERFORMANCE MEASURES AND LINK TO STRATEGY

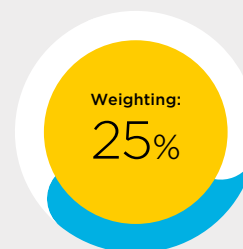
Measure:

Total Shareholder Return (TSR) relative to FTSE 350 Real Estate companies (excluding agencies)



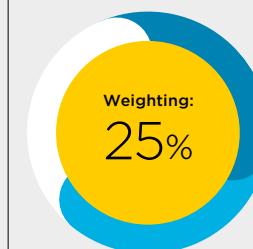
Measure:

Earnings Per Share (EPS) Growth



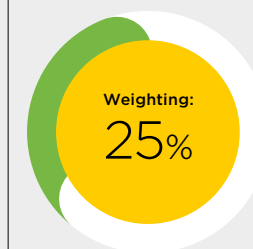
Measure:

Total Accounting Return (TAR)



Measure:

Environmental, Social and Governance (ESG) metrics



LINK TO STRATEGY

- Driving customer-led growth
- Delivering operational excellence
- Being sustainable

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

SINGLE FIGURE FOR NON-EXECUTIVE DIRECTORS (AUDITED)

Table F below sets out a single figure for the total remuneration received by each Non-Executive Director for the year ended 31 March 2023 and the prior year:

TABLE F

Non-Executive Director	Stephen Hubbard		Damon Russell		Duncan Owen		Rosie Shapland		Lesley-Ann Nash		Manju Malhotra		Nick Mackenzie	
	2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000
Base fee	200.0	188.0	19.2	51.0	55.0	35.4	55.0	51.0	55.0	51.0	55.0	9.3	55.0	9.3
Additional fees	-	-	2.7	10.8	6.3	-	21.6	7.6	10.8	6.3	-	-	-	-
Total	200.0	188.0	21.9	61.8	61.3	35.4	76.6	58.6	65.8	57.3	55.0	9.3	55.0	9.3

1. Expenses incurred by Non-Executive Directors represent the cost to the Group, being gross of taxation. In 2022/23 Nick Mackenzie was reimbursed for out of pocket expenses incurred in attending meetings, in connection with the discharge of his duties of £1,111.70.

2. Additional fees were paid during the year to Non-Executive Directors serving as Chairs of the Remuneration, Audit and ESG Committees. An additional fee is also paid to the Senior Independent Non-Executive Director.

SHARE OWNERSHIP AND SHARE INTERESTS (AUDITED)

The table below shows the interests of the Directors and connected persons in shares (owned outright or vested). There have been no changes in the interests in the period between 31 March 2023 and 6 June 2023.

TABLE G

	31 March 2023	31 March 2022
Chair		
Stephen Hubbard	41,500	23,640
Executive Directors		
Graham Clemett	141,930	135,311
Dave Benson	39,765	20,085
Non-Executive Directors		
Rosie Shapland	Nil	Nil
Lesley-Ann Nash	Nil	Nil
Nick Mackenzie	12,400	Nil
Manju Malhotra	Nil	Nil
Duncan Owen	9,410	5,560
Past Directors		
Damon Russell ¹	See note	Nil

1. Damon Russell stepped down from the Board on 22 July 2022. As at the date of leaving, Damon Russell did not hold any shares.

Dave Benson, who joined the Company on 1 April 2020, acquired 19,850 shares in September 2020. Mr Benson was subsequently awarded 235 ordinary shares under the Workspace Group PLC Share Incentive Plan and acquired a further 19,680 shares on 1 September 2022.

Table H below shows the Executive Directors' interest in shares.

TABLE H

Executive Director	Type	Owned outright or vested ²	Unvested and not subject to performance ³	Subject to performance ⁴	Total
Graham Clemett	Shares	141,930	123,143	282,393	547,466
	Market value options ¹	Nil	3,389	Nil	3,389
Dave Benson	Shares	39,765	70,757	194,330	304,852
	Market value options ¹	Nil	5,649	Nil	5,649

- Market value options include SAYE options outstanding and not yet matured as at 31 March 2023. The exercise price of these was set at 80% (in accordance with HMRC and the plan rules) of the market value of a share at the invitation date. See page 211 for further details.
- The total shares owned outright or vested.
- This figure includes the deferred bonus shares awarded in 2020, 2021 and 2022 for Mr Clemett and the deferred bonus shares awarded in 2021 and 2022 for Mr Benson and the number of shares vesting, (gross), pursuant to the 2020 LTIP award.
- The interest in shares of 282,393 for Mr Clemett consists of LTIP awards made in 2021 and 2022. The interest in shares of 194,330 for Mr Benson consists of LTIP awards made in 2021 and 2022, details of which can be found on page 210 in this report.

