

WORKSPACE GROUP PLC GREEN FINANCE FRAMEWORK

DNV GL INDEPENDENT ASSESSMENT

Scope and Objectives

Workspace Group PLC (henceforth referred to as "Workspace") is a real estate investment trust (REIT) providing tailored business premises to new and growing companies in London. Workspace owns and manages its London-based property portfolio with customers from a broad range of sectors.

Workspace has committed to the low carbon transition in the real estate sector, having signed the 'Better Building Partnership' (BBP) in 2019, and raising its ambition to become a net zero carbon business by 2030. Workspace plays a key role in the employment-led regeneration across areas of Greater London, focussing on the refurbishment and redevelopment of buildings to transform them into modern spaces with lower environmental footprints, and has aligned its focus areas with specific UN Sustainable Development Goals (SDGs). Workspace also engages its customers by hosting sustainability-focused events.

Workspace has developed a Green Finance Framework (the "Framework") under which it can raise debt to support the financing and refinancing of activities of an environmental nature, these are collectively known as Green Debt Instruments ("GDI"). The projects are aimed at delivering on Workspace's three key Environmental, Social, Governance ("ESG") objectives:

1. Create a sustainable climate resilient portfolio through a responsible property investment, development and refurbishment programme;
2. Actively manage buildings in an efficient way to reduce the operational carbon emissions and to provide a healthy productive environment for customers; and
3. Support all stakeholders to collectively improve Workspace's environmental and social impact collectively through effective communication, training, transparent reporting, and community engagement.

DNV GL Business Assurance Services UK Limited ("DNV GL") has been commissioned by Workspace to provide a review of the Framework against the International Capital Market Association ("ICMA") Green Bond Principles 2018 ("GBP"), and the Loan Market Association ("LMA") Green Loan Principles 2021 ("GLP"). Our methodology to achieve this is described under 'Work Undertaken' below. We were not commissioned to provide independent assurance or other audit activities.

No assurance is provided regarding the financial performance of Bonds/Loans issued via the Company's Green Bond Framework, the value of any investments, or the long-term environmental benefits of the associated transactions. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of the Management of Workspace Group and DNV GL

The management of Workspace has provided the information and data used by DNV GL during the delivery of this review. Our statement represents an independent opinion and is intended to inform Workspace's management and other interested stakeholders in the Framework as to whether the Framework is aligned with the International Capital Markets Association (ICMA) Green Bond Principles (GBP) 2018, and Loan Market Association (LMA) Green Loan Principles 2021.

In our work we have relied on the information and the facts presented to us by Workspace. DNV GL is not responsible for any aspect of the projects or assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV GL shall not be held liable if any of the information or data provided by Workspace and used as a basis for this assessment were not correct or complete.

Basis of DNV GL's opinion

We have adapted our eligibility assessment methodology to create Workspace-specific Green Finance Framework Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV GL's opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an issuer of a Green Bond/Loan must use the funds raised to finance or refinance eligible activities. The eligible activities should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a Green Bond/Loan should outline the process it follows when determining eligibility of an investment using Green Bond/Loan proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that a Green Bond/Loan should be tracked within the issuing organisation, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least annual reporting to the bond investors should be made of the use of bond proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by Workspace in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a Workspace-specific Protocol, adapted to the purpose of the Framework, as described above;

- Assessment of documentary evidence provided by Workspace on the Framework and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Discussions with Workspace's management, and review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria as detailed in Schedule 2 of this document.

Our opinion as detailed below is a summary of these findings.

Findings and DNV GL's opinion

DNV GL's findings are listed below:

1. Principle One: Use of Proceeds.

Workspace intends to use an amount equivalent to the net proceeds of financial instruments issued under the Framework to finance and/or refinance environmental projects. Assets, capital and operating expenditures falling within relevant green categories and will be defined as qualifying projects ("Eligible Green Projects" (EGP)), that together form part of Workspace's "Eligible Green Project Portfolio" (EGP Portfolio).

Workspace has confirmed that an amount equivalent to the net proceeds of the GDIs issued by Workspace will be exclusively used to finance and/or refinance in whole or in part new or existing EGP's.

