

Sustainability Capital Markets Event

Generating long-term value for all
our stakeholders

10 May 2022

Exmouth House, Clerkenwell

Corporate calendar

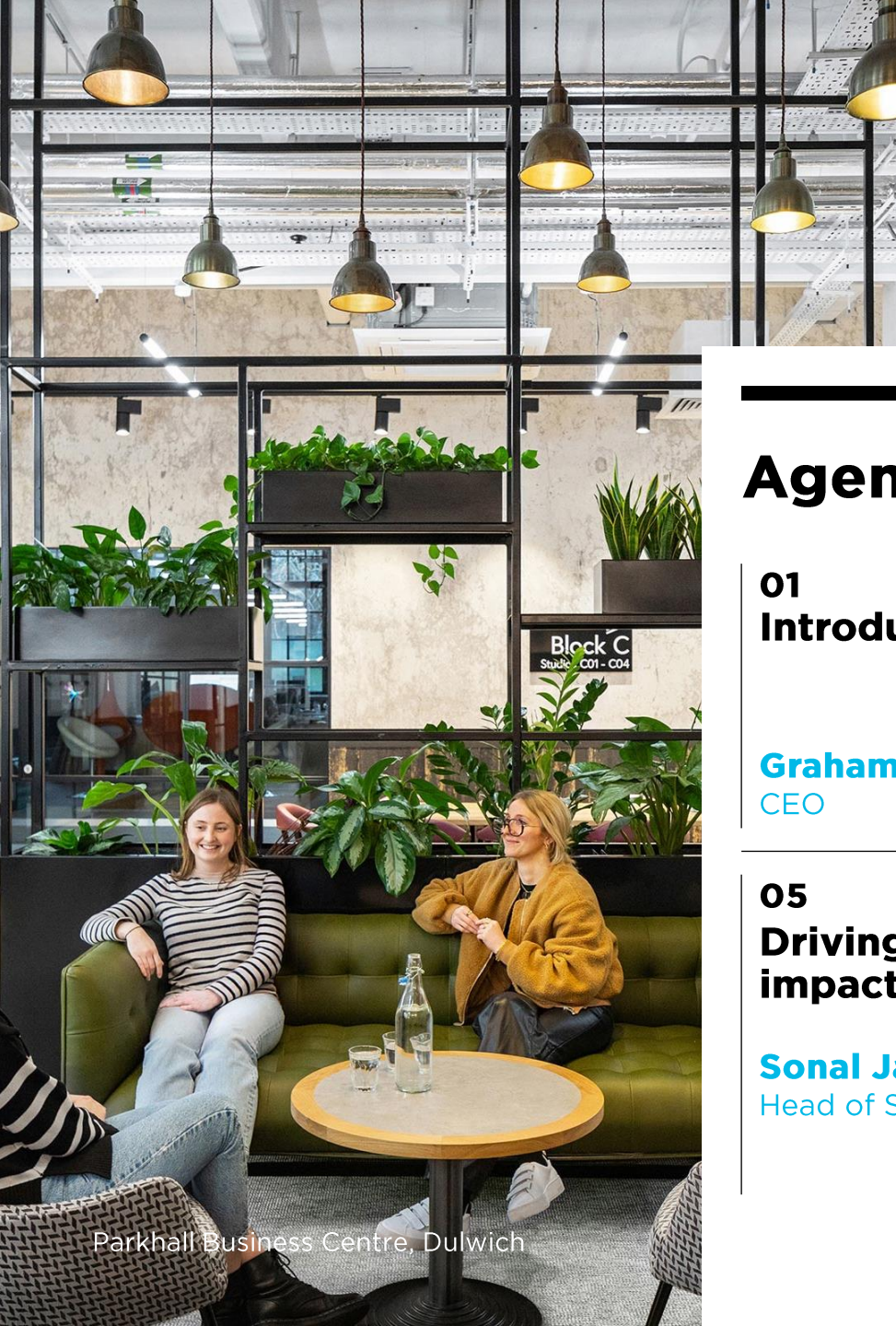
Trading update - 7
April

McKay acquisition -
6 May

Sustainability
update &
presentation today

Full year results - 8
June





Agenda

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Introduction

Graham Clemett
CEO

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Our sustainability approach

Sonal Jain
Head of Sustainability

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Sonal Jain
Head of Sustainability

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Dave Benson
CFO

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Sonal Jain
Head of Sustainability

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Sonal Jain
Head of Sustainability

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Workspace Team

Sonal Jain
Claire Dracup
Leo Shapland
Bryony Gerega

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A sustainable business

Graham Clemett
CEO



Introduction

Graham Clemett
CEO



Introduction

An inherently sustainable business

**Our purpose is
to give businesses
the freedom
to grow.**

Our strategy



Driving customer-led growth...



...and delivering operational excellence...



...whilst always being sustainable.

We aim to create a flatter, fairer more sustainable London.

Introduction

Governance & Accountability

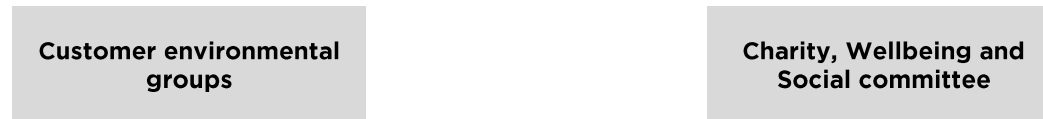
Management



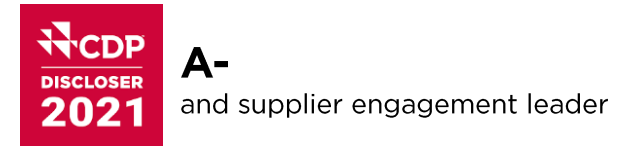
Operational



Champions



ESG ratings & memberships



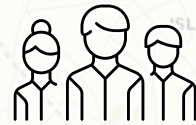


Our sustainability approach

Sonal Jain
Head of Sustainability

Our sustainability approach

As home to London's brightest businesses, as custodians of some of the most iconic buildings in London and as a responsible employer, we believe that sustainability is crucial to our long-term success



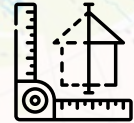
3,000+
customers



30,000+
people in
our buildings






14
boroughs






4m+
sq. ft.