REMUNERATION CONTINUED
ANNUAL REPORT ON REMUNERATION CONTINUED**ADDITIONAL INFORMATION****External appointments**

It is the Board's policy to allow Executive Directors to take up one Non-Executive position on the board of another company, subject to the prior approval of the Board. Any fee earned in relation to outside appointments is retained by the Executive Director. Mr Clemett was appointed a Non-Executive Director of The Restaurant Group PLC, effective 1 June 2016 and as Senior Independent Director on 6 November 2020. Mr Clemett is paid an annual fee of £69.3k. Mr Benson does not hold any external appointments.

Relative importance of spend on pay

Chart D below shows the Company's actual expenditure on shareholder distributions (including dividends and share buybacks) and total employee pay expenditure for the financial years ended 31 March 2022 and 31 March 2023.

CHART D**EMPLOYEE REMUNERATION****DISTRIBUTION TO SHAREHOLDERS**

The estimated total dividend as reported in the financial statements for the year to 31 March 2023 was £49.4m.

Payments for loss of office (audited)

None.

Payments to past Directors (audited)

None.

Service contracts of Directors serving in the year

Executive Directors are employed under contracts of employment with Workspace Group PLC. The principal terms of the Executive Directors' service contracts are as follows.

Executive Director	Position	Effective date of contract	Notice period	
			From Company	From Director
Graham Clemett	Chief Executive Officer	31 July 2007	12 months	12 months
Dave Benson	Chief Financial Officer	1 April 2020	12 months	12 months

Graham Clemett joined the Company as CFO in July 2007 and was appointed as CEO on 24 September 2019. Mr Clemett served as Interim CEO and CFO from 31 May 2019 until September 2019.

The Chair and Non-Executive Directors have letters of appointment. Dates of the Directors' letters of appointment are set out below:

Name	Date of original appointment (date of reappointment)	Date of appointment/ last reappointment at AGM	Notice period
Stephen Hubbard	16 July 2014 (23 January 2020)	2022	6 months
Rosie Shapland	6 November 2020 (n/a)	2022	3 months
Lesley-Ann Nash	1 January 2021 (n/a)	2022	3 months
Duncan Owen	22 July 2021 (n/a)	2022	3 months
Manju Malhotra	26 January 2022 (n/a)	2022	3 months
Nick Mackenzie	26 January 2022 (n/a)	2022	3 months

The Directors are subject to annual re-election at the AGM. Non-Executive Directors' letters of appointment and Executive Directors' contracts are available to view at the Company's registered office.

Mr Hubbard's reappointment letter dated 23 January 2020 stated that his appointment would be for a period of three years commencing on the conclusion of the 2020 AGM. The AGM was held on 9 July 2020.

Mr Owen, as Chair designate, signed a new letter of appointment dated 27 February 2023 which will take effect from the conclusion of the AGM on 6 July 2023.

REMUNERATION CONTINUED
ANNUAL REPORT ON REMUNERATION CONTINUED**ADDITIONAL INFORMATION CONTINUED****Committee advisers**

During the year, PwC LLP acted as independent adviser to the Committee. PwC LLP was appointed by the Committee in 2018 following a selection process. PwC LLP is a founding member of the Remuneration Consultants Group and voluntarily operates under the Code of Conduct in relation to Executive remuneration consulting in the UK. The Committee is satisfied that the PwC LLP engagement partner and team, which provide remuneration advice to the Committee, do not have connections with the Group that may impair their objectivity and independence. The fees charged by PwC LLP for the provision of independent advice to the Committee during the year were £113,605 (based on hourly rates). PwC LLP provided no other services during the financial year.

Voting at the Company's AGMs

The table below sets out the results of the most recent shareholder votes on the Policy Report and the advisory vote on the 2021/22 Annual Report on Remuneration at the 2022 AGM on 21 July 2022. The Committee views this level of shareholder support as a strong endorsement of the Company's Policy and its implementation.

	Percentage of votes cast		Number of votes cast		
	For and Discretion	Against	For and Discretion	Against	Withheld ¹
Policy Report (2020 AGM)	99.54	0.46	116,307,019	539,870	1,666
Annual Report on Remuneration (2022 AGM)	98.55	1.45	144,279,654	2,123,283	4,663

1. A withheld vote is not a vote in law and is not counted in the calculation of the proportion of votes cast for and against a resolution.