Workspace will invest in projects that improve, renovate and/or refurbish assets improving their environmental performance. The EGP Portfolio will comprise of the following Eligible Categories:

- Green Buildings (commercial properties)
- Eco-efficient and/or circular economy adopted products, production technologies and processes
- Renewable energy
- Energy efficiency
- Climate change adaptation
- Pollution prevention and control (waste management)
- Clean transportation
- Sustainable water and wastewater management

Workspace has listed example projects and the expected environmental benefits for each category within the Framework, these are further defined in Schedule 1 of this opinion which also provides the list of the eligible categories and associated performance criteria.

Workspace has also signed up to the BBP Climate Change Commitment and has aligned its EGP Portfolio to the relevant UN SDGs to facilitate the climate change transition and move towards its net zero carbon target set for 2030.

DNV GL has reviewed the evidence and can confirm that an amount equivalent to the funding raised under the Framework will be used to finance and/or refinance projects within the EGP Portfolio, and that such projects would result in clear environmental benefits. DNV GL can also confirm the Framework and its associated EPG categories are aligned with Workspace's broader sustainability strategy and the stated UN SDG goals which supports the transition to a low carbon economy.

DNV GL concludes that the eligible categories outlined in the Framework (and the example projects provided to DNV GL) are consistent with those listed in the GBP and GLP and will provide clear environmental benefits.

2. Principle Two: Process for Project Evaluation and Selection.

Workspace, on a periodic basis and before any new finance is raised, will review the full list of assets/projects within the EGP Portfolio and confirm alignment with its sustainability strategy and that they meet the criteria in the Framework.

The highest level of responsibility for Workspace's ESG strategy, accountability, and performance lays with the Chief Executive Officer (CEO) and the Board of Directors. Workspace has committed to introduce The Workspace Green Finance Committee who in due course, will be responsible for the final approval of the selection of EGP's and the management of proceeds. That is in addition to the overall tracking and reporting of the use of proceeds and their impact, the selection of GDIs aligned with the framework, and any updates to the Framework and oversight of external third-party reviews.

Workspace is committed to providing good standards of corporate governance and integrates ESG into its acquisition due diligence process. Currently the sustainability team is responsible for developing and implementing the sustainability strategy, and for reporting on the performance against this. The sustainability team reports directly to the Development Director who has responsibility for sustainability at the Executive Committee level.

Prior to the commencement of any EGP, the capital expenditure incurred by Workspace must undergo approval by the Capital Committee, Investment Committee, Executive Committee or the Board, in accordance with specified tiers of delegated authority limits.

DNV GL concludes that Workspace's Framework appropriately describes the process of project evaluation and selection and is in line with the requirements of the GBP and GLP.

3. Principle Three: Management of Proceeds.

Workspace has committed to allocate an amount equivalent to the net proceeds from the GDIs to an EGP Portfolio, selected in accordance with the Framework. All investments in the EGP Portfolio will be tracked on a register by Workspace's Finance Department ensuring the accuracy of information and the avoidance of double counting.

Funds from the GDI will be withdrawn to finance only the qualifying expenditure on EGP's or to refinance expenditure on green projects which has previously been funded from other sources. Workspace's Finance team manages any unallocated surplus funds from the GDI, which can be used to repay revolving credit facilities (including green RCFs), placed on short term fixed interest deposits or on the overnight money markets with counterparties that comply with Workspace's Treasury policy.

Workspace has committed, over time, to achieve a level of allocation for the ECPs which matches or exceeds the balance of net proceeds from its outstanding GDIs raised under the Framework.

DNV GL has reviewed evidence and can confirm Workspace has committed to appropriately managing the proceeds arising from future GDI issuances in line with the requirements of the GBP and GLP.

