

A focus on Doing the Right Thing helps us to manage our key resources and relationships

Our properties Resource:

Over the last 30 years, we have built a portfolio of fantastic properties – some full of history and others brand new. It is our responsibility to future proof these buildings and ensure they are sustainable so that they can continue to play an important role in their communities.

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Our customers Relationship:

We foster direct relationships with our customers to ensure we're able to listen, understand and respond to their needs.

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Our people Resource:

Our people are our greatest resource and we have a diverse mix of skills and experience in our teams.

Relationship: Ensuring our people are motivated and committed is key to the success of this business.

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Our suppliers and partners Resource:

From building contractors to architects, cleaners and technology providers, we rely on suppliers and partners to help us deliver The Workspace Advantage.

Relationship: Maintaining good working relationships with these groups is of vital importance.

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Our communities Relationship:

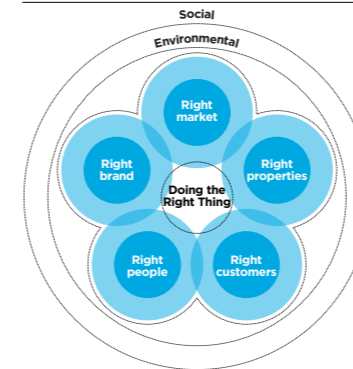
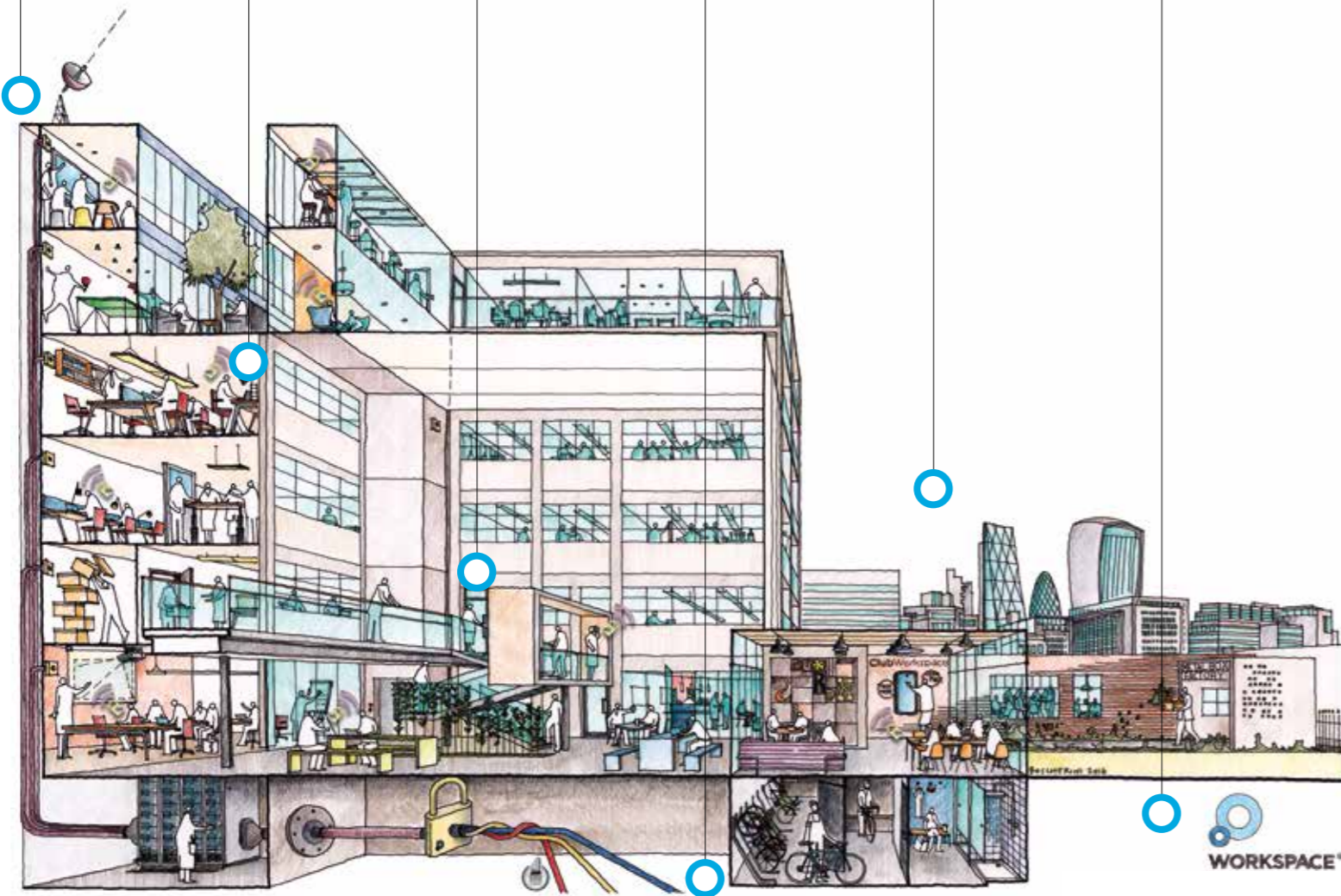
It is important to both Workspace and our customers that we engage with and positively impact the communities in which we're based.