Share based awards and dilution

The Company's share schemes are funded through a combination of shares purchased in the market and new-issue shares, as appropriate. The Company monitors the number of shares issued under these schemes and their impact on dilution limits. The Company's usage of shares compared to the relevant dilution limits set by the Investment Association in respect of all-share plans (10% in any rolling ten-year period) and Executive share plans (5% in any rolling ten-year period) as at 31 March 2023 is detailed below.

As of 31 March 2023, around 2.3% and 2.0% shares have been, or may be, issued to settle awards made in the previous ten years in connection with all-share schemes and executive share schemes respectively. Awards that are made but then lapse or are forfeited are excluded from the calculations.

ALL-SHARE PLANS**EXECUTIVE SHARE PLANS****Outstanding LTIP awards**

Details of current awards outstanding to Graham Clemett and Dave Benson are detailed below.

Executive Director	At 1 April 2022 Performance ²	Lapsed during the year Performance	Vested during the year Performance	At 31 March 2023 Performance
Graham Clemett				
18/06/2019	71,814	71,814	-	-
18/06/2020	139,638	-	-	139,638
24/06/2021	117,043	-	-	117,043
24/06/2022	-	-	-	165,350
Dave Benson				
18/06/2020	96,089	-	-	96,089
24/06/2021	80,541	-	-	80,541
24/06/2022	-	-	-	113,789

- Awards will vest subject to the satisfaction of performance conditions detailed on page 207 over the three-year performance period.
- LTIP awards made to the Executive Directors. In June 2020, 2021 and 2022 awards were in respect of 200% of salary based on a share price at date of award of £7.0767, £8.6117 and £6.2800 respectively. The 2020 LTIP awards vested at 50%.

REMUNERATION CONTINUED
ANNUAL REPORT ON REMUNERATION CONTINUED**ADDITIONAL INFORMATION CONTINUED****Share options**

The following table shows, for the Directors who served during the year, the interests in outstanding awards under the HMRC-approved Savings Related Share Option Plan and SIP Awards.

Executive Director	At 01/04/2022	Granted during the year	Lapsed during the year	Vested in year	At 31/03/2023	Exercise price	Normal exercise date	
							From	To
Graham Clemett	107	-	-	-	107		18.09.18	
	228	-	-	-	228		30.08.20	
	233	-	-	-	233		05.09.22	
	235	-	-	-	235		29.09.24	
	3,389	-	-	-	3,389	£5.31	01.09.23	01.03.24
Dave Benson	5,649	-	-	-	5,649	£5.31	01.09.25	01.03.26
	235	-	-	-	235		29.09.24	

1. Mr Clemett was granted awards under the Share Incentive Plan on 18 September 2015 (107); 30 August 2017 (228); 5 September 2019 (233) and 29 September 2021 (235).
2. Mr Benson was granted an awards under the Share Incentive Plan on 29 September 2021 (235).

There have been no changes in Directors' interests over options in the period between the balance sheet date and 6 June 2023.

The Directors' Remuneration Report has been approved by the Board of Workspace Group PLC.

By order of the Board

Lesley-Ann Nash

Chair of the Remuneration Committee
6 June 2023

REPORT OF THE DIRECTORS

The Directors present their report on the affairs of the Group together with the audited financial statements for the year ended 31 March 2023.

Workspace Group PLC is incorporated in the UK and registered as a public limited company in England and Wales with company number 02041612 and registered office at Canterbury Court, Kennington Park, 1-3 Brixton Road, London SW9 6DE. It is listed on the main market of the London Stock Exchange.

It is the ultimate holding company of the Group, a full list of its subsidiaries is set out in note 27 to the financial statements set out on pages 249 and 250.

Where reference is made in this Directors' Report to other sections of the Annual Report, those sections are incorporated by reference into this Directors' Report. Certain disclosures required to be contained in the Directors' Report have been incorporated into the Strategic Report as set out in 'Other information' below.