4. Principle Four: Reporting.

Workspace has committed to disclose publicly (on a company website) on an annual basis until full allocation of the relevant green debt instrument, a report on its EGP Portfolio at the category level detailing both the allocation and impact information in relation to GDIs, and providing qualitative and quantitative performance measures and examples associated with each category of its EGP Portfolio. For instance, on indicators such as:

- Building certification (scheme and ratings)
- Carbon emission intensity (tCO₂e/m³)
- Percentage of FSC/PEFC timber sourced
- On-site renewable electricity generation capacity (kWh)
- Percentage of electricity contracts on green tariffs
- Total energy consumption (kWh/%) / energy savings achieved (kWh/m²)
- Percentage of properties with a Building Management System (BMS)
- Waste recycled and/or diverted from landfill (Kg/%)
- Number of EV charging points installed
- Water/wastewater consumption reductions (m³/year)
- Illustrated project examples

DNV GL concludes that Workspace has made appropriate plans to produce reporting on the allocation and environmental impact of future GDI issuances, in line with the requirements of the GBP and GLP.

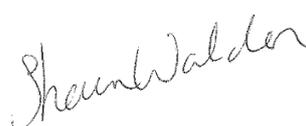
On the basis of the information provided by Workspace and the work undertaken, it is DNV GL's opinion that the Framework meets the criteria established in the Protocol, and that it is aligned with the stated definition of Green Bonds within the Green Bond Principles 2018 and Green Loans within the Green Loan Principles 2021.

for DNV GL Business Assurance Services UK Limited

London, 24 February 2021



Richard Strutt
Senior Consultant and Project Manager
DNV GL – Business Assurance



Shaun Walden
Principal Consultant and Reviewer
DNV GL – Business Assurance

About DNV GL

Driven by our purpose of safeguarding life, property and the environment, DNV GL enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.

With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 12,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF ACTIVITIES TO BE FINANCED UNDER THE FRAMEWORK

ICMA / LCA Green Project category	Description of activities
<p>Green Buildings</p>	<p>Projects for commercial properties (below) are expected to achieve a minimum system and ratings, and must deliver on UN SDGs #7 and #11:</p> <p>Development projects or major refurbishments:</p> <ul style="list-style-type: none"> • New developments are required to achieve a minimum EPC A rating, and a target certification level of Excellent or Very Good under BREEAM • Major refurbishments are required to achieve a minimum EPC B rating <p>Refurbishments (existing buildings or spaces):</p> <ul style="list-style-type: none"> • Achieve a measurable improvement in the EPC rating of at least two bands (i.e. when the EPC rating is below C), or demonstrate energy efficiency improvement of at least 30%
<p>Eco-efficient and/or circular economy adapted products, production technologies and processes</p>	<p>The procurement of sustainable, energy efficient and recycled materials must meet the green building certification standards listed above (EPC ratings and BREEAM standards) and deliver on UN SDG #11.</p> <p>Examples include, but are not limited to:</p> <ul style="list-style-type: none"> • FSC/PEFC timber • Low embodied carbon concrete • Recycled and recyclable flooring <p>New developments and major refurbishment should target SKA ratings of Silver or Gold, as administrated by the RICS, where suitable.</p>

<p>Renewable energy</p>	<p>On-site renewable energy generation capacity, such as: investment, installation, and the deployment of solar and wind systems</p> <p>Purchase of REGO certified renewable energy where on-site renewable energy is not feasible, i.e. % of electricity purchased on a green tariff</p> <p>Projects must deliver on UN SDGs #7 and #13.</p>
<p>Energy Efficiency</p>	<p>Projects that demonstrate a clear improvement in efficiency of the building or space, and deliver on UN SDGs #7 and #13.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • Adoption of systems for optimising energy management in new and existing buildings – such as: <ul style="list-style-type: none"> ○ Building Management systems (inc. smart hub-metering installed) ○ New installations (e.g. improved heating systems) ○ Upgrades to mechanical, electrical and lighting systems (e.g. low energy lighting) ○ New installation upgrades to HVAC systems (inc. insulation and facades)
<p>Climate change adaptation</p>	<p>All climate change projects have a climate risk assessment prior to their commencement to determine the enhancements needed for adaptation and resilience, and deliver on UN SDG #13.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • Installation and upgrades of enhanced flood protection systems • Additional insulation to strengthen building resilience to climate change impacts (e.g. natural disasters or extreme weather events)
<p>Pollution prevention and control (waste management)</p>	<p>Projects relating to pollution prevention and control and, measuring waste by weight, rather than by estimated volume and deliver on UN SDGs #12 and #13.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • Installation of waste facilities • Systems and equipment used for:

