Net Zero Action Plan

Techspace Group, April 2023

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A message from Jonathan Bevan, CEO Techspace

At Techspace we are proud to consider ourselves the go-to place for pioneering tech and aspire to support change-makers as they shape the world around us. We know, however, we can't deliver on this vision without acknowledging the importance of the work that must be done to support the transition to a net zero society. Our responsibility, as we represent so many forward-thinking businesses, is to lead from the front, interrogate our business decisions and embed sustainability into the heart of our operations and policies.

Whilst this won't be easy, not least as we have ambitious growth plans in the UK, Germany and other European markets, we have a unique role to play in supporting our members to decarbonise through our shared workspace locations. As we work on our own strategy we also endeavour to support our members in establishing their own net zero path.

At the heart of Techspace's mission are our company values. One of our core values is the phrase; 'We Care':

> "We care deeply about our fellow Techspacers, about serving our members and about our impact on the world."

With this value at our core, we move forward into 2023 with a data-led approach as we quantify our impact and challenge ourselves to reduce our footprint and reframe expectations at every opportunity.

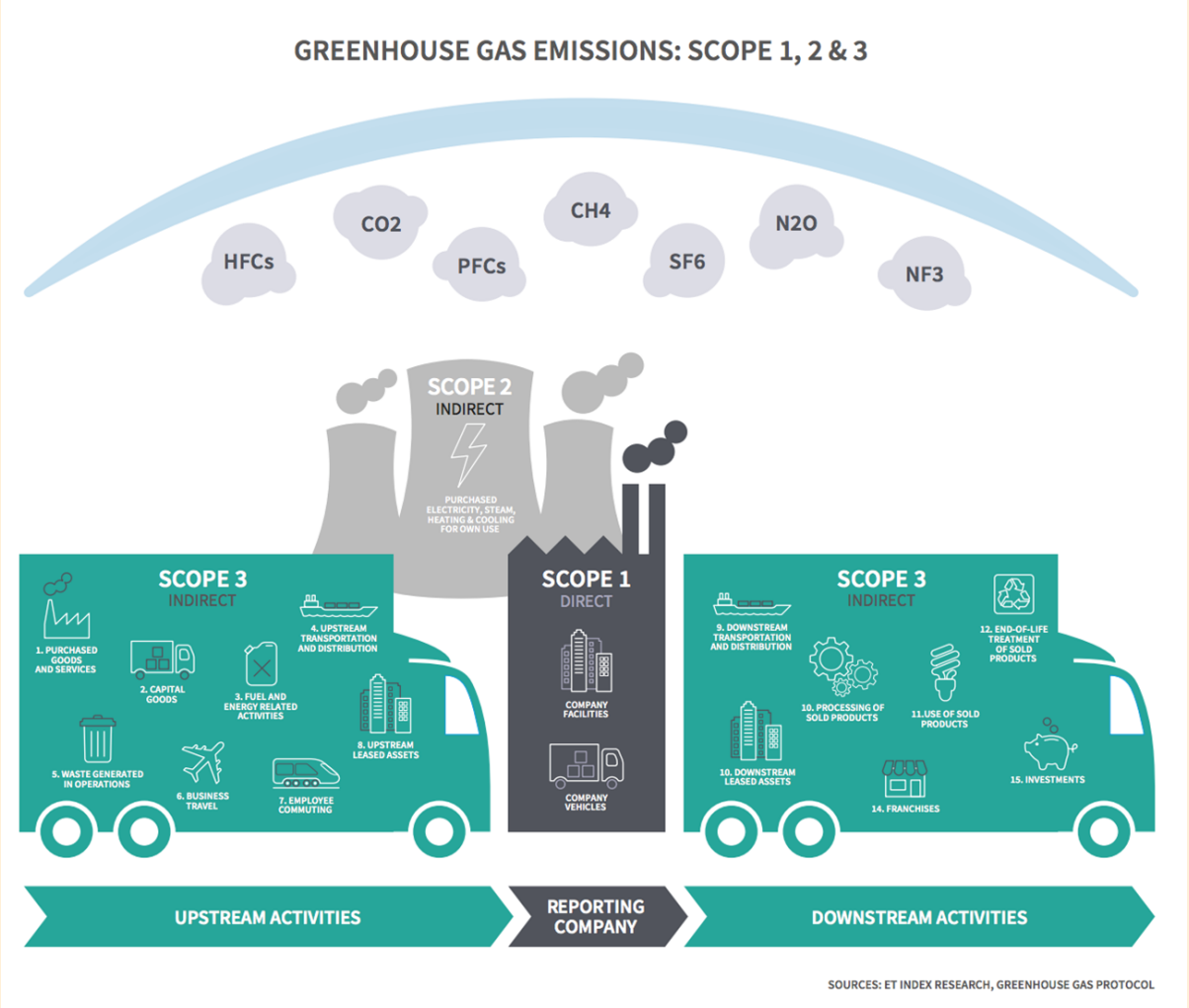
Introduction

The UK Climate Act 2019 made a law binding commitment for the country to reach net zero carbon by 2050. To achieve net zero we are required to cut our Greenhouse Gas (GHG) emissions to as close to zero as possible, only balancing the unavoidable residual emissions (no more than 10%) at the net zero target year. Without question, transitioning to net zero will be one of our greatest challenges as it requires complete transformation of the value chain.

Greenhouse Gas (GHG) emissions are the collective name given to the group of gases that trap heat in the atmosphere, the most common of which is Carbon Dioxide. The GHG Protocol, used to measure and track GHG emissions, has defined three different scopes of emissions. These scopes identify the source of emissions as follows:

> **Scope 1** - The emissions from sources that a company creates directly (eg., from burning fuel in gas boilers and in company owned vehicles).
>
> **Scope 2** - The emissions that a company creates indirectly, associated with the production of energy it purchases (e.g., electricity).
>
> **Scope 3** - The emissions that are not produced by the company itself, but by those within the company's value chain (e.g., from the procurement of goods and

services, employee commuting, and investment assets). Scope 3 is split further into 15 distinct categories.



Techspace is ambitious and has set a near-term target to reduce the Scope 1 and 2 emissions from our London sites by at least 90% by 2028. In addition to this, we will establish a specific near-term target for Scope 1 and 2 emissions across our Berlin sites by March 2023 once we have gained a full understanding of our landlord and the city's heating system.

