

Environmental, Social and Governance Strategy

NewFlex's vision and
commitments on ESG

June 2024



 **NewFlex**
Activating space

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Our ESG Strategy

Our Purpose

To support businesses, start-ups and entrepreneurs with affordable and fully flexible workspace and help them grow and prosper.

Our Strategy

To help businesses, start-ups, and entrepreneurs to unleash their potential and to grow by providing the workspace they need.

Our Priorities

1. Provide a great place to work for everyone
2. Deliver sustainability for a better future
3. Operate transparently and responsibly

Our Objectives

Social



1. Provide a great place to work for our customers
2. Provide an excellent place to work for our employees
3. Positively impact the communities around us

Environmental



1. Advocate for sustainability
2. Optimise our inputs
3. Reduce our outputs

Governance



1. Maintain transparency across our business
2. Operate a fair, honest and responsible supply chain and safeguard human rights
3. Manage responsibly future risks and opportunities

Result

Responsible economic growth and prosperity

Our Mission

In the ever-evolving realm of the workplace, our commitment is to bolster businesses' success through the promotion of well-being, diversity, and innovation.

This commitment underpins our approach to Environmental, Social and Governance (ESG). Our standards are:

- **Provide a great place to work for everyone**
- **Deliver sustainability for a better world**
- **Operate transparently and responsibly in all that we do.**

At the heart of our operations, we specialise in curating and managing dynamic, adaptable, and profitable workspaces, tailored to meet the diverse needs of our clients. Our commitment extends beyond the physical space; we provide comprehensive support to businesses occupying our premises with access to advice, innovation support and finance. Through a portfolio of workspace brands, complemented by our expertise in marketing and sales, we ensure that we meet the demands of our customers.

Our values are: Being Smart, Supportive, Prudent, Straightforward and Responsible. We live and breathe these values in everything we do.

As we expand across the UK, we recognise the challenge and the opportunity ahead of us. We are uniquely positioned to maximise our positive impact, and hope that by formalising our ESG goals we can improve our impact through our ESG strategy.

We hope you enjoy learning more about our commitments. If you'd like to find out more, please visit newflex.com/esg.

Best wishes,

Steve Jude, NewFlex CEO





Social

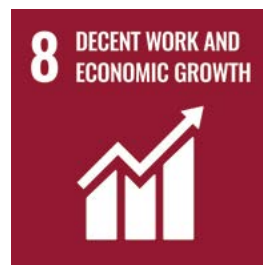
Our commitment

To provide a great place to work for everyone

In 2015, the United Nations Sustainable Development Goals (SDGs) were adopted by the 193 Member States in a bid to ensure **prosperity for all** by 2030. Business engagement with the SDGs opens business opportunities, whilst finding shared value for the communities where we all live and work. NewFlex works with UK businesses to accelerate sustainably the pace and scale of their work and therefore helps to deliver the UN Sustainable Development Goals.

We help businesses on their journey from start to continuous growth. We help people access flexible workspaces and professional communities – to support the growth of their businesses, which all contributes to the UN goal of prosperity for all. We focus our recruitment policies on finding the best people, and we offer training and development opportunities to provide satisfying and fulfilling careers at NewFlex.

In order to maximise our social impact, we are focusing on the following four SDGs where we are confident we can make the greatest contribution:



Each year, NewFlex helps businesses, startups and entrepreneurs across the UK to access flexible workspaces so they can realise their potential and support business growth. We are passionate about helping businesses to thrive, at whatever stage of their growth journey. We want to maximise our impact, so we have developed three objectives to enable us to achieve this.

Our Objectives

1. Provide a great place to work for our customers
2. Provide an excellent place to work for our staff
3. Positively impact the communities around us.

In the following section, we describe how we plan to deliver on our objectives and the goals we are committing ourselves to.