	<ul style="list-style-type: none"> ○ The collection and separation of waste, allowing for higher levels of recycling and recovery ○ Diverting non-hazardous demolition waste from landfill
<p>Clean transportation</p>	<p>Projects where investment and expenditures are made relating to improving accessibility to clean transport and deliver on UN SDGs #11.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • Bicycle racks / storage facilities • Bicycle lifts • Associated facilities e.g. showers, bike stands • Electric vehicle (EV) charging points • Investments into electric vehicles
<p>Sustainable water and wastewater management</p>	<p>Projects relating to sustainable water and wastewater management to reduce consumption and deliver on UN SDGs #12 and #13.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • Installing water Automated Meter Reading (“AMR”) devices • Sustainable urban drainage systems (“SUDs”) • Wastewater recycling • Installation of water treatment systems and equipment which improve water efficiency (e.g. spray taps and showers, automatic sensors, waterless urinals, solenoid valves, low flow taps, dual flush cisterns, leak detection systems)

SCHEDULE 2: WORKSPACE-SPECIFIC GREEN FINANCE FRAMEWORK ASSESSMENT PROTOCOL

1. Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
1a	Types of Financing Framework	<p>The Bond/loan must fall in one of the following categories, as defined by the Green Bond/Loan Principles:</p> <ul style="list-style-type: none"> • Use of Proceeds Bond • Use of Proceeds Revenue Bond • Project Bond • Securitized Bond <p>Green loans are defined as any type of loan instrument made available exclusively to finance or re-finance, in whole or in part, new and/or existing Eligible Green Projects.</p>	<p>In addition to reviewing the evidence below, we had several detailed discussions with Workspace.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> • “Workspace green finance framework” <p>We also reviewed additional documentation:</p> <ul style="list-style-type: none"> • Annual Report 2020 • CDP Climate Change report 2020 • Eligible Green Project Register V1 • Workspace Net Zero Carbon Strategy 2021 	<p>The Framework outlines the type of Bonds and Loans expected to be issued under the Framework such as, but not limited to:</p> <ul style="list-style-type: none"> • Investment in the Eligible Green Projects (EGP), which are measured through asset value (as per most recent property valuation), capital expenditure (“Capex”) or operating expenditure (“Opex”). For Capex and Opex expenditures, a look-back period of up to 36 months prior to the time of debt issuance is applied. <p>The EGP’s that define Workspace’s “Eligible Green Project Portfolio” (EGP Portfolio) are:</p> <ul style="list-style-type: none"> • Green Buildings • Eco-efficient and/or circular economy adapted products, production technologies and processes • Renewable Energy • Energy efficiency • Climate change adaptation • Pollution prevention and control (waste management) • Clean transportation • Sustainable water and wastewater management <p>The specific type of bond/loan will need to be further assessed on an individual basis.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
1b	Green Project Categories	The cornerstone of a Green Bond/Loan is the utilisation of the proceeds which should be appropriately described in the legal documentation for the security.	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> “Workspace green finance framework” <p>We also reviewed additional documentation:</p> <ul style="list-style-type: none"> Annual report 2020 	We conclude that the Framework appropriately describes the proposed utilisation of proceeds. The specific utilisation of proceeds of each issuance will need to be further assessed on an individual basis. Legal documentation will need to be reviewed further.
1c	Environmental benefits	All designated Green Project categories should provide clear environmentally sustainable or social benefits, which, where feasible, will be quantified or assessed by the issuer.	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> “Workspace green finance framework” Assessment of case studies laid out in the Framework <p>We also reviewed additional documentation:</p> <ul style="list-style-type: none"> Annual Report 2020 BM2002 – Boiler Replacement Approval Memo CDP Climate Change report 2020 Energy consumption report 19/20 Environmental Sustainable Policy 2020 EPRA Report 19/20 PE2013 LED light invoice GRESB Submission 2020 Optergy & Team Sigma Screenshots (metering and energy & water database) Our performance against out 19/20 targets Solar PV Feasibility Report TB Water AMR Invoice Water Consumption Report 19/20 	<p>The Framework outlines the expected environmental benefits that will be realised by any Bonds/Loans issued under the Framework. Specific quantifiable and qualitative benefits of each issuance will be agreed on a case by case basis and subject to further assessment.</p> <p>Workspace has outlined potential KPI reporting metrics to demonstrate the impact from the different EGP’s, by category type:</p> <ul style="list-style-type: none"> <i>Green Buildings</i> – impact reported by # of Building Excellent Standard certification achieved (system & rating) across the EGP Portfolio. <ul style="list-style-type: none"> Refurbishment of buildings is assessed by the energy reductions and lowered operational costs. <i>Eco-efficient and/or circular economy adopted products, production technologies and processes</i> - % of timber sourced from certified sustainable sources (or FSC equivalent); Carbon emission intensity reduction compared to previous baseline (tCO2e/M3); # of embodied carbon assessments completed for new developments or refurbishments.