We will also develop a specific near-term target for Scope 3 emissions by the end of 2024 once we have measured a Scope 3 emissions baseline. This will lead us to defining a data-led net zero target in line with climate science.

To achieve our targets, we will 'move with thoughtful pace' (one of our values), and have identified a robust and clear action plan to govern our progress. The purpose of this Net Zero Action Plan is to support the creation of a full roadmap to net zero carbon for Techspace. It will serve as a working document to track all decarbonisation solutions and progress against reduction targets.

We are working with Planet Mark during the delivery of our Net Zero Action Plan, and the solutions detailed within this plan will target the emissions we are currently measuring across Scopes 1, 2 and some limited Scope 3 categories.

Techspace aims to use this document to acknowledge gaps and explore future opportunities for improvement to ensure we are ultimately able to take a holistic, science-based aligned approach to de-carbonisation.

Governance

This Net Zero Action Plan will govern Techspace's current decarbonisation strategy, be future-focused to schedule ongoing decarbonisation projects and policies and ensure there is accountability within the business to carry out the steps to net zero.

Techspace is committed to full transparency of our decarbonisation efforts to avoid any reputational, legislative, and ethical risk of greenwashing. This means that all our commitments will be:

- Detailed;
- Verifiable;
- Communicated externally and;
- Tracked by an appointed external governance body.

It also means we will communicate clearly if we miss any targets, backed up with credible explanations, and update our plan to get back on track.

An annual governance review of this Action Plan will be carried out by Planet Mark and Techspace to ensure that:

1. Progress against our decarbonisation plans is tracked,
2. New technology is reviewed and incorporated where relevant,
3. Timelines are adjusted as required,
4. The roadmap remains aligned with science-based targets,
5. Accountability is assigned for all ongoing initiatives.

Drivers for change

Our Net Zero Plan is an extension of our values that continue to underpin everything we do. Foremost – We Care. We care for our people, the planet, and the success of Techspace as a business. We want to grow our business whilst leaving the world a better place for future generations.

The key drivers for becoming a net zero business are:

- **Culture** – Our internal culture is the most important driver for net zero. We are proud that Techspacers have been a key driver behind our plans and want to work for a company that is prioritising the health of the planet, doing the right thing and protecting the environment for future generations. Techspace feels a duty to act responsibly to ensure that we can continue to attract exceptional talent into the business while ensuring current employees are proud to be working here.