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Our brand Resource:

A strong and confident brand helps us market directly to customers and drives enquiries for our space.

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Super connected: Delivering The Workspace Advantage requires all parts of our business to work together.

We depend on developing long-lasting relationships and harnessing our key resources to ensure we can continue to grow our business and deliver The Workspace Advantage.

To achieve this sustainable growth we:

- Acquire, develop and future proof properties in the most exciting locations across London.
- Build strong partnerships with our suppliers.
- Empower our people to deliver the best offer to our customers.
- Leverage our unique brand positioning within the industry.
- Continuously reinforce and strengthen our customer relationships.
- Positively impact the communities in which we operate, supporting the next generation to enter the workplace.

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Doing the right thing

Our Doing the Right Thing strategy ensures that we operate responsibly in our dealings with all stakeholders and reinforces our commitment to the sustainable growth of this business.

Awards, accreditations and partnerships

Global Real Estate Sustainability Benchmark ('GRESB')



We gained a Green Star for the fourth year in a row. This year we improved our score from 76 to 81, exceeding both the GRESB Average score of 63 and the Peer Average score of 73. Our GRESB public disclosure level was Grade A (group average Grade B). GRESB allows us and our investors to measure our sustainability performance within the real estate sector.

European Public Real Estate Association ('EPRA')



We were awarded another Gold for reporting in line with the 2017 European Sustainability Best Practice Recommendations (EPRA SBPRs) for the fourth year in a row. These awards are intended to raise the standards and consistency of sustainability reporting for listed real estate companies across Europe.

Carbon Disclosure Project ('CDP')



We achieved a B in our Carbon Disclosure Project score, exceeding the sector score average of C. Scores were based on disclosure, awareness, management and leadership with regards to carbon management and climate change risk.

FTSE4Good Index



We were once again included in the FTSE4Good Index, which helps us assess our achievements against a transparent and evolving global corporate responsibility standard. The FTSE4Good Index Series measures companies' Environmental, Social and Governance (ESG) practices. This year, we achieved 3.2 out of 5 (Absolute Rating) and 82% (Relative Percentile Score).

Investors in People



We continued to hold our Investors in People accreditation for the 19th year in a row, having achieved the highest possible level, a Gold Award in September 2016 (re-accreditation is every three years). In order to achieve Gold, we had to provide 126 additional evidence requirements. The Standard defines what it takes to lead, support and manage people well for sustainable results.

Green Electricity



The majority of our electricity supplies are on a green tariff. SSE Green is 100% renewable energy generated by a variable mix of hydro-electric, offshore and onshore wind. This year we have calculated our market-based emissions in addition to location-based emissions for our Scope 2 reporting.

Over the following pages, we look at our key resources and relationships in more detail, highlighting particular achievements in the year and targets for the following year.



Our properties

At Workspace, we value long-term ownership of our properties. We believe this helps us to generate more value for shareholders, but it also means that we are building sustainable properties that will last long into the future. We take pride in the work we do to reposition, refurbish or redevelop our buildings to ensure they meet customer needs and are suitably future proofed.

Over the year, we have continued our efforts to reduce the environmental impact of our properties and their related supply chains. On-site, our asset managers and centre teams work hard to create healthy environments for our customers.



We have begun to install solar panels across our estate. Five properties have been fitted with solar panels so far, generating 87,738 kilowatt hour per annum, and we have plans to install them at a further six properties. Overall in 2017/18, we increased our renewable energy generation from solar by 78% year-on-year.

Case study: Cycling facilities

Thanks to an increased focus amongst our customers on the health and wellbeing of their employees, as well as a desire to promote sustainable methods of transport, we have invested in the cycling facilities across our portfolio. During the year, we have installed 311 bicycle storage spaces, 30 showers and 212 lockers into our business centres. We have also rolled out a mobile bicycle service and repairs surgery that visits our centres regularly.

Targets for the coming year

- Continue to roll out installation of solar panels at suitable sites.
- Reduce our absolute Scope 1 and Scope 2 Greenhouse Gas Emissions across our portfolio by 16% by 2020.
- Ensure any new electricity contracts are on a green tariff.