Delivering on our Objectives

1. To provide a great place to work for our customers

NewFlex has unrivalled scale and experience in hybrid and flexible working. **For over 25 years**, we have delivered and managed a range of branded solutions for every type of building, in every type of location, for every type of occupier. This includes the flexibility for landlords to develop their own brand. NewFlex operates across a range of flexible space solutions across the UK, with 40+ locations from Aberdeen to Brighton and everywhere in between, including London, Oxford, Reading and Cambridge.

Our portfolio of workspace brands

	<p>easyHub is the place where businesses thrive. It's where businesses meet with their customers, secure that all-important business deal, create the next big idea and take on the world.</p>
	<p>Citibase's unique 'Freedom At Work' branding focuses on giving individuals and businesses the independence, flexibility, control, support and confidence to create, run and enjoy their business.</p>
	<p>The Quad's unique, holistic approach to workspace focuses on giving its members and businesses the inspiration, connectivity, flexibility, support and confidence to enhance their business and watch it thrive.</p>
	<p>Bold locations are creative environments designed to inspire innovative thinking and collaboration, while maintaining a healthy balance between private meetings and flexible working.</p>
	<p>Serendipity Labs are carefully designed to unlock the potential of our members, and to serve as an upscale, enterprise-class workplace offering—not just another pretty workspace. By giving people premium, flexible options to work how they want and need, Serendipity Labs accelerates innovation and productivity through personal and professional transformation.</p>
	<p>White Label: We support our clients to design and curate their new bespoke workspace brand. Our White Label brands currently include The XCHG at 22 Bishopsgate and Fredericks at The Insurance Hall.</p>



In our contribution to the SDG of **Decent Work and Economic Growth**, we believe that we are supporting sustained and inclusive economic growth that drives progress and creates decent jobs by providing flexible workspace, accessible for all SMEs and entrepreneurs.

A great place for businesses and entrepreneurs to feel inspired at work

We are committed to ensuring our spaces provide inspiration to our customers, and that's why we offer:

- **Flexible, short-term contracts for businesses.** We know cashflow is important for businesses, and therefore we support businesses with flexible short-term contracts to support business growth.
- **Community events** and activities hosted by us or businesses who can host their own event within our space.
- **Beautiful spaces** to work with on-site hospitality and business teams, membership lounges, complimentary premium tea and coffee, high-tech meeting rooms, and wellness rooms where appropriate.
- **Business support.** Access to advice, innovation support and finance through our parent company, Newable where possible.
- **Supporting social enterprises:** In some of our locations, we offer reduced fees for social enterprises. For example, UrbanMBA who provide education to under-represented young people benefit from reduced pricing at the XCHG.



The Quad Summertown



2. Provide an excellent place to work for our staff

In our commitment to **Decent Work and Economic Growth**, we are continually striving to ensure that NewFlex is a great place to work, where our people demonstrate our values in all that they do and where contributions are welcomed and recognised.

We want to be rated as a Top 100 UK employer by 2028. We have been recognised and obtained a 1-star rating in the Best Companies employee engagement surveys in 2022 and 2023, which demonstrates our commitment to this target. We have a number of initiatives in place to help to achieve our target of being an excellent place to work.

- **Learning, development & coaching.** Employees have access to our Learning and Development Framework, designed to support employees in both their professional and personal growth. Employees also have access to online and in-person training sessions aimed to expand their skillsets and build confidence. If our people would like to undertake additional training to enhance their current role or prepare for a future one, they can request NewFlex assist with the costs of their course.
- **Workplace policies/practices focused on creating happier space.** On-going health and wellbeing programmes, employee assistance programme, flexible working policies.
- **Employee of The Month Recognition Scheme.** NewFlex employees can be nominated and recognised for their performance, attitude, behaviour and actions.

Advocating equality, diversity and inclusion

In developing the workplace for our people, we focus on equality, diversity and inclusion policies and on our on-going commitment to reduce gaps in gender or ethnic pay. This ensures we contribute to the **Gender Equality** and **Reduced Inequalities** SDGs, helps us to hire the best people for any role, and provides us with the ability to reward performance in a fair, transparent and consistent way. Each year, we undertake voluntary Gender Pay Gap reporting to help us monitor our Gender Pay Gap and identify opportunities to improve this.