- **Members** – Our members are why we exist. Due to the cascading responsibility embedded within net zero frameworks, increasingly our members expect Techspace to be measuring, reporting, and reducing carbon emissions as part of their own decarbonisation plans. According to a recent study, 75% of adults in the UK worry about climate change. Customers are calling for greater transparency from businesses to report and disclose their impact on the environment and the communities that they work within.

- **Growth** – Having a credible net zero strategy is increasingly becoming the cost of doing business. We expect Landlords and Investors to increasingly require a clear and credible policy for net zero and sustainability in general. We believe that businesses that do not prioritise sustainability will be left behind, and are determined to be a leader in our sector. Prioritising net zero will enable Techspace to be resilient to external pressures and continue to grow into the future.

- **Investors** – To attract investors and maintain their trust, we must prove our resilience amidst a climate emergency. ESG (Environmental, Social, Governance) metrics are increasingly being scrutinised to assess investment performance. By working towards net zero, Techspace is giving investors the necessary confidence that we will continue to decarbonise.

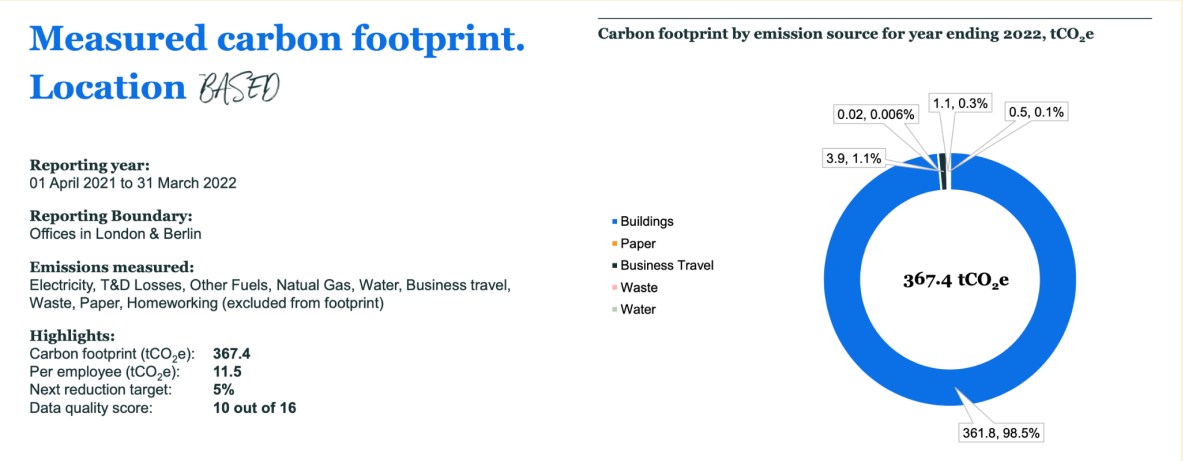
Baseline data

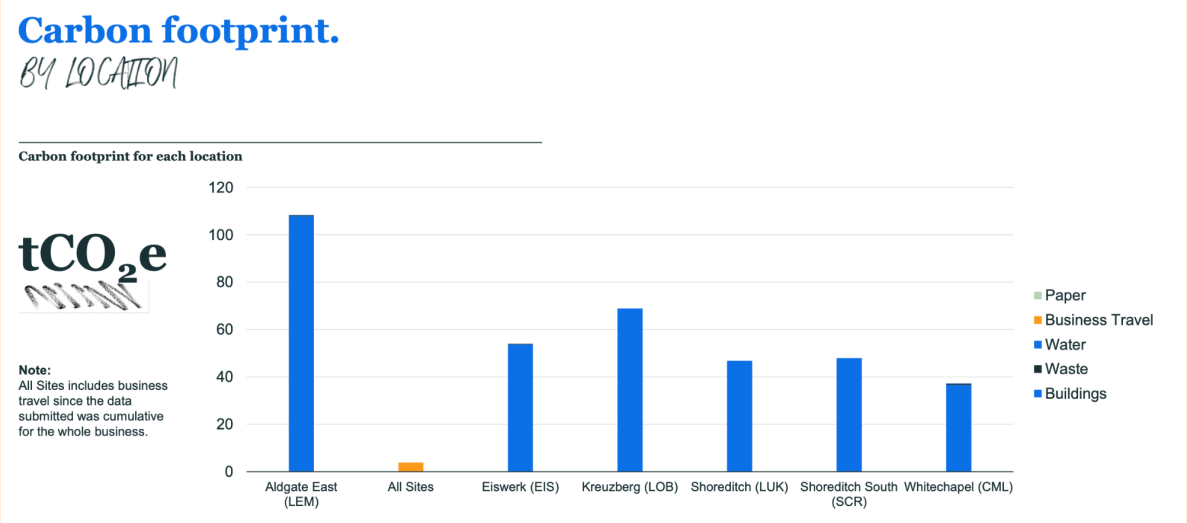
- Reporting Boundary: Offices in London and Berlin
- Scopes Measured: 1, 2 and some elements of Scope 3
- Baseline year reporting period: 01.04.2021 – 31.03.2022
- Total Carbon Emissions: 367.4 tCO_2e