Our sustainability approach







 Energy	 Carbon	 Waste
---	---	--

 Skills and employment	 Homelessness
--	---

 Wellbeing	 Fair wages and work
--	--

 Water	 Nature & Biodiversity	 Transport
--	--	--

 Prosperous neighbourhoods	 Local environmental stewardship
--	--

 Diversity and inclusion	 Connected and engaged customers
--	--



Driving environmental impact

Sonal Jain
Head of Sustainability

Driving environmental impact

Ensuring a timely transition to net zero carbon



How we are driving impact

Ensuring a timely transition to net zero carbon

Net Zero Carbon by 2030

01 Operational carbon

02 Embodied carbon

03 Renewable procurement



Energy reduction



Heat decarbonisation

NOW

- 100 kWh/m², 25% better than benchmark
- Over 30% all electric
- 40-70% better than benchmark
- 100% renewable electricity, 13 PV arrays

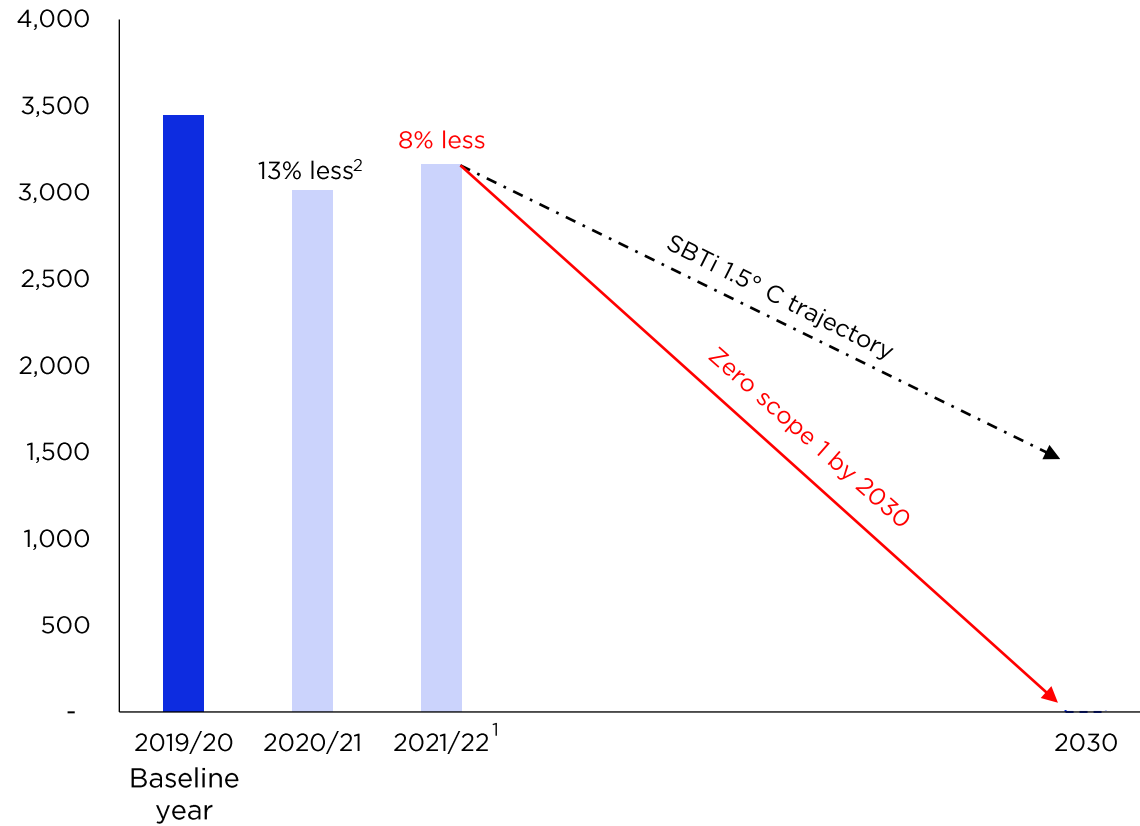
2030

- 70 kWh/m²
- 100% all electric
- 350 kgCO₂/m², offset residual
- 100% renewable energy
- Zero operational carbon, no offsetting