NewFlex employees celebrating International Womens Day



Promoting health and wellbeing

In our contribution to the **Good Health and Wellbeing SDG**, we promote and encourage a healthier and happier workplace through our **Health and Wellbeing Programme**. These programmes provide financial, physical and mental health and wellbeing support for all of our people. These include:

- a dedicated team of Mental Health First Aiders who can signpost the right help and support
- an Employee Assistance Programme with a 24-hour confidential helpline
- regular internal communications to promote awareness and support for our health and wellbeing events; for example Mental Health Awareness Week.

3. Positively impacting our communities

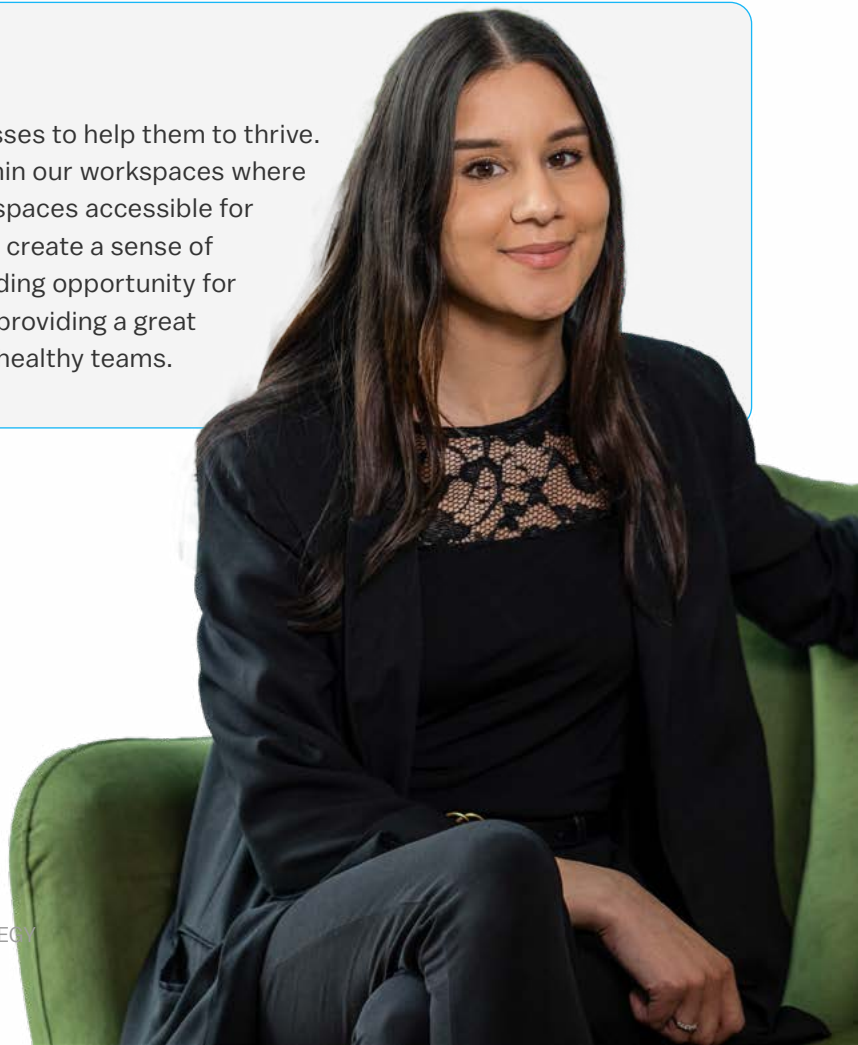
We operate in the heart of local communities, and as such, we are committed to positively impacting these communities. We provide fundraising support and volunteer our time to a number of charities and good causes within our local communities, and full-time employees are able to take two days per year for volunteering.