Techspace is currently measuring emissions across Scopes 1, 2 and some 'core' elements of Scope 3. This carbon footprint has been produced by Planet Mark using their detailed and verified methodology for consumption data backed up with evidence provided by Techspace. The measurement methodology is fully aligned to Greenhouse Gas (GHG) Protocols.

As this is our first year of measuring our GHG emissions, there is still more data that needs to be reported to ensure a complete and robust net zero strategy can be developed. We will monitor our Scope 1 and 2 emissions annually and review targets as required. To improve our data quality and give a full understanding of our emissions portfolio we are committed to working with our landlords at our Berlin sites to understand, in more detail, the district heating systems and the opportunities for emissions reduction. We will also be setting targets for measuring and reporting against our wider Scope 3 emissions, which will give us full visibility of our complete carbon footprint.

Our full Planet Mark Business Certification report can be accessed at https://storage.techspace.co/marketing/v1/ch55f00i32gl47biiic0 but a high level overview of our current footprint is shown below:





Target setting

Techspace acknowledges that setting ambitious near-term and long-term net zero targets are key to galvanising action. The urgency of the current climate crisis requires that we must not let our desire for perfection be a barrier to progress.

Accordingly, while Techspace has not yet measured all material Scope 3 emissions, we are still keen to give ourselves goals to work towards.

In line with science-based targets to limit global warming to 1.5°C, Techspace will be determining a net zero target that aligns with the Climate Change Act 2021 to ensure net zero is achieved well ahead of the 2050 deadline.

In the interim, we have set ourselves a series of near-term targets that will deliver significant reductions from our measured baseline of 367.4 tCO_2e, and formalise our measurement strategy to ensure that our decisions remain data-led and time-bound.

- We are aiming to reduce Scope 1 and 2 emissions by at least 90% by 2028
- We will measure our material Scope 3 emissions by the end of 2024. This will enable us to develop a clear roadmap for reducing Scope 3 emissions, set associated near-term reduction targets, and identify an ambitious net zero target

Our plans to reduce emissions will be supported by an additional commitment

- Near-term neutralisation of emissions through accredited carbon removal offsetting schemes in the period up to 2028 as our actions to reduce emissions are taking effect

Solutions for decarbonisation

To radically reduce emissions, Techspace will pursue a combination of complementary solutions across all business operations. Solutions will aim to reduce consumption,

redesign for zero carbon and decarbonise the energy supply. To be as transparent as possible about all the initiatives we will be researching, piloting, and implementing, an appendix with full project details is included.

Scope 1 - The emissions from sources that a company creates directly (e.g., from burning fuel in gas boilers and in company owned vehicles).

As Techspace has no company fleet, the decarbonisation opportunities for Scope 1 related to reducing the consumption of gas within building heating systems and redesigning these systems for zero carbon heating infrastructure.

Scope 2 - The emissions that a company creates indirectly, associated with the production of energy it purchases (e.g., electricity).

For Techspace the main decarbonisation opportunity for Scope 2 is to reduce emissions associated with the electricity supply by reducing consumption and procuring 100% REGO backed renewable energy.