Case study: Cocoa Studios at The Biscuit Factory

This is a brand-new building on the wider Biscuit Factory estate. The building has been rated BREEAM Excellent Design Stage, which takes into account the 76 cycle storage spaces, exceeding requirements, natural ventilation in all office units, high-thermal-efficiency glazing, water metering and leak detection in place and 38 sq. m. of solar PV panels. The site has also achieved a Considerate Constructors Score (CCS) of 40/50 and an A grade EPC rating.

Our suppliers and partners

We could not operate our business without calling on the services of key suppliers and partners. We take great care in selecting the organisations we work with, and it is in our interest to build strong relationships and ensure our goals and commitment to sustainability are aligned.

Case study: Apprenticeships

Over the last two years, we have started holding workshops with our charity partner XLP, to educate our suppliers on the value of apprenticeships and to facilitate introductions with some of the young people XLP supports.

This year, we caught up with Sam Taylor, one of those young people. Following our introduction to XLP, Sam was employed as an apprentice by Cogent Electrical Services Ltd, one of our suppliers. Sam has been employed for 18 months now and has worked across many of our developments, including The Frames in Shoreditch. Read his thoughts on the opportunity on page 20.

Targets for the coming year

- Roll out XLP apprenticeship workshops for customers, as well as suppliers.
- Achieve a CCS score of at least 38/50 for all developments and major refurbishments in 2018/19.
- Divert at least 95% of non-hazardous demolition waste and construction waste by weight from landfill for all developments and major refurbishments in 2018/19.
- Procure at least 95% of timber from certified sustainable sources (FSC Equivalent) in 2018/19.

Our people

Harnessing the right culture is important in any organisation to enhance performance and unite the business around common behaviours that will help it to achieve its goals.

At Workspace, we have a fantastic culture and pride ourselves in employing people with a diverse mix of skills, experience and backgrounds.

Case study: Articulating our values

This year, we have kicked off a project to articulate the values and behaviours that make Workspace people unique and that form the successful culture that is delivering The Workspace Advantage.

This project has highlighted the unique qualities Workspace people bring to work and exhibit every day. Our people demonstrate deep knowledge in their subjects, have an inquisitive nature and thirst for innovation and show genuine care for our customers, our communities and each other.

Long service awards

We believe it is this culture that encourages long-term service and are proud that our people can build long careers at Workspace. During the year, 27 people achieved long service awards, of which 17 were for 10 years or more.

Number of workshops held to help articulate our values

8

The number of people involved in the articulation of our values

100

To be successful you need a mix of great properties and customers. But to be successful over the long term you also need the right people, culture and values.

Jamie Hopkins
Chief Executive Officer



48 Workspace people completed an 8.5 mile row down the Thames, raising £23,500 for AHOY.

Learning and development

A thirst for knowledge and learning is one of our values and, as a result, we run a regular programme to provide training and development opportunities to all our employees. This ensures they remain motivated and committed and are constantly enhancing their skills and experience.

Our rigorous training programme, led by both internal and external providers, covers a wide range of topics, including:

- People management.
- Customer services.
- Networking and events.
- Social media.
- Conflict resolution.
- Data protection.
- Energy and sustainability.

Over the last year, we have also launched a series of training days, held twice annually, for our on-site staff. These are run by a mix of internal managers and help to build relationships between site and head office colleagues, while ensuring that all employees are aware of updated systems and processes, as well as non-operational initiatives, such as those from our Doing the Right Thing committee.

During the year, we provided 148 hours of training for centre staff on a wide range of subjects.

We recognise the importance of supporting our people to pursue wider learning passions. We support a range of development activities, providing coaching and mentoring, sponsorship of further education and professional qualifications, as well as providing paid leave to complete recognised training courses that support career aspirations.

Over the last year, we supported six people in undertaking externally recognised courses as part of our strong commitment to attracting and retaining the very best talent, and making Workspace a great place to work.

Courses taken during the year included:

- Certificate in Marketing.
- Accountancy (ACCA – Association of Chartered Certified Accountants, CIMA – Chartered Institute of Management Accountants and AAT – Association of Accounting Technicians).
- Real Estate (MSC).

Supporting our team to do the right thing

Our desire and ability to give back to our communities came through strongly in the employee workshops we held to help articulate our values. The Doing the Right Thing committee works hard to provide opportunities for employees to volunteer or fundraise for our chosen causes.

During the year, members of our team gave 61 work days to volunteer for charities, plus an additional 60 personal days, and along with customers, raised £40,000 for various charities.