We also actively work on fostering a sense of community within our workspaces. Our teams create opportunities for businesses to engage with each other through community events, giving customers the opportunity to network and engage with other businesses.

Social Summary

We inspire, engage and connect UK businesses to help them to thrive. Our support is amplified across the UK within our workspaces where our teams strive to create welcoming workspaces accessible for all SMEs and entrepreneurs. We also aim to create a sense of community within these workspaces, providing opportunity for connection. Internally, we're committed to providing a great workplace, with motivated, supported and healthy teams.

Laetitia Rattu, Head of HR, Lead for Social





Environmental

Our commitment

To deliver sustainability for a better future

At NewFlex, we are committed to ensuring we limit our impact on the environment and address climate change for our clients, our customers, our company, and the planet. Everyone must play their part in this and, as a trusted adviser to landlords and service providers to those working in our spaces, it is our responsibility to ensure the ecosystems we develop are sustainable. To ensure that we act responsibly throughout our business operations, we have developed and monitor an Environmental Management System at each business centre.

Under our commitment to the United Nations Sustainable Development Goals, we have identified three SDGs through which we can make the greatest contribution to the environment:



We are also committed to the Paris Agreement and its aim of limiting the increase in the global average temperature to below two degrees Celsius

Our Objectives

To deliver on our commitment to these goals, we have developed a comprehensive package of programmes so that we can:

1. **Advocate for sustainability**
2. **Optimise our inputs and**
3. **Reduce our outputs.**

We have set ambitious targets to reduce our environmental footprint and we rigorously examine our policies and practices to ensure consistency across all parts of our business.



Delivering on our Objectives

1. Advocate for sustainability

We support 2,000+ businesses every year with 15,000+ workstations, offering them complete flexibility - from the traditional office space to day-passes and anything in between. We know that the environment and office space sustainability really matter to our customers and we work with them to ensure that together we can deliver a more sustainable future for all.

We contribute to building an ecosystem where everybody works together to collectively reduce our environmental footprint.

Our commitments are:

- all our sites to have bespoke Environmental Management Systems (EMS),
- we will use 100% renewable energy by 2035,
- we will track our inputs & outputs, and commit to year-on-year reduction in both for a fully operational site,
- we will work with our supply chain to stop single-plastic purchases.



Moss wall at the XCHG, 22 Bishopsgate



We also ensure that our suppliers are signed up to our Supplier Code of Conduct, advocating for similar environmental commitments by implementing EMS as appropriate for their businesses, and aligning with best practice activities including the following:

- Minimise harm to the environment
- Assess business carbon footprint
- Optimise inputs
- Reduce outputs
- Set environmental targets and timeframes
- Track performance and report environmental improvements
- Advocate for sustainability

Our unique position in the market means that we are ideally placed to influence and support businesses from enterprise through to SME so their growth is sustainable, and this extends to all our clients and partners.



The Quad Cambridge

2. Optimise our inputs



Energy: NewFlex pledges to reduce our energy consumption to the minimum possible and to use 100% renewable electricity by 2035.



Energy efficiency: NewFlex has compared carbon emissions data against benchmarks set by the Chartered Institution of Building Services Engineers (CIBSE) Guide F. All our office sites surpass the 'Typical Practice' benchmark, with some NewFlex offices surpassing the 'Good Practice' benchmark, indicating significant progress in improving energy efficiency.



Certification: We intend to achieve appropriate environmental certification at all NewFlex locations and hold Green Mark for our sites. We also aim to become B-Corp certified by 2027.



Offsetting: We include a carbon offsetting fee in all proposals to ensure we can minimise the impact on the environment. This focus on ESG is highly popular with our landlord clients who themselves look for ways to operate in environmentally friendly ways.

3. Reduce our outputs



Carbon emissions: NewFlex aims to reach Net Zero by 2035 in its Scope 1 and 2 CO2 emissions to help limit the rise of global average temperature. We are dedicated to the reduction of our carbon footprint. As part of this journey, we have partnered with Ecologi to help us offset the emissions we cannot reduce and fund climate projects worldwide.