Dividends

An interim dividend of 8.4 pence was paid in February 2023 (2022: 7.0 pence) and the Board is recommending the payment of a final dividend of 17.4 pence (2022: 14.5 pence) per share to be paid on 4 August 2023 to shareholders whose names are on the Register of Members at the close of business on 7 July 2023. This makes a total dividend of 25.8 pence (2022: 21.5 pence) for the year.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' indemnities

Under the Company's Articles of Association the Company may, to the extent permitted by law, indemnify any Director, Secretary or other Officer of the Company against any liability and the Company may also purchase and maintain insurance against such liability. The Board considers that the provision of such indemnification is in keeping with current market practice and the Board believes that it is in the best interest of the Company to provide such indemnities in order to attract and to retain high-calibre Directors and Officers.

The Company purchased and maintained Directors' and Officers' liability insurance during the year under review and at the date of approval of the Directors' Report. Qualifying third-party indemnity provisions (as defined by Section 234 of the Companies Act 2006) were in force during the period and these provisions remain in force in relation to certain losses and liabilities which the Directors may incur to third parties in the course of acting as Directors or employees of the Company or of any associated company.

Employment policies

Workspace recognises that a diversity of skills and experiences in our workforce will provide a competitive advantage. The Company has various employment policies, including in relation to recruitment, diversity & inclusion, health & safety and wellbeing. We monitor these practices to ensure that they are fair and objective.

This includes giving full and fair consideration to applications from prospective employees who are disabled, having regard to their aptitudes and abilities, and not discriminating against employees under any circumstances (including in relation to applications, training, career development and promotion) on the grounds of any disability. In the event that an employee, worker or contractor becomes disabled in the course of their employment or engagement, Workspace aims to ensure that reasonable steps are taken to accommodate their disability by making reasonable adjustments to their existing employment or engagement.

Further detail on our employment policies and how we invest in our workforce can be found on pages 50 to 53 and 149.

Details of how we reward our employees can be found on pages 181 and 198 and in notes 23 and 24 to the financial statements.

Share capital

As at 31 March 2023, the Company's issued share capital comprised a single class of 191,638,357 ordinary shares of £1.00 each. Details of the Company's issued share capital are set out on page 246.

Restrictions on transfer of shares

There are no restrictions on the transfer of ordinary shares in the Company other than restrictions that are imposed by law or regulation (for example, insider trading laws). In addition, pursuant to the Company's Dealing Code, Directors and certain employees of the Group require the approval of the Company to deal in ordinary shares of the Company.

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities.

REPORT OF THE DIRECTORS CONTINUED**Substantial shareholdings in the Company**

As at 31 March 2023 and 15 May 2023, the following interests in voting rights over the issued share capital of the Company had been notified:

Shareholder	31 March 2023		15 May 2023	
	Number of shares	Percentage held	Number of shares	Percentage held
The London & Amsterdam Trust Company Limited	53,749,281	28.05%	53,749,281	28.05%
BlackRock, Inc.	23,204,769	12.11%	22,449,889	11.72%
Janus Henderson Investors	10,933,585	5.71%	11,004,298	5.74%
Columbia Threadneedle Investments	9,246,497	4.82%	9,410,346	4.91%
The Vanguard Group Inc	7,258,575	3.78%	7,291,439	3.80%
Legal & General Investment Management Ltd	5,846,861	3.05%	5,496,379	2.87%

Articles of Association

The following description summarises certain provisions of the Company's Articles of Association and applicable English law concerning companies. Any amendment to the Articles of Association of the company may be made in accordance with the provisions of the Companies Act 2006, by way of special resolution.

Directors

Unless otherwise determined by ordinary resolution of the Company, the Board shall be comprised of not less than two or more than ten Directors. The Board may exercise all powers of the Company, subject to the Company's Articles of Association, the Companies Act 2006 and other applicable legislation.

Directors may be elected by the members in a general meeting or appointed by the Board. The Company's Articles of Association require any new Directors to stand for election at the next AGM following their appointment. The Articles of Association also require each Director to stand for re-election every three years following their election. However, in accordance with the Code and the Company's current practice, all continuing Directors will offer themselves for election or re-election (as applicable) at the AGM on 6 July 2023.

In addition to any power of removal conferred by the Companies Act 2006, the Company may by ordinary resolution remove any Director before the expiry of their period of office.

Voting and other rights

Subject to the provisions of the Companies Act 2006, to any special terms on which shares may have been issued or to any suspension or abrogation of voting rights pursuant to the Articles of Association, every member who is present in person shall have one vote on a show of hands or, on a poll, one vote for each share of which they are a holder.

The Company is not aware of any agreements between shareholders that may result in restrictions on voting rights.