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
			<ul style="list-style-type: none"> • Waste Recycling Report 19/20 • Workspace Net Zero Carbon Strategy 2021 • WE2001 Westbourne AHU Replacement memo (1) 	<ul style="list-style-type: none"> • <i>Renewable Energy</i> – On-site generation (kWh) using solar PV and Renewable energy purchases (kWh) / % of electricity contracts on green tariffs. <ul style="list-style-type: none"> ○ Impact for instance, can be seen through the return on investment overtime, that helps to contribute to Workspace’s net zero carbon target; and ○ Projects that lead to absolute electricity consumption % reduction. • <i>Energy efficiency</i> – Total energy consumption (kWh/%); Energy savings achieved (kWh/m2); Scope 1 and 2 emissions reductions achieved against baseline (tCO2e); and Carbon emissions intensity reduction compare to industry benchmark (tCO2e/m2). <ul style="list-style-type: none"> ○ Impact for instance, can be seen through Building Management Systems (BMS) installations with smart sub-metering – this allows reporting by customers on Workspace’s online portal, and for Workspace to view and monitor energy consumption levels. • <i>Climate change adaptation</i> - % of properties with a Building Management System (BMS) and smart sub-metering installed; # of gas heating systems replaced by air source heat pumps or equivalent; Spend on wall and roof insulation (GBPm); % of investments where ESG has been applied into acquisition due diligence.

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
				<ul style="list-style-type: none">• <i>Pollution prevention and control (waste management)</i> – recycling rates are measured on weight (Tonnes), and not volume/estimated, i.e. overall recycling rates and % of waste diverted from landfill.<ul style="list-style-type: none">○ Increased / improved relationships with different value chain actors.• <i>Clean transportation</i> – # of EV charging points; # of bicycle storage installed; and # of storage facilities installed.• <i>Sustainable water and wastewater</i> – values of total water consumption (m3/year) are portrayed by property type and intensity ratios are reported; Consumption data can be normalised against changes in Workspace’s business activities (%) on an annual basis and compared against industry benchmarks (m3/m2).

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
2a	Investment-decision process	The issuer of a Bond/Loan should outline the decision-making process it follows to determine the eligibility of projects using Bond/Loan proceeds	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> “Workspace green finance framework” <p>We also reviewed additional documentation:</p> <ul style="list-style-type: none"> Annual Report 2020 BM2002 – Boiler Replacement Approval Memo BV1808 Sample invoice BV1808 Window replacement with Double Glazing CE2008 Shower installation Code of Conduct (<i>amended May 2020</i>) E002 Lighting energy saving ET2016 Cycle storage invoice ET2033 Invoice ET2033 Approval Energy consumption analysis Environmental Sustainability Policy 2020 ET2016 Additional cycle storage FT1903 heating upgrades approval GG Bin store invoice KP1915 Approval for LED lighting KP2020 Shower upgrade approval LM2007 memo from IC NH1903 bin store approval PC1909 Optergy and meters approval PE 1909 E Block insulation approval 	<p>We conclude that the Framework appropriately describes the process of project selection. The specific issuances will need to be further assessed on a case by case basis.</p> <p>Workspace looks to demonstrate, how through responsible investment, it can create a sustainable climate-resilient portfolio. Workspace is committed to providing good standards of corporate governance and integrates ESG into the acquisition due diligence process. All EGP investments are evaluated in line with how they will deliver on Workspace’s long-term sustainability targets.</p> <p>There are <u>three Committees</u> that currently form the Workspace ‘TCFD Steering Committee’, who evaluate what transitional risks that could arise and impact the business, and what are the potential opportunity areas for Workspace to consider when looking at potential EGP’s:</p> <ol style="list-style-type: none"> Overall governance of Workspace’s strategic and operational climate-related objectives are set by the ‘<i>Workspace Board</i>’ and ‘<i>Standing Committees</i>,’ responsible for the long term success of Workspace and promoting informed investments that can help to reduce Workspace’s exposure to climate-related risks. A ‘<i>Risk Committee</i>’ meets monthly to identify any potential risks facing Workspace and reports into the ‘<i>Audit Committee</i>’.