Reporting: Our EMS, which we introduced in 2021, allows us to deliver comprehensive required and voluntary reporting (such as Streamlined Energy and Carbon Reporting or SECR and the Energy Savings Opportunity Scheme or ESOS). This required and voluntary reporting also helps us in understanding our carbon footprint and will allow us to develop a Carbon Roadmap to Net Zero-through the implementation of energy-efficient and low-carbon solutions and carbon off-setting projects.



Direct waste: NewFlex helps to decrease waste by ensuring that the majority of output forms part of a circular economy. We also commit to sending No Waste to Landfill by 2030 and eradicate all single-use plastic from our business by 2030.



Re-using: Core to our business strategy is to find ways to bring life back to older buildings. Through ensuring we use already constructed buildings, we seek to retain as much of the original concrete as possible and avoid unnecessary building works.

We will achieve this by aligning our business with the principles of Refuse, Reduce, Reuse, Repurpose and Recycle - but also by introducing new technologies that offer alternatives to paper and deliver increases in efficiency. For example, due to hybrid working, occupiers are demanding flexible terms, resulting in smaller footprints.

Environmental Summary

We believe that sustainability should be an important consideration in all our business decisions, and, to that end, we communicate our environmental aims clearly and encourage and support our people, our clients and our customers to align with them.

NewFlex embraces the challenge and is committed to achieving sustainability by working in partnership with our clients, customers and our suppliers across our UK sites.

David Foley, Estates Director, Lead for Environmental





Governance

Our commitment

To operate transparently and responsibly in all that we do

NewFlex is committed to the highest standards of corporate governance. Our Group Board is responsible for ensuring that we have the structure, strategy and people to deliver corporate governance that is effective, visible and transparent.

This includes not only complying with corporate governance codes and best practice, but also adopting strong risk management processes, robust anti-corruption policies and an ethical approach to both the spirit and letter of the law in general (including tax law).

To support our commitment to strong governance and ESG as a whole, we are reporting against **Sustainability Accounting Standards Board (SASB) Standards** on a yearly basis.

Our approach to strong corporate governance brings key benefits. Firstly, it aligns us all with our company values, and encourages the same positive behaviour from employees across all of our businesses. Secondly, there is a clear and demonstrable link between organisational governance and rapid decision-making for improved performance. Our approach to good corporate governance is core to who we are and also supports our performance, ensuring longevity and helping deliver more value to our customers.

Our Objectives

Our corporate governance framework contains three key objectives:

1. **Maintain transparency across our business**
2. **Operate a fair, honest and responsible supply chain and safeguard human rights**
3. **Manage responsibly future risks and opportunities.**



Delivering on our Objectives

1. Maintain transparency across our business

NewFlex applies a high standard of corporate governance, proactively seeking objective challenge during the normal course of its business.

We take financial crime extremely seriously, and have rigorous anti-money laundering processes in place. This includes full compliance with the UK Bribery Act, 2010, which provides for the prosecution of both individuals and companies for bribery offences, and with related legislation, including the US Foreign Corrupt Practices Act, 1977. Our anti-financial crimes policies comply fully with FCA requirements.

All our memberships include access to our enterprise-grade technology infrastructure that adheres to various industry compliance standards.

2. Operate a fair, honest and responsible supply chain and safeguard human rights

Governing our supply chain

Our procurement is based on objective criteria reflecting the principles of non-discrimination, equal treatment, transparency, procedural fairness, mutual recognition, proportionality and business efficiency.

To support this, we have an enhanced Supplier Code of Conduct which was launched in 2021 and which builds on our existing third-party assurance process. This code requires all significant suppliers and counter-parties to confirm their approach and policy in relation to key standards, including environmental policy, anti-corruption, corporate governance, data protection and the treatment of staff.

We already carry out due diligence on prospective partners and suppliers and they are expected to agree to our contractual terms and conditions, confirm they will comply with our policies and provide their services in accordance with all applicable laws and regulations.