The Company may, by ordinary resolution, declare dividends but no dividend shall exceed the amount recommended by the Board. Subject to the provisions of the Companies Act 2006, the Board may also declare and pay such interim dividends as appears to the Board to be justified by the profits of the Company available for distribution. Except as otherwise provided by the rights attached to shares, all dividends shall be paid to shareholders according to the amounts paid up on the shares on which the dividend is paid.

Subject to the terms of allotment of shares, the Board may only make calls on shareholders in respect of any amounts unpaid on the shares held by them. All shares are fully paid.

Purchase of own shares and issuing shares

Under the Company's Articles of Association, the Company may purchase any of its own shares. The Company was granted authority at the 2022 Annual General Meeting to make market purchases of its own ordinary shares. This authority will expire at the conclusion of the 2023 Annual General Meeting and a resolution will be proposed to renew this authority. No ordinary shares were purchased under this authority during the year.

The Company was granted authority at the 2022 Annual General Meeting to allot and/or grant rights to subscribe for, or convert securities into, shares in the Company up to an aggregate nominal amount as set out in the Notice of Annual General Meeting 2022. This authority will expire at the conclusion of the 2023 Annual General Meeting and a resolution will be proposed to renew this authority.

Significant agreements on change of control

The Group's borrowing facilities and other financial instruments (details of which can be found in note 16 to the financial statements) are agreements that could allow counterparties to terminate or to alter those arrangements in the event of a change of control of the Company.

Compensation for loss of office in the event of a takeover

There are no agreements in place between the Company and its employees or Directors for compensation for loss of office or employment that occur because of a takeover bid.

REPORT OF THE DIRECTORS CONTINUED

Employee Share Trusts

The Company operates an Employee Share Ownership Trust ('ESOT') and a trust for the Share Incentive Plan ('SIP'). The trusts are used to purchase Company shares in the market from time to time and hold them for the benefit of employees, including for satisfying awards that vest under the Company's various share incentive plans. The ESOT also holds some Company shares in particular ringfenced accounts for specific employees who have options over such shares vest under the Company's share incentive plans but have not yet exercised those options. The trustee of the ESOT may vote the shares it holds in the Company at its discretion, but where it holds any shares in a ringfenced account for particular employees it will seek their instructions on how it exercises the votes attached to those shares. The trustee of the SIP trust does not vote the rights attached to shares held in the trust.

Information required under LR9.8.4R

Interest capitalised	Note 10 to the financial statements
Details of long-term incentive schemes	Remuneration Report, pages 187 and 188, 191 and 205

There is no further information required to be disclosed under LR9.8.4R.

Other information

Other information relevant to the Directors' Report may be found in the following sections of the Annual Report:

Information	Location in Annual Report
Corporate governance statement, prepared in accordance with rule 7.2 of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules	Corporate Governance Report, pages 106 to 215 Principal risks and uncertainties, pages 69 to 76
Culture, purpose, values and strategy	Strategic Report, pages 14 and 32 to 35 Corporate Governance Report, pages 118 to 120
Directors	Directors' biographies, pages 115 and 116 Our Board, page 113
Directors' training and development	Corporate Governance Report, page 140
Diversity & inclusion	Corporate Governance Report, pages 148 to 154
Employee share schemes	Note 23 to the financial statements
Engagement with employees	Strategic Report, page 21 Stakeholder engagement, page 122 Section 172(1) Statement, page 125
Engagement with suppliers, customers and others	Strategic Report, pages 16 to 25 Stakeholder engagement, pages 121 to 123 Section 172(1) Statement, page 125
Financial risk management	Note 18 to the financial statements Principal risks and uncertainties, pages 69 to 76
Future developments	Chair's Letter, page 11 CEO Letter, page 13 Our business model, pages 64 to 68 Our strategy, pages 32 to 35
Greenhouse gas emissions and energy consumption	GHG/SECR Emissions, page 101
Political donations	Compliance Statements, page 91
Post balance sheet events	Note 29 to the financial statements
Principal risks and uncertainties	Principal risks and uncertainties, pages 69 to 76
Research and development	The Company does not undertake research and development activities

By Order of the Board

Carmelina Carfora
Company Secretary
6 June 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule 4.1.14R, the financial statements will form part of the annual financial report prepared using the single electronic reporting format under the TD ESEF Regulation. The auditor's report on these financial statements provides no assurance over the ESEF format.

Responsibility statement of the directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- we consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Signed on behalf of the Board on 6 June 2023 by:

Graham Clemett
Chief Executive Officer

Dave Benson
Chief Financial Officer