Scope 3

Key reduction opportunities for Scope 3 emissions will be added here once a full inventory analysis of material Scope 3 emissions has been conducted. The following categories of Scope 3 emissions have been identified as being material to Techspace:

1. Purchased goods and services
2. Capital goods
3. Fuel and energy related activities
4. Waste generated in operations
5. Business travel
6. Employee commuting

Summary

In summary, Techspace acknowledges the role that our business has in society's transition to a net zero carbon economy as a means of mitigating the worst impacts of climate change.

We have already made positive progress towards net zero carbon, including measuring, and reporting our Scopes 1, 2 and some 'core' Scope 3 emissions. We are aspirational in our net zero ambitions but are mindful that for them to be realised we must also measure and create a reduction plan for Scope 3 emissions..

We are optimistic in delivering our net zero plan and are committed to doing all we can to achieve net zero way in advance of 2050 with Planet Mark's continued support and governance.

Appendix

Project details

The table below summarises the decarbonisation projects required to successfully achieve our net zero action plan.

Foundation and other actions

Initiative	Timeline	Who	Cost	Carbon saving	Comment
Overall Net Zero Action Plan Governance	Mar 23	Jonathan James Kim		N/A	Create an approach to governance that creates momentum and visibility to deliver against plan. Appoint a dedicated person to drive plan (probably James) and consider expanding the DE&I group remit to have an involvement
Reevaluate Scope 1 and 2 baseline and adjust if required to take account of the fact that Apr 21-Mar 22 was likely to be a lower than average year for energy and travel emissions	Dec 23	Planetmark Jonathan James		N/A	Our current baseline uses 2021/22 data which maybe too low a baseline given the impact of Covid
Staff engagement/awareness programmes	Ongoing	Kim James			Annual PlanetMark Energiser
Develop methodology for providing each member with a certificate of emissions and energy usage from their Techspace membership	Dec 23	Planet mark Jonathan James			We want to be market leading in provisioning this information to our members and aspire to influence their decisions
Develop a high level guide of approximate carbon reduction for a member using flexible workspace in Techspace vs using their own office	Dec 23	Planetmark Jonathan James			We want to be market leading in provisioning this information to our members and aspire to influence their decisions
Develop a methodology for demonstrating a like for like comparison for carbon emissions when we take on new buildings	Dec 23	Planetmark Jonathan James			Like for like emissions will grow as we grow even though we may be reducing emissions by taking on an old building and replacing gas heating (one example).

Scope 1

	Initiative	Timeline	Who	Cost	Carbon saving	Comment
Reduce Consumption	Regular (gas) boiler maintenance	Ongoing	Rob S Eve S Georgie	-	Regular boiler and plant maintenance can add 10% efficiency p.a.	Reduce energy and resource use by ensuring that systems are running at highest efficiency level at sites with gas supply (Aldgate East, Shoreditch South, Whitechapel) to re-design for zero carbon.
	Exit Aldgate East	Jun'25	Rob Ryan	-	108.4 tCO2e	Aldgate East lease will be exited over the coming 3 years. A significant step given the use of gas for heating in the building
Redesign for Zero Carbon	"No gas" policy for new sites where under Techspace control	Now	Leadership	n/a	Avoid additional carbon emissions	Avoid needing to retrofit systems to re-design for zero carbon.
	Where reasonably possible, move from gas for new sites with gas heating under Landlord control.	Now	Leadership	n/a	Avoid additional carbon emissions	Endeavour to persuade landlord to move from gas OR Agree a transition plan as part of any new lease OR Agree for Techspace to take over responsibility for heating / cooling and implement our own transition plan
Decarbonise Energy Supply	Undertake discussions with Eis and Kreuzberg landlords to see if there is any opportunity to agree a transition plan away from gas heating	Dec 23	Rob S Eve	TBD	Assess gas usage. identify potential carbon saving	Not under our control but would be a significant reduction to our carbon emissions if an agreement was possible
	Complete a heat decarbonisation audit on Whitechapel (or alternative site)	Jun 23	James	£4 - £6k	Assess gas usage. identify potential carbon saving	Start the process of redesigning for zero carbon (to inform heat pump considerations for the long term). Start with research for one site that is fully controlled by Techspace (not Leman or Worship).
	Implement Heat Audit recommendations for Whitechapel unless cost prohibitive	Jun 24	James		As above	Implement a decarbonisation plan based on the Whitechapel audit. Dependent on cost and feasibility