Safeguarding human rights

NewFlex has a zero-tolerance approach to any form of modern slavery and tries to act in an ethical manner, with integrity and transparency in all dealings. We have systems in place to safeguard against any form of modern slavery or human trafficking in our businesses, partnerships or supply chains.



Mark Pearson Founder of Fuel Ventures talks to entrepreneurs at the XCHG



Our commitment in our Modern Slavery Act Statement newflex.com/modern-slavery-act-statement is very clear: we will always treat people in our businesses, partnerships or supply chains with respect and we expect our people, suppliers and partners to act responsibly and to comply with this at all times.

3. Manage future risks and opportunities

The identification, reporting and management of NewFlex risks is of increasing importance to the Board given our ambitious growth agenda. It is imperative that we manage risks effectively both internally and throughout partnering with the right business partners.

Our Risk Framework

NewFlex has developed a comprehensive risk framework to manage the key risks. This risk framework promotes:

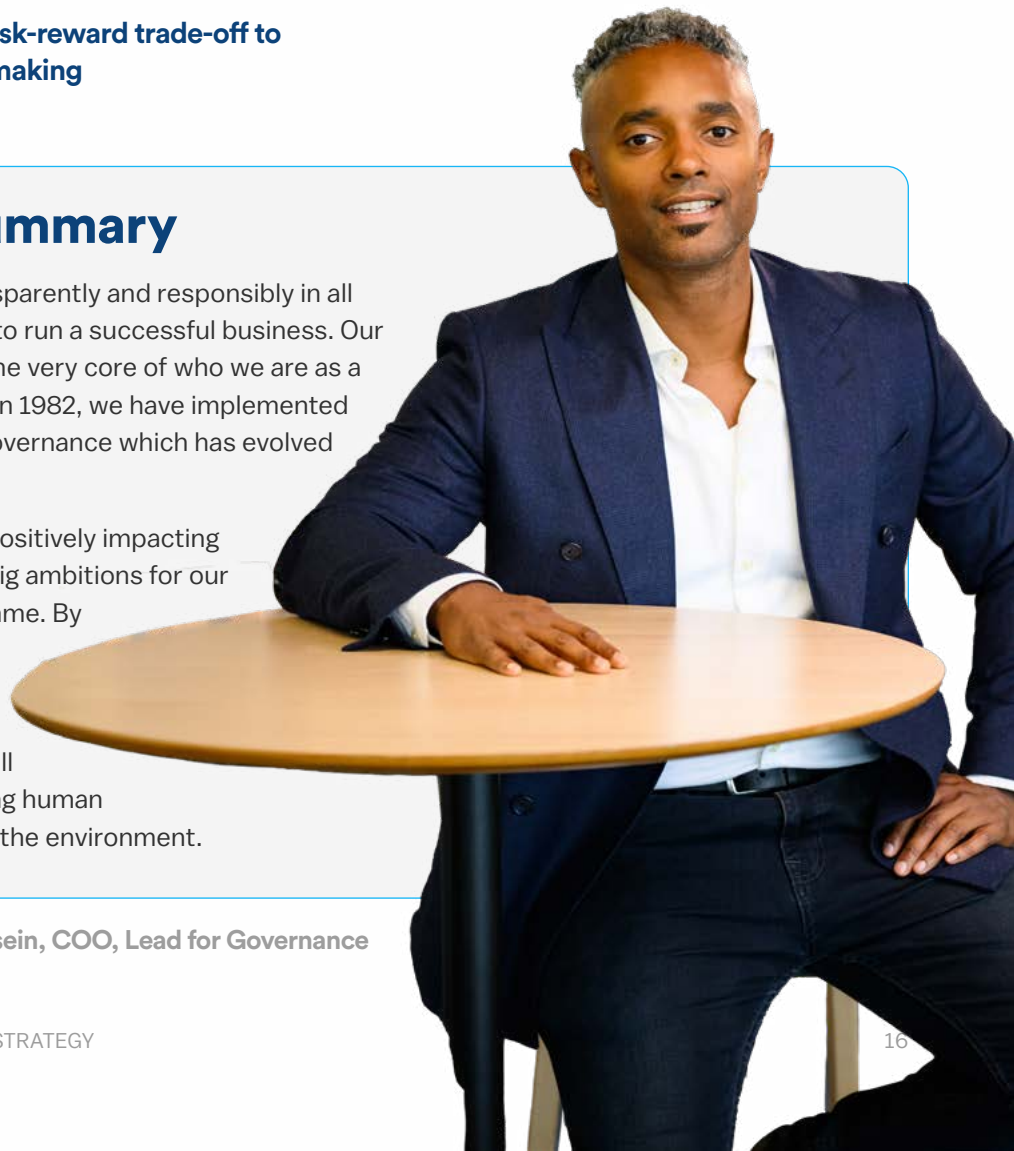
- 1 A positive risk culture throughout our business**
- 2 A culture supporting open and honest conversations surrounding uncertainty and opportunity**
- 3 A clearly defined risk-reward trade-off to improve decision-making**