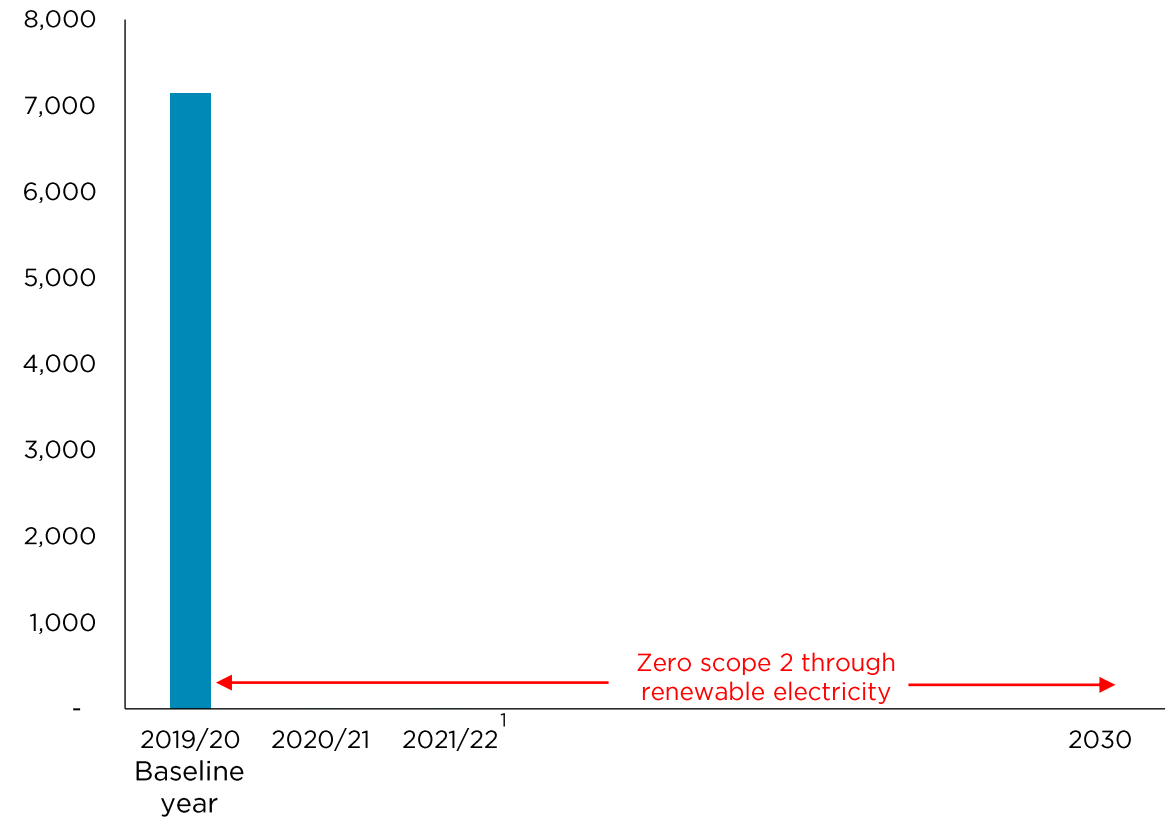
Driving environmental impact

Our net zero trajectory

Scope 1 - Gas emissions (tCO₂e)



Scope 2 - Electricity emissions (tCO₂e)



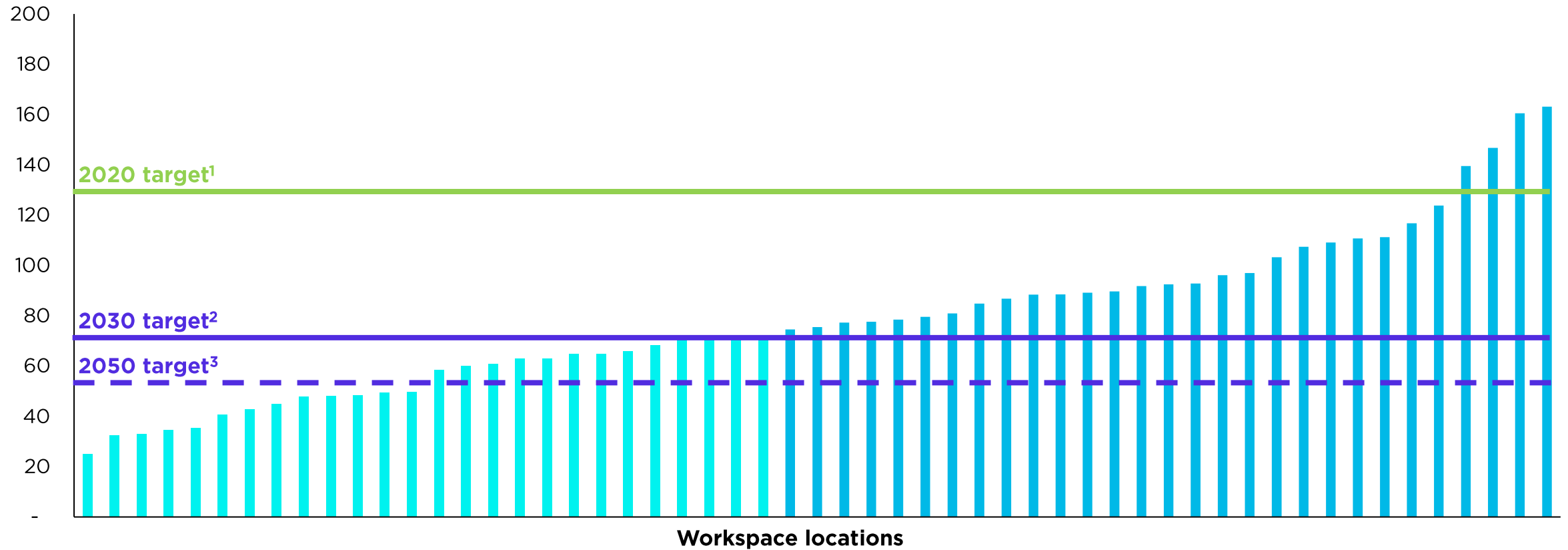
¹ 2021/22 data subject to verification

² Impacted by Covid restrictions with significantly fewer customers utilising our business centres

Driving environmental impact

Energy intensity of our portfolio

Current portfolio snapshot
Whole building energy intensity (kWhe/m² GIA)