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Scope 2

	Initiative	Timeline	Who	Cost	Carbon saving	Comment
Improve Data	Obtain Half Hourly Data (HHD) from energy suppliers	Mar 23	Damien	£0	-	To improve data and analysis. Lack of half-hourly data makes it difficult to assess opportunities to reduce usage at specific times/days/areas. Assess whether PlanetMark's HHD analysis tool will provide benefit to Techspace
Reduce Consumption	Develop a policy for heating in stairwells that balances member experience and use	Jun 23	Rob S Eve Georgie		Data granularity not available for estimate.	Have a policy. E.g., have timers for use at certain times, in particular months and thermostats for certain temperatures
	Develop lighting & heating policy including outside hours policy and evaluating PIR sensors and/or LUX sensors in all areas and implement	Dec 23	Rob S Eve Georgie	£60for PIIR, £70 for LUX per unit	10 – 20% saving on lighting	PIR sensors can be set to keep the lights on at certain times but will ensure lights are off when not required. Member experience needs to be balanced with energy consumption
	Consider changing TBV dark mode colour to navy. Measure impact prior to decision		Alex R		Up to 10% saving of the current energy used to keep them in standby	Changing the background colour could reduce energy consumption by 10%
	Regular maintenance of electrical heating + cooling systems (TM44 for current sites).	Jun 23	Eve Georgie	Est. 4k per site	Regular maintenance of HVAC can add 10% efficiency p.a.	Any offices with mechanical air-conditioning may benefit from electricity efficiencies from heating and cooling optimisation.
	Develop policy for Heating / Cooling in Meeting Rooms	Jun 23	Rob S			Consider options for and Develop policy for heating / cooling controls in Meeting Rooms. e.g., controlling temperature ranges allowed, daily / midday resetting of temperature
	Develop policy for Heating & Cooling in Private Offices	Jun 23	Rob S			Consider options for and Develop policy for heating / cooling controls in private offices. e.g., controlling temperature ranges allowed, daily / midday resetting of temperature
	Implement policy for Heating & Cooling in Meeting Rooms and Private Offices	Sep 23	Rob S			
	Replace any non-LED lights with Class A rated LED bulbs		Chris	Subject to full lighting survey.	Up to 70% saving per unit	Energy savings based on a standard benchmark of 70% reduction.
Redesign for Zero Carbon	Evaluate costs to install some / all new windows at Luke Street.	Jun 23	Rob R Georgie		Heat loss calculations undertaken to determine carbon savings from new, more efficient windows.	Likely only possible if linked to the overall refurbishment of the site. Please note, a full holistic energy audit will incorporate heat loss calculations and identify the projected carbon / cost savings by installing more thermally efficient windows.
	Install Building Management Systems in new buildings and evaluate Energy Intelligence Platforms for both new and existing buildings.	Jun 23	Alex	TBC	A well installed and managed BMS system will typically result in savings of up to 15%.	We will implement a Building Management System (BMS) in new buildings and evaluate the use of an Energy Intelligence Platform (EIP) in both new and legacy buildings. The BMS will allow us to monitor and control various systems, such as heating, ventilation, air conditioning, lighting, and security, in real-time. The EIP will collect data from the BMS and other sources, such as utility bills and weather data, to provide a comprehensive view of our buildings' energy performance. It will also use advanced analytics and machine learning algorithms to identify patterns and opportunities for energy savings.
Decarbonise Energy Supply	Evaluate all sites for possibility of maximising renewable energy from site	Dec 24	Rob R	TBD.		By generating its own electricity, Techspace will reduce reliance on the grid, energy costs and carbon emissions associated with the usage of the electricity. The current estimated payback of roof mounted solar PV is around 5 years based on current energy price levels. Would need to scope into new site negotiations. Planet Mark can assist with onsite renewable feasibility studies if requested.
	Switch to 100% REGO backed renewable energy contracts on buildings where we manage energy contracts	Dec 23	Damien	Dependant on available tariffs	Up to 102.9tCO2e if across full building portfolio	By migrating all sites onto renewable energy contracts (REGO backed), you can decarbonise the energy supply and reduce market-based Scope 2 footprint to zero. Contract up next summer. Planet Mark has a Clean Energy Sourcing division that may be able to support Techspace on clean energy procurement.
	Negotiate plan for 100% REGO backed renewable energy contracts on buildings Landlords control.	Dec 23	Damien		Up to 102.9tCO2e if across full building portfolio	We cannot control but can influence. Need to engage with landlords as well. Planet Mark has a Clean Energy Sourcing division that may be able to support Techspace on clean energy procurement.