Governance Summary

We believe that operating transparently and responsibly in all that we can do is the only way to run a successful business. Our approach to governance is at the very core of who we are as a business. Since our formation in 1982, we have implemented a high standard of corporate governance which has evolved as we have grown.

We embrace the challenge of positively impacting those around us and we have big ambitions for our supplier due-diligence programme. By working with companies who also deploy a high standard of governance, and whose values therefore align with ours, we will play a larger part in safeguarding human rights and positively impacting the environment.

Azim Hosein, COO, Lead for Governance

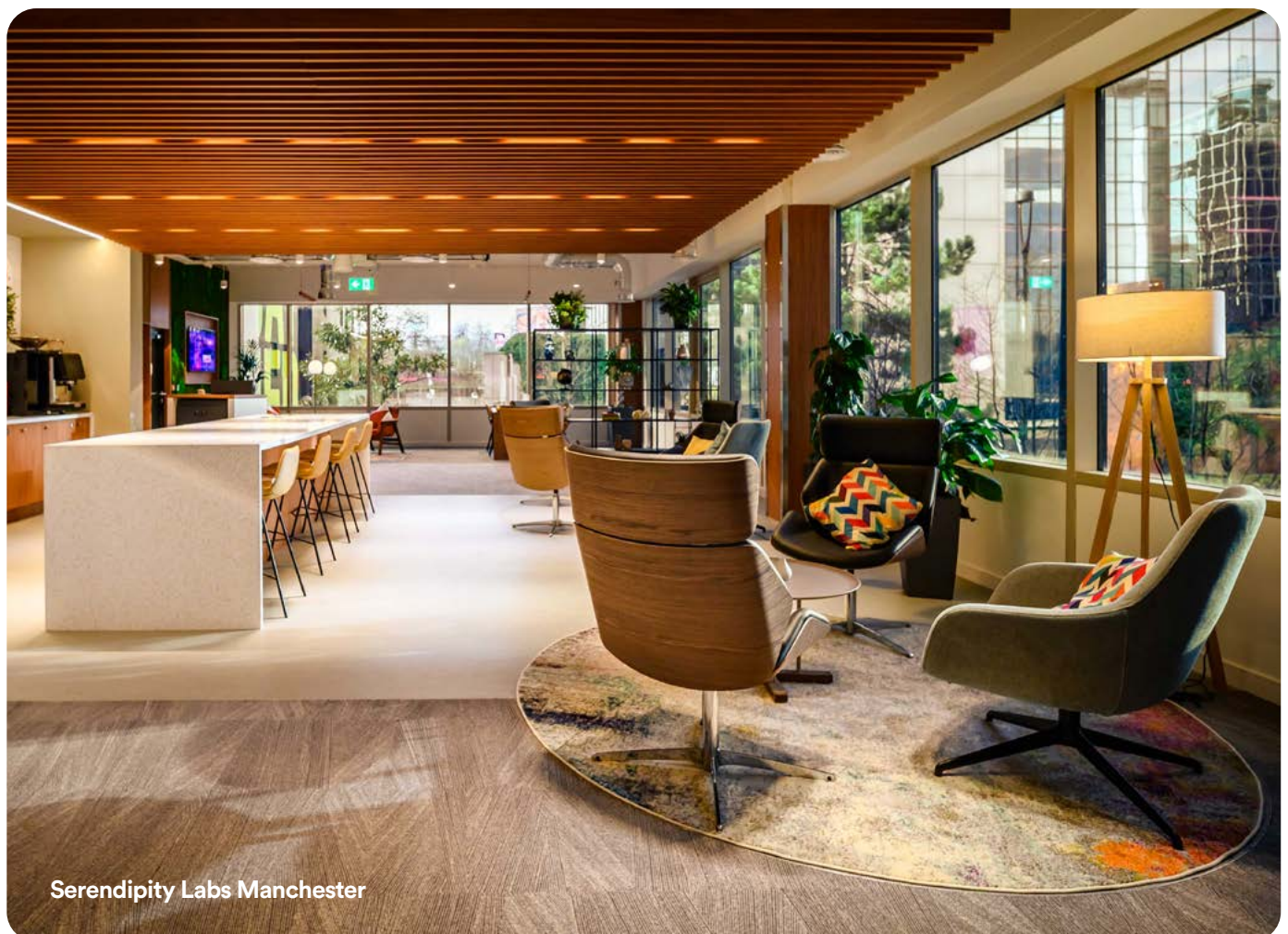


ESG Strategy Summary

We're committed to enhancing our positive impact through the development of a robust, clear and concise ESG strategy. Within each area, we've outlined clear objectives which aim to focus our efforts and which ensure that we are able to maximise our impact by focusing on the key areas where we can engage and influence our stakeholders. Our objectives are thought through, aligned to our company values, and support the UN SDGs, so we can best use our skills and experience to work towards building prosperity for all.

We believe we can **deliver real change** both within our organisation but also within the thousands of businesses we work with each year. We have a clear roadmap ahead of us – and a lot of work to do. We look forward to delivering on our commitments to support prosperity for all.