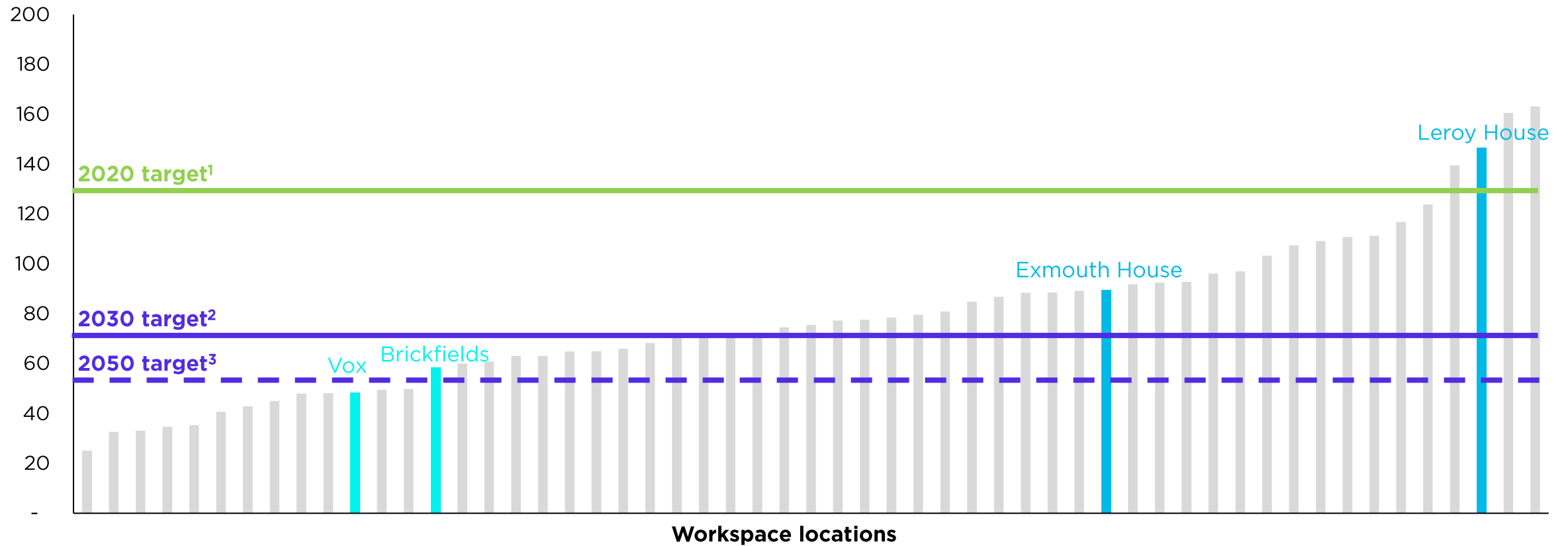


¹ 2020 Interim energy performance target set by UKGBC for net zero carbon buildings
² 2030 Interim energy performance target set by UKGBC for net zero carbon buildings
³ 2050 Paris proof energy performance target set by UKGBC for net zero carbon buildings

Driving environmental impact

Energy intensity of our portfolio

Current portfolio snapshot
Whole building energy intensity (kWhe/m² GIA)



¹ 2020 Interim energy performance target set by UKGBC for net zero carbon buildings

² 2030 Interim energy performance target set by UKGBC for net zero carbon buildings

³ 2050 Paris proof energy performance target set by UKGBC for net zero carbon buildings

Driving environmental impact

Minimising embodied carbon



Case study: Leroy House refurbishment

- ✓ Embodied carbon **230 kgCO₂/m²**
- ✓ **77%** less than a typical new build
- ✓ **34%** better than 2030 aspirational target

We are achieving this through:

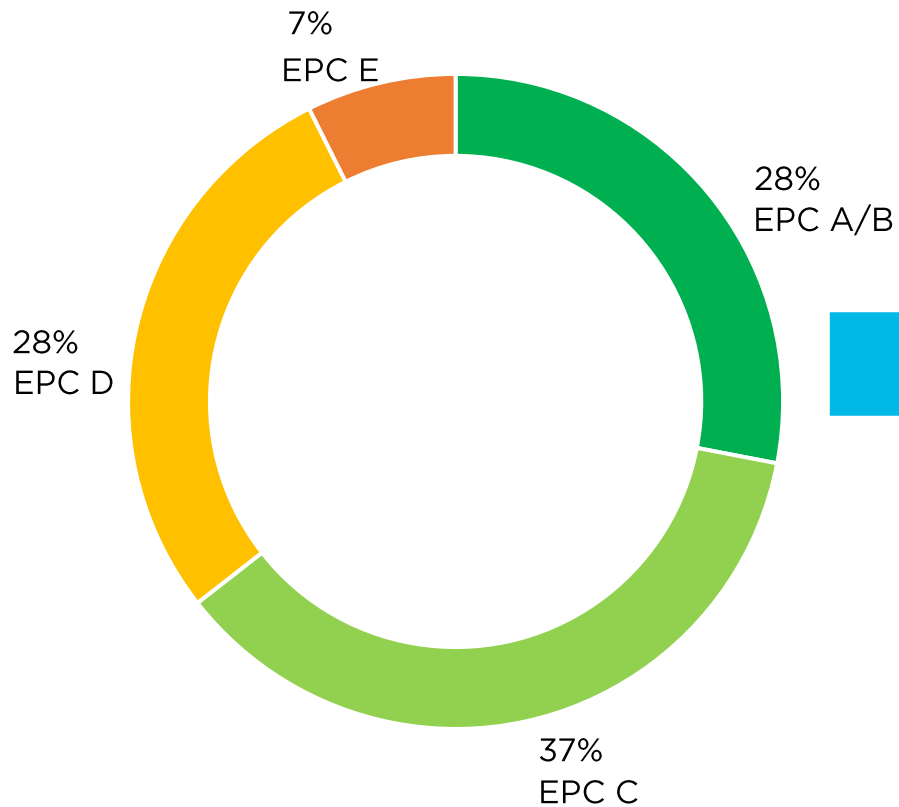
- Retaining the building's structure
- Using natural ventilation
- Reduced finishes
- Steel with 20% recycled content
- 50% GGBS concrete¹

¹ Ground Granulated Blast-furnace Slag

Driving environmental impact

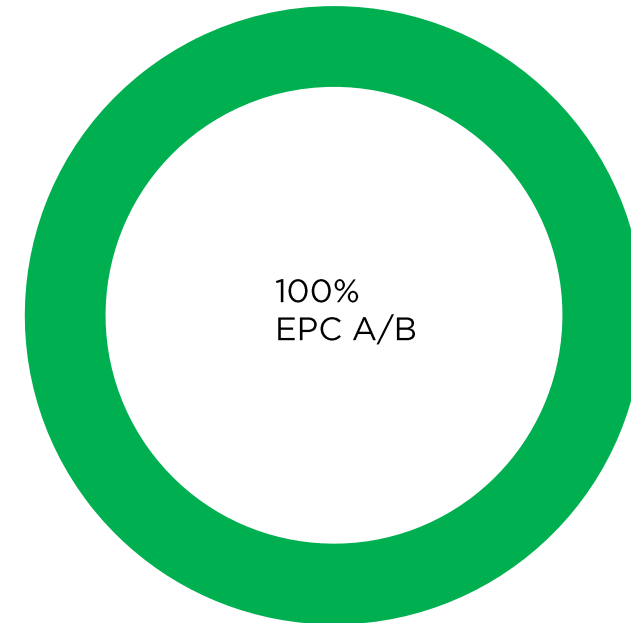
Energy Performance Certificate (EPC) snapshot of the portfolio

Portfolio current snapshot
EPC breakdown by area (sq. ft.)



