



## Workspace Green Bond Allocation Report

In line with the reporting requirements as set in our Green Bond Framework (“GFF”), we are publishing our first annual report on allocation of proceeds. This report sets out our £284.8m of expenditure to date against relevant eligible green project categories, as well as a short commentary on their impact. We have engaged KPMG to provide Workspace with an independent limited assurance opinion over certain information (as indicated by the symbol  $\Delta$ ) in accordance with ISAE (UK) 3000. The limited assurance report is available [here](#), and we recommend that it is read in full.

Sustainability has been front and centre of Workspace’s investment and operational strategy for several years. Recently, with the publication of our Net Zero Carbon pathway, we committed to delivering a net zero carbon portfolio by 2030. We continue to strengthen our focus on environmental and social issues by embedding them into our financing strategy.

We therefore established a GFF in March 2021 ([https://www.workspace.co.uk/getmedia/453fc7a6-870f-4c89-a5a7-78c22c424f17/Workspace-green-finance-framework-vFinal\\_2.pdf](https://www.workspace.co.uk/getmedia/453fc7a6-870f-4c89-a5a7-78c22c424f17/Workspace-green-finance-framework-vFinal_2.pdf)), to support our transition towards becoming a net zero carbon business and give investors the opportunity to target their investments towards environmentally friendly projects within the REIT space.

### Green Bond Allocation Disclosure:

Eligible Green Projects	Green Funding
Green Buildings	Valuation (GAV in GBP)
11 Green Buildings	274,875,000 $\Delta$
Renewable energy	Purchase of green electricity (GBP)
Purchase of REGO certified electricity for 3 years	9,948,162 $\Delta$

Workspace has to date issued one Green Debt Instrument (“GDI”) in accordance with our GFF, a £300m bond issued on 11 March 2021 (the “Green Bond”). As set out in the Green Bond Listing Particulars, Workspace intends that an amount equal to the net proceeds of the issue of the Green Bond will be used, in accordance with the GFF, for financing or re-financing Eligible Green Projects (“EGPs”), for which there is a documented approval by the Green Finance Committee.

As set out in the GFF, there are several categories of EGPs, which are aligned with the relevant the ICMA categorisation. In respect of the “Green Buildings” category, the value of GDIs allocated is determined by reference to the external valuation of the assets as at 30 September 2021, in alignment with the Group’s accounting policy. This means that the amount allocated could, in future, vary in line with fluctuations in the value of the buildings due to market factors that may not be specifically linked to the green impact of the bond. In respect of other categories, the value of GDIs allocated is determined by reference to the eligible capital or operating expenditure within the period of 36 months before or 36 months after the issuance of the relevant GDI.

Pending allocation to Eligible Green Projects, the net proceeds of the issue of the Bonds are fungible with all other cash held by the Group and may be used for financing, refinancing, or investing in other projects and/or activities (including, but not limited to, repaying or redeeming certain of the Group’s existing financing

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arrangements). The net proceeds from the Green Bond were used, inter alia, to repay £124m of existing bank debt and to prepay a private placement loan of £154m.

Workspace has to date allocated £284.8m Δ from the net proceeds of the issue of the Bonds in accordance with the GFF for financing or re-financing EGPs. Within this total allocation, £274.9m relates to the refinancing of Green Buildings (based on asset value) and £9.9m relates to the financing of REGO certified renewable energy (based on expenditure). £13.8m of the net proceeds is still to be allocated.

## Green Bond Impact Disclosure

Eligible Green Projects	Impact
Green buildings	11 buildings refinanced, including 8 BREEAM Excellent ratings and 3 BREEAM Very Good ratings
Renewable energy	96% of all purchased electricity was on a green tariff from April 2019 to March 2021

## Eligible Green Projects examples:

### Mare Street



*A stone's throw away from London Fields in vibrant Hackney, our Mare Street redevelopment has been designed to achieve ambitious sustainability goals. Focusing on energy efficiency with its smart metering system and solar panels, but also incorporating customer health and wellbeing features with numerous breakout areas and terraces, Mare Street is the perfect home for London's dynamic businesses.*

<b>Completion date</b>	2020
<b>Size</b>	56,000 sq. ft.
<b>Green certification/rating</b>	On track for BREEAM Excellent B rated EPC
<b>Green features</b>	144 cycling bays 8 showers 31.24 Accessibility Index 50m <sup>2</sup> green roof 25.3kWp solar panel system

## Ink Rooms



*Right by Exmouth market at the heart of Clerkenwell, Ink Rooms has been refurbished to meet London's brightest businesses' need for modernised sustainable office and studio spaces. The four-storey project was certified by BREEAM and achieved a 'Very Good' rating, a testimony to the embedding of ambitious sustainability considerations into the building's design.*

<b>Completion date</b>	2019
<b>Size</b>	25,000 sq. ft.
<b>Green certification/rating</b>	BREEAM Very Good B rated EPC
<b>Green features</b>	41 cycling bays 5 showers 35.89 Accessibility Index Green roof including 16 species 12.81kWp solar panel system

## The Frames



*The Frames benefits from natural light and natural ventilation as well as clever design to encourage movement around the building and a combination of open space and private offices for both collaboration and concentration, promoting health and wellbeing. The property is designed to BREEAM Excellent rating, the world's leading sustainability assessment method for master planning projects, infrastructure and buildings.*

<b>Completion date</b>	2018
<b>Size</b>	80,000 sq. ft.
<b>Green certification/rating</b>	On track for BREEAM Excellent A rated EPC
<b>Green features</b>	64 cycling bays 10 showers 340 m <sup>2</sup> green roof including 64 species of plant Roof solar panel system