Scope 3:

Purchased goods and services

	Initiative	Timeline	Who	Cost	Carbon saving	Comment
Improve Data	Pending Scope 3 baseline: As security and clearing contracts expire, ensure contractual language allowing us to evaluate their impact on our Scope 3 emissions	Dec 23	Rob S Eve Georgie		n/a as not in baseline	Cleaning & Security are likely to represent our most significant contributors to our Scope 3 emissions
	Pending Scope 3 baseline: Partner with cleaning companies in London and Berlin to understand impact on carbon emissions and identify quick wins for early implementation.	Sep 23	Rob S Eve Georgie		n/a as not in baseline	Cleaning represents one of our of most significant costs and subcontracted activities and is therefore likely to be a key contributor to our Scope 3 emissions
	Pending Scope 3 baseline: Partner with security companies in London and Berlin to understand impact on carbon emissions and identify quick wins for early implementation	Sep 23	Rob S Eve Georgie		n/a as not in baseline	Security represents one of our of most significant costs and subcontracted activities and is therefore likely to be a key contributor to our Scope 3 emissions

Business Travel

	Initiative	Timeline	Who	Cost	Carbon saving	Comment
Reduce Consumption	Review our travel policy for all journey types	Mar 23	Kim	-		Including train travel required for any train trip of less than 5 hours. Plan journeys well in advance to make the most of the trip.
	Create travel hierarchies to support decision making for 'in city' travel	Mar 23	Kim	-	Fewer taxi journeys = less carbon emissions	Upskill and build knowledge in the team on smart decision making to challenge the need, frequency, and mode of travel.
	Create 'minimum work requirements" for international flights to be permitted	Mar 23	Kim	-	Fewer flights = significantly less carbon emissions	Create a key KPI to track progress and monitor the impact on travel on the footprint – especially as you look to develop the business across more territories.
	Personalised "Travel carbon footprint" tracker by Techspacer	Jun 23	Damien Alex	TBD		Create a simple log of business travel which summarises flights or train, airport to hotel journey and gives a personalised carbon summary from travel.
	Create a simple governance or audit approach to ensure compliance and monitoring of policies created above	Mar 23	Damien	-		Policies are fine but only effective if they are "lived"

Employee commuting

	Initiative	Timeline	Who	Cost	Carbon saving	Comment
Reduce Consumption	Develop and implement a simple approach to measuring carbon impact through quarterly survey, travel method and estimated carbon impact of journey type	Sep 23	Kim		n/a as not in baseline	Commitment to start to measure and evaluate ways to influence and potentially incentivise lower carbon employee commuting

Carbon Offset Strategy

	Initiative	Timeline	Who	Cost	Carbon saving	Comment
Near-term plans for emissions from air travel	Develop an offset plan (inc timescale and cost) for flight emissions where alternatives are not viable (e.g., Berlin).Aspiration is to offset from Jan 24	Jun 23	Jonathan James			Prioritising first, a reduction of emission where practically possible and only offsetting emissions associated with residual flight considered unavoidable as alternatives to flying are impractical for Berlin due to travel time.
Offsetting emissions during the period to 2028 to be Carbon Neutral	Develop a Transitional Offset plan, including setting targets themselves, to neutralise a significant proportion of our carbon emissions in the period to 2028 whilst our actions to reduce emissions are taking effect and with the aspiration of becoming Carbon Neutral by 2026	Jun 23	Jonathan James			Only a maximum 10% of our full carbon footprint can be offset (using accredited carbon removal offsetting schemes) at the net zero target year. On the journey to net zero PAS2060 aligned Carbon Neutrality can be a useful way to demonstrate commitment and that sustainability is a business priority but should not inhibit action to reduce emissions.

Thank you

If you have any questions about Techspace's Net Zero Action Plan, please contact net-zero@techspace.co

With special thanks also to PlanetMark, for guiding us through our People + Planet plan, and helping us deliver on something we care deeply about.

www.techspace.co

Jonathan Bevan

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