Net zero transition +
EPC upgrades

Target 2030 portfolio snapshot
EPC breakdown by area (sq. ft.)



Note: Compared to Workspace, the scale of challenge in upgrading EPC is nearly twice as much for office buildings in London, with only c. 35% rated EPC A/B/C (Source, Savills research)



Investment plan - Net Zero and EPC

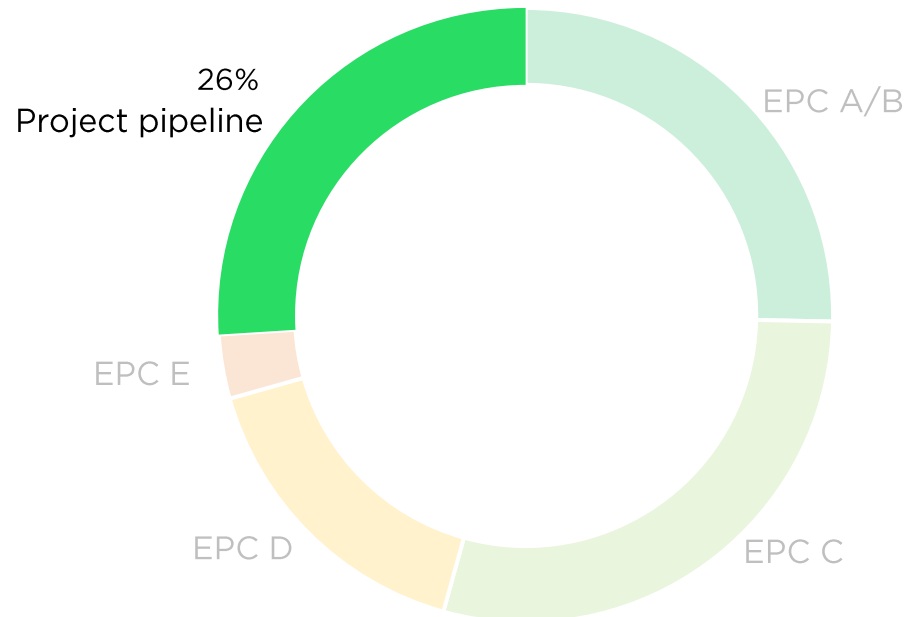
Dave Benson
CFO

Investment plan

Upgrading EPCs through our pipeline of refurbishment and redevelopment projects

Portfolio snapshot

EPC breakdown by area (sq. ft.) - with project activity



Vox Studios, Vauxhall

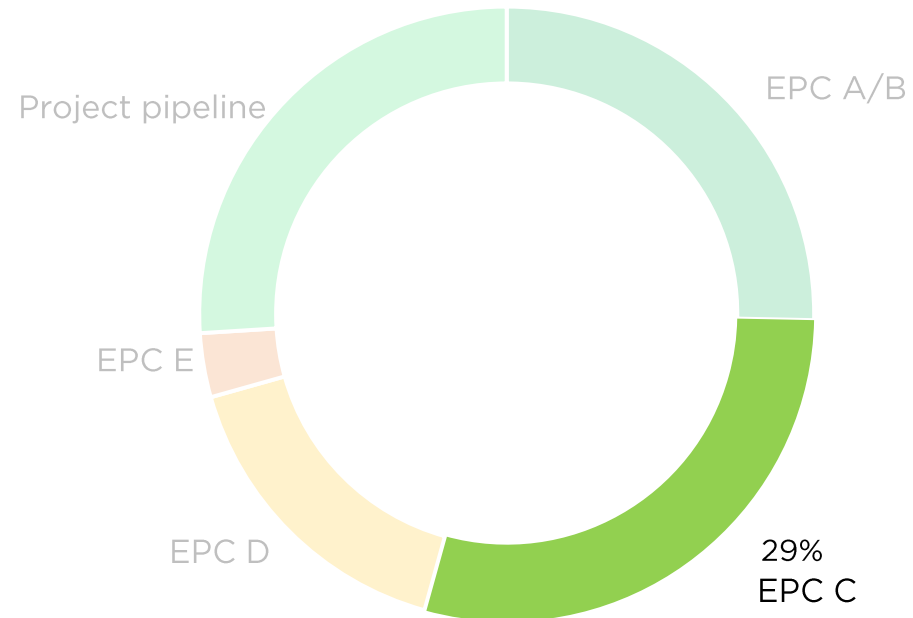
- £8m total cost to deliver 27,000 sq. ft. of new/refurbished space
- Included LED lighting, double glazing, insulation and heat pumps
- EPC C to B
- Average rent per sq. ft. increased from £21 to £43
- Valuation increased from £8m to £20m with 12% ungeared IRR

Investment plan

Upgrading units from EPC C

Portfolio snapshot

EPC breakdown (with project activity) by area (sq. ft.)



The Old Dairy, Shoreditch

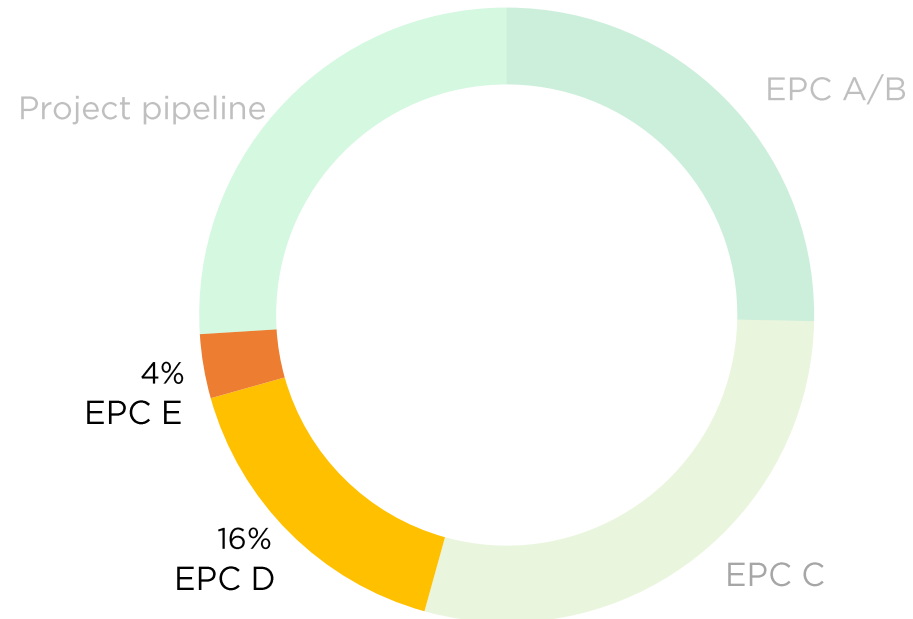
- 4,000 sq. ft. unit
- LED lighting
- Cost - £12,000
- EPC C to B