Please visit newflex.com/esg for more information.



Serendipity Labs Manchester

Our Road Map to ESG Goals

		FY25	FY26	FY27
Social	Overall Best Companies Index score with accreditation by 2027 (Three star rating - score threshold 738)	660 1 star rating	690 1 star rating	720 2 star rating
	Best Companies well-being factor score (maximum 7)	5	5.2	5.4
	Exceed 19.3% employed from an ethnic minorities background (Equivalent to UK population rate) (Target may change in line with census results)	Y	Y	Y
	Less than (<) 5% median pay gap for gender by 2030	12.5% or below	10.5% or below	9% or below
	Maintain median pay gap for ethnic minorities below 5%	Y	Y	Y
		FY24	FY25	FY26
Environmental	Reduce greenhouse gas emissions per employee by 2035	10% reduction year-on-year	10% reduction year-on-year	10% reduction year-on-year
	Chartered Institution of Building Services Engineers benchmark carbon emission rating	50% to fall within "Good Practice"	60% to fall within "Good Practice"	70% to fall within "Good Practice"
	% of NewFlex offices certified with the appropriate environmental certification	70%	80%	90%
	Reducing single-use plastic purchasing to zero by 2030			
		FY24	FY25	FY26
Governance	Report against Sustainability Accounting Standards Board framework	Y	Y	Y
	Acquire B-Corp certification by 2027	N	N	Y
	Enhanced Supplier Assurance Process in Place	n/a	Y	Y
	Anti-financial crimes policies are aligned with FCA regulations and comply with UK Bribery Act 2010	Y	Y	Y

 **NewFlex**
Activating space