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
			<ul style="list-style-type: none"> • PE2010 Parkhall Unit D017 energy cost saving • PE2010 Unit D017 LED lighting • PE2013 LED light invoice • PE2013 Parkhall Unity SB1942 • SB1942 Invoice meter • Solar PV Feasibility Report • TCFD-Disclosure 20/21 • WE2001 Westebourne AHU Replacement memo (1) 	<p>3. <i>The 'ESG Committee'</i>, that meets on a monthly basis to discuss potential environmental and social risks and/or opportunities facing Workspace. This Committee also defines what has to be accounted for when evaluating the eligibility of EGP's.</p> <p>Workspace's '<i>Sustainability Team</i>' is responsible for developing and implementing Workspace's sustainability strategy and for reporting on the performance against this. The Sustainability Team provides updates directly to the Executive Committee and the Board and has a diligent environmental management approach in place for Green project evaluation and selection. The Sustainability Team and Committee has an overall responsibility for the reporting of the EGP Portfolio's performance. For instance, the Committee will assess:</p> <ul style="list-style-type: none"> • Do EGP's align with Workspace Group's sustainability strategy and climate-related objectives set by the Workspace Board and Standing Committee? • Is it clear how the EGP will help achieve Workspace Group's objectives? • How will the EGP advance Workspace's priority SDGs? <p>All eligible EGP's are evaluated by the '<i>Head of Sustainability</i>' and the '<i>Head of Finance</i>' for final selection and approval. The '<i>Internal Investment Committee</i>' also evaluate the final section of EGP's and outlines the benefits of the proposed projects;</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
				<p>the financial returns likely under several scenarios is also conducted.</p> <p>Prior to the commencement of any project, the capital expenditure incurred by Workspace requires approval by the '<i>Capital Committee</i>', '<i>Investment Committee</i>', '<i>Executive Committee</i>' or the '<i>Board</i>' in accordance with specified tiers of delegated authority limits.</p> <p>Workspace also actively involves its '<i>investors</i>' in the decision-making process. Investors have the opportunity under the Framework to target their investments towards environmentally friendly projects within the REIT space. Workspace hopes that this involvement will attract additional ESG-focused debt investors.</p> <p>Workspace has committed to set up a '<i>Green Finance Committee</i>', who would meet periodically and have overall responsibility and finale approval of:</p> <ul style="list-style-type: none"> • Updates to Workspace's framework and oversight on any external third-party review of it • Ensuring alignment with international frameworks, market standards, and Workspace's sustainability framework is met • Selection of GDI's aligned with the framework and that the GDI's meet the baseline requirements • Overall selection of EGP's and the management of proceeds • Reporting on the use of the proceeds and their impact