Investment plan

Upgrading units from EPC D/E

Portfolio snapshot

EPC breakdown (with dev activity) by area (sq. ft.)



Metal Box Factory, Southwark

- 3,000 sq. ft. unit
- LED lighting, secondary glazing and AC
- Cost - £76,000
- EPC D to B

Investment plan

Achieving net zero - decarbonising heat

We will
become a
**net zero
carbon
business
by 2030**



Screenworks, Islington

- 54,000 sq. ft. (5 floors)
- Heatpump and smart energy monitoring
- Cost - £1.6m
- EPC B (likely move to A post works)

Investment plan

Cost of upgrading EPCs and transitioning to net zero

EPC + Net zero transition cost



Cost to upgrade EPC
C to A/B
£5-7m



Cost to upgrade EPC
D/E to A/B
£30-40m



Additional investment
needed to decarbonise
heat and meet net zero
£15-20m



Total cost of EPC and net zero
£50-67m (c.£6-8m p.a.)



Driving social impact

Sonal Jain
Head of Sustainability

Driving social impact

Supporting our people and our communities

Our aim is to have a lasting positive impact on people's quality of life



Skills and
employment



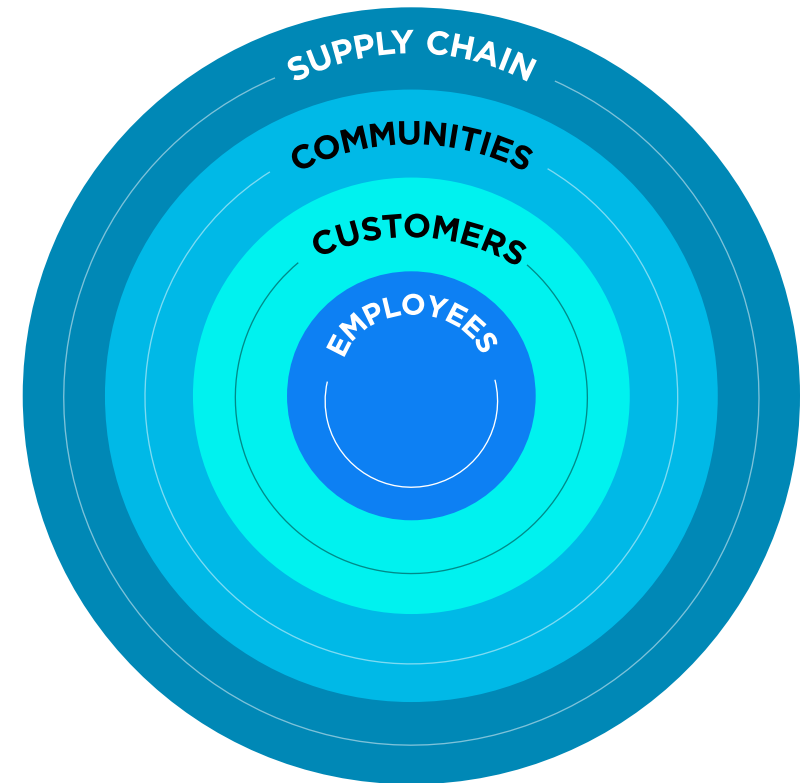
Wellbeing



Prosperous
neighbourhoods



Local environmental
stewardship



Driving social impact

2021/22 Highlights



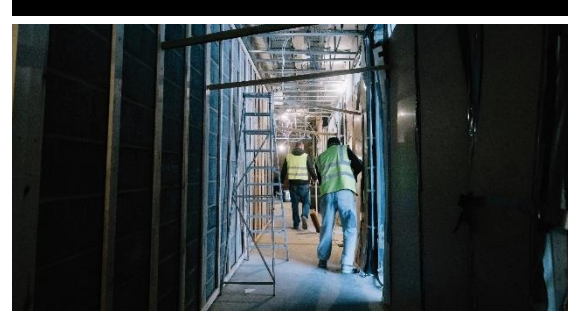
£100K

Raised for SHP –
impacting 550 people



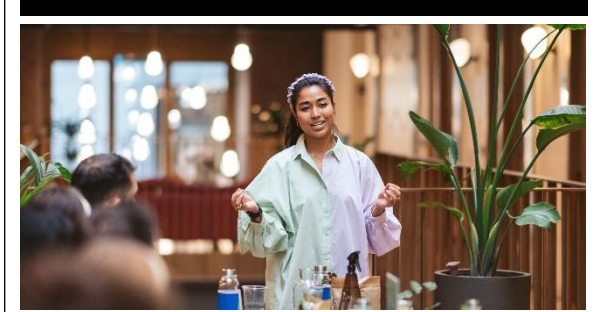
540

Volunteering hours



£11.05

Living wage



750+

Customers benefitted
from wellbeing support



200+ claims

Health shield
benefits package



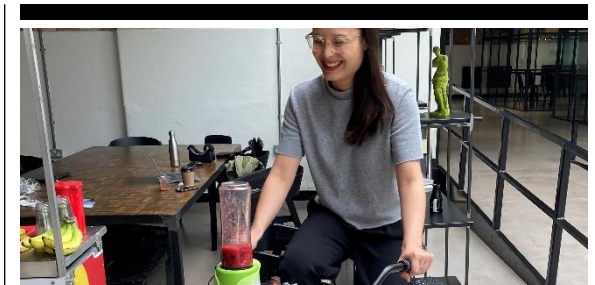
£180K

Lettings in kind



100%

Staff training on
sustainability

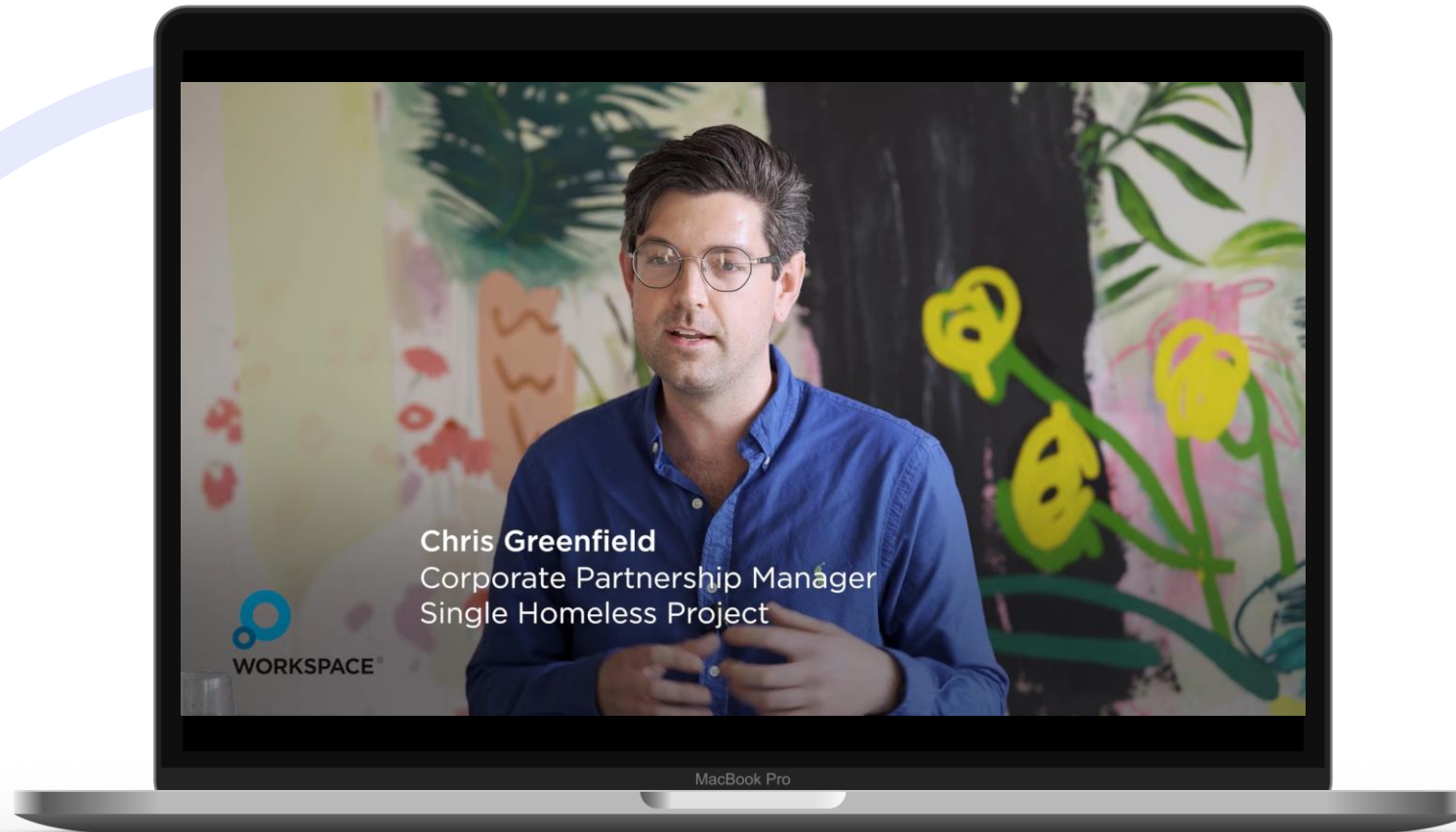


84

Community & charity events
held

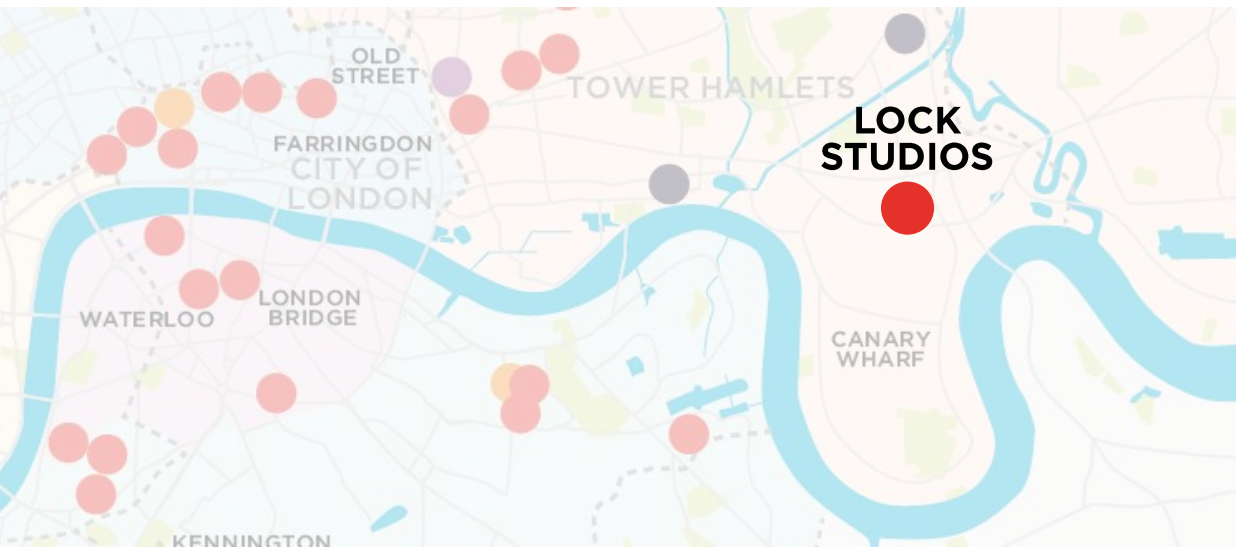
Driving social impact

Our partnership with SHP



Driving social impact

Maximising social value through employment led regeneration



Case study: Lock Studios

- ✓ **High quality working space**
500+ employment
- ✓ **Increase footfall, local spend**
c. £4000 per week
- ✓ **Need-based amenities**
6 retail units, 1 public cafe
- ✓ **Safe, inclusive, green space**
0.75 ha open space, 92 trees
- ✓ **Healthcare and education**
£3m contribution