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
				<p>We can conclude that this process enables Workspace to assess all potential EGP's, and identify potential risks and opportunities facing Workspace.</p>
2b	<p>Issuer's environmental and governance framework</p>	<p>In addition to information disclosed by an issuer on its Green Bond process, criteria and assurances, investors may also take into consideration the quality of the issuer's overall framework and performance regarding environmental sustainability.</p>	<p>In addition to reviewing the evidence below, we had several detailed discussions with Workspace.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> • "Workspace green finance framework" <p>We also reviewed additional governance documentation:</p> <ul style="list-style-type: none"> • CDP Climate Change report 2020 • Code of Conduct (<i>amended May 2020</i>) • Eligible Green Project Register V1 • Environmental Sustainability Policy • GRESB Submission 2020 • KP2014 Memo on IC on plant to enable AC • Workspace annual report and accounts 2020 • TCFD Disclosure 2021 • Waste Recycling Report 19/20 • Water Consumption Report 19/20 	<p>We conclude that from the information provided the Framework is in line with Workspace's wider approach to managing environmental sustainability.</p> <p>Workspace has established a core strategy based on '<i>Doing The Right Thing</i>' that covers its development practices, operation emissions and social impact. This forms the basis of creating a sustainable climate-resilient portfolio through responsible investment, development, and refurbishment programs.</p> <p>To demonstrate the leadership and commitment of Workspace to relevant stakeholders, in addition to helping Workspace on its ESG Journey and deliver on the SDGs, Workspace has committed and aligned with industry standards and initiatives as part of its commitment to take a proactive role in the low-carbon transition. For instance:</p> <ul style="list-style-type: none"> • Workspace has pledged a commitment to net zero carbon by 2030 (from 2050) • Signed the BBP Climate Change Commitment • Implemented a TCFD framework, and • Committed to the SBTi <p>To implement the ESG objectives across the business, Workspace has allocated a '<i>Head of Sustainability</i>' who is responsible for the overall implementation of the strategy and objective. The Sustainability Team provides updates directly to the Executive Committee and the Board.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
				<p>The 'ESG/Sustainability Committee' has a robust framework in place to monitor and report on performance of all EGP's that sit within its Portfolio – for instance:</p> <ul style="list-style-type: none"> • Performance of all EGP's are monitored, reviewed, and reported against targets <ul style="list-style-type: none"> ◦ <i>Including against Workspace's SBT's, energy efficiency and GHG emissions (direct and indirect) linked to climate change targets</i> • A traffic light system (red, amber, green) is used to report on performance of the EGP's <p>The ESG/Sustainability Committee reports directly to the 'Executive Committee' and the 'Board' who has the highest level of responsibility for Workspace's ESG strategy. Overall accountability and performance of the EGP Portfolio rests with the 'Chief Executive Officer' and the 'Board of Directors'.</p> <p>Workspace also has specific ESG requirements in place when it comes to its procurement processes, such as helping apply or develop ESG policies across its supply chain by engaging its suppliers and contractors. This is important when it comes to Workspace delivering impact from the different EGP's by category type (e.g. <i>Eco-efficient and/or circular economy adopted products; Production technologies and processes</i>) by sourcing the right materials (e.g. <i>FSC or equivalent timber</i>).</p>

3. Management of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
3a	Tracking procedure	The net proceeds of a Bond/Loan should be credited to a sub-account, moved to a sub- portfolio or otherwise tracked by the issuer in an appropriate manner and attested to by a formal internal process that will be linked to the issuer's lending and investment operations for Green Projects.	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> “Workspace green finance framework” <p>We also reviewed additional documentation:</p> <ul style="list-style-type: none"> RiversideDN ISSUED 23.12.2020 Workspace Net Zero Carbon Strategy 2021 	<p>We conclude that the Framework commits Workspace to tracking the Use of Proceeds in an appropriate manner and attested to by a formal internal process.</p> <p>Workspace has an ‘<i>ESG/sustainability management system</i>’ that tracks proceeds against the key requirements as laid out in the Framework.</p> <p>The Workspace ‘<i>Sustainable Finance Committee</i>’, chaired by the ‘<i>Chief Financial Officer</i>’, is responsible for:</p> <ol style="list-style-type: none"> (1) Oversight of the use of proceeds raised by the issuance of the GDIs (2) Management of proceeds, and (3) Reporting on the use of proceeds and impact. <p>Workspace will dispose of buildings or other assets that were partly financed by GDI, but at the same time, identify new EGP's to meet its Use of Proceeds commitment under the GDI.</p>
3b	Tracking procedure	So long as the Bond/Loans are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> “Workspace green finance framework” <p>We also reviewed additional documentation:</p> <ul style="list-style-type: none"> RiversideDN ISSUED 23.12.2020 Workspace Net Zero Carbon Strategy 2021 	<p>We conclude that there is a clear process in place for the tracking of the balance taking into account disbursements.</p> <p>Workspace's ‘<i>Finance Department</i>’ is responsible for registering and tracking all investments in the EGP Portfolio.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
				Workspace has laid out its intent to allocate an amount equivalent to the net proceeds raised by the GDI to EGP's within [36] months of issuance.
3c	Temporary holdings	Pending such investments or disbursements to eligible Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> “Workspace green finance framework” <p>We also reviewed additional documentation:</p> <ul style="list-style-type: none"> RiversideDN ISSUED 23.12.2020 Workspace Net Zero Carbon Strategy 2021 	<p>We conclude that Workspace has appropriately disclosed how it will manage any unallocated proceeds within its portfolio. Workspace's 'Finance Department' is responsible for managing any 'unallocated surplus' funds from the GDI – these funds are used to:</p> <ul style="list-style-type: none"> Repay revolving credit facilities Including green RCFs) Placed on short-term fixed interest deposits On an overnight money market with counterparties that comply with Workspace's 'Treasury Policy'.

4. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which Bond and where appropriate	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> “Workspace green finance framework” Assessment of case studies laid out in the Framework 	We confirm THAT Workspace has committed to annual green reporting, which will be made available through its company website. This provides investors with information on selected projects, and includes the quantification of the environmental benefits and

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
		<p>Loan proceeds have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.</p>	<p>We also reviewed additional documentation:</p> <ul style="list-style-type: none"> • Annual Report 2020 • Code of Conduct (<i>amended May 2020</i>) • Carbon emissions report 19/20 • CDP Climate Change report 2020 • CDP Supplier Engagement Report 2020 • CDP submission • EPRA Gold Cert 2020 • EPRA Report 19/20 • Energy consumption report 19/20 • FTSE4Good Certificate 2020 • GI806_60-grays-inn-road-Ska Rating Silver Cert • GRESB Submission 2020 • GHG Verification • Mare St Studios BREEAM Final Cert • Pall Mall Deposit BREEAM Design Stage Cert • Pill Box BREEAM Final Cert • Renewable energy REGO Cert Oct 19/20 • SBTi Conformation Letter • Statement ISO 14064-3 19/20 • TCFD Disclosure 2021 • The Frames BREEAM Design Stage Cert • Workspace accreditations (online) • Workspace Net Zero Carbon Strategy 2021 Workspace website policies 	<p>impact information of selected projects where feasible.</p> <p>Workspace reports on the following:</p> <ul style="list-style-type: none"> • <i>Allocation Report (annually):</i> <ul style="list-style-type: none"> ○ Aggregated amount of net proceeds to the EGP Portfolio, and wherever feasible, report at the category ○ Proportion of net proceeds used for financing vs refinancing, and ○ Balance of any unallocated proceeds invested in cash and/or cash equivalents • <i>Impact Report (periodically):</i> <ul style="list-style-type: none"> ○ The (expected) impact of the EGP's, wherever feasible, at category level in a quantitative and/or qualitative format, and ○ Report against key KPIs and with appropriate metrics <p>Workspace has a '<i>Sustainability Reporting Spreadsheet</i>' to track and record performance data for each EGP. Annual reviews over the life of EGP's are conducted and reported on regularly until full allocation.</p> <p>Workspace discloses publicly, external recognition on the quality and action it has taken to deliver a low-carbon future. Some examples include:</p> <ul style="list-style-type: none"> • European Public Real Estate Association Sustainability Best Practice

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
				<ul style="list-style-type: none"> • Environmental performance in line with EPRA Sustainability Best Practice Recommendations • Global Real Estate Sustainability Benchmark (GRESB) • World Resources Institute/WBCSD GHGH Protocol • Climate Disclosure Project ("CDP") – category scores • Science Based Target Initiative (SBTi) • Recommendations ("EPRA sBPRs") • FTSE4Good Index • The Wired Certification • Social Mobility Pledge <p>Workspace also has its environmental data reviewed by an independent, external third party. For instance, GHG data will be assessed against ISO standards (limited assurance) and when the verification statement is issued, this is placed on Workspace’s website in the public domain.</p> <p>Any material that is likely to be seen externally must be first approved by the <i>Executive Committee</i>.</p>