Prosperous
neighbourhoods



Local environmental
stewardship



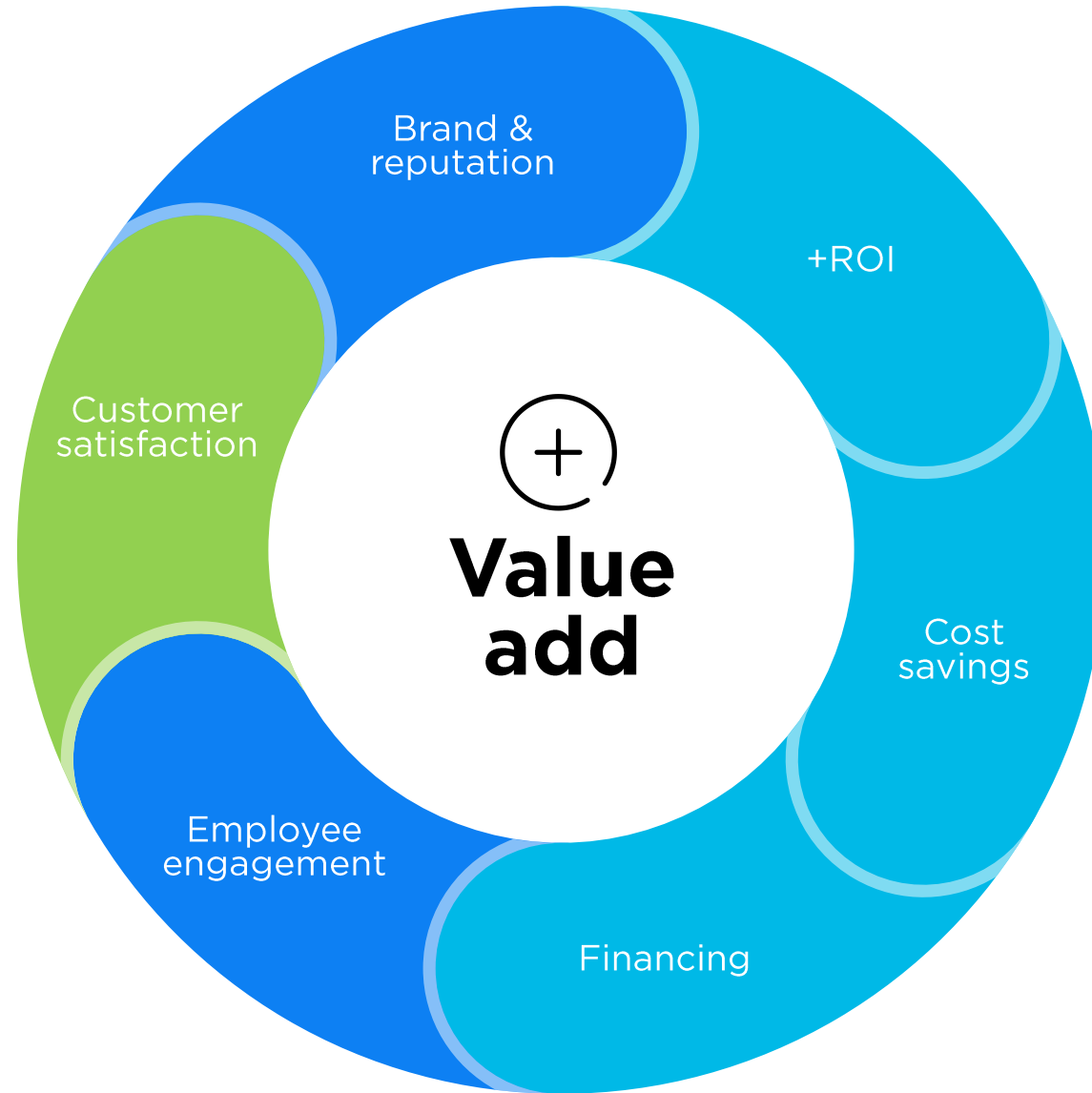
Wellbeing



Generating value

Sonal Jain
Head of Sustainability

Generating value



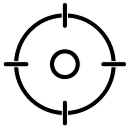
Generating value

Enhancing our customer brand proposition



85%

of SME decision makers describe sustainability as very / quite important



Over 70%

have set net zero target



For ~20%

sustainability requirements are essential to decision making

Reasons why sustainability is important to their business



Generating value

Creating value for customers

BLOOM
& WILD

Freddie's Flowers

 LiveSmart

JUBEL

T
D
C

TreasureTress

GORILLAS



BAM
BAMBOO CLOTHING


Community
TechAid

gousto

White
STUFF[®]

muddy
trowel


WORKSPACE[®]

HURR
COLLECTIVE

 DOCK & BAY

 Citymapper

Wild



Panel discussion

Our embedded approach

Future proofing our business

Capitalising on customer demand

Creating a fairer, flatter London



Bryony Gerega

Head of Development
Management



Leo Shapland

Head of Portfolio
Management



Claire Dracup

Director of People
& Culture



Sonal Jain

Head of Sustainability



A sustainable business

Graham Clemett
CEO

A sustainable business



Grand Union Studios, Ladbroke Grove

We reduce carbon through repurposing iconic buildings

We invest in communities and flatten London's working map

Our robust governance ensures everyone is committed



Q&A



Mare Street Studios, Hackney