Case study: Engaging our Facilities team to reduce gas consumption

Having started to roll out smart metering at our properties, we had access to data that allowed us to engage with our in-house Facilities Management team to reduce gas consumption and greenhouse gas emissions. We held several educational workshops throughout the year and quarterly meetings with senior team members to track progress. Following these efforts, gas consumption decreased by 3% in the year.

Targets for the coming year

- Continue to engage our Facilities Managers on improving energy performance of buildings they manage.
- Continue to support employees through training and professional development programmes.

Our customers

The relationships we build and maintain with our customers are among the most critical for the business, and constantly enhancing these relationships is central to our strategy. The Workspace Advantage is all about providing a best-in-class service to our customers and giving them support that goes beyond the space they let from us.

We continue to roll out our programme of business insight events, which bring customers together from across the whole portfolio and provide valuable insight and learning alongside networking opportunities. This year, event themes included 'the rise of the bots', digital finance and the impact of neuroscience on brand psychology.

We have seen a great response from our customers to initiatives that have a positive impact on our communities and the environment, and therefore continue to engage with customers on these. Social media is one of the tools we use to communicate with customers, and the social posts that use the #doingtherightthing hashtag are some of our best-performing posts, with engagement on average 11% higher than other posts.



Workspace Business Insight event at Kennington Park.

Case study: Recycling initiatives

We have continued to roll out initiatives to improve recycling rates across the portfolio. We held 12 recycling roadshows during the year, with the centres visited demonstrating, on average, a 10% improvement in recycling rates. We have put in place new, clear consistent signage throughout our centres and launched our 'recyclopedia', a customer information pack to provide recommendations and education on recycling. As part of this work, we have also committed to tackling food waste, with food waste streams introduced at 80% of our cafés and a fast food waste event held in conjunction with the North London Waste Authority at The Chocolate Factory in Wood Green, with 66 customers in attendance.

Our efforts during the year have paid off, and we achieved an average recycling rate across our buildings of 66% above our target of 65%.

Targets for the coming year

- Work with our customers to increase the average recycling rate across all buildings where Workspace are responsible for waste management to 70% by 31 March 2019, whilst maintaining 100% diversion from landfill.
- Launch customer benefits platform online for customers to cross-promote services and products.
- Continue to expand the Workspace events programme.



Our brand

Our brand is one of the most important tools at our disposal to excite and engage with customers, and consequently to drive enquiries for our space.

Our customers want to put their own brand and identity on the space they let from us, so our brand is not hugely visible inside our buildings. However, our in-house Marketing team works hard to ensure that the brand is highly visible to businesses as they start their search for office space.

The Workspace Advantage brand campaign that we ran last year was effective in further raising awareness of our brand and offer.



Case study: Brand Tracker

As part of the campaign we launched in 2017, we commissioned a brand tracker survey to better understand how far our brand reaches consumers outside of our customer base and the level of awareness of Workspace versus key competitors in the market.

The survey was conducted both before and after the campaign went live to analyse its effectiveness. We were pleased to see that awareness of Workspace increased strongly following the campaigns, with particular cut through on our customer offer. We also saw immediate action taken as a result of the campaigns, with web traffic increasing significantly and first-time visits to the site up 38% year-on-year.

Targets for the coming year

- Ongoing communication of The Workspace Advantage positioning using social, digital and traditional media.
- Continue the annual survey to track brand awareness.

Our communities

Our extensive footprint across London means that we operate in many different communities throughout the city, and we take our role as a landlord and employer in those communities seriously.

Through our programme of refurbishments and redevelopments, we aim to bring high-quality business space to the local communities, along with the valuable custom and footfall that comes with that.

One of the priorities of our Doing the Right Thing strategy is to leverage the business skills and knowledge we have internally at Workspace, as well as the network of companies in our space, to support disadvantaged young people in London. The support we provide takes a number of forms, from running careers events and assembly talks at a school local to our head office, to offering CV workshops, interview practice and apprenticeship opportunities to young people from inner city estates through our partnership with the charity XLP.

Days Workspace staff spent volunteering or fundraising for charitable causes

121

Amount raised by Workspace staff for the 2018 AHOY charity rowing race

£23,500

This year, as an extension of our hugely successful InspiresMe work experience programme, we decided to wrap up all of the activity we do with young people under the InspiresMe umbrella and aim to roll it out further across our network. We will work with our centre managers to build relationships with schools local to all our buildings and invite customers to take part in InspiresMe activities, such as the careers workshops.

Case study: AHOY

Following the success of the three Workspace teams who took part in the Meridian Pull Challenge in 2016, last year we decided to expand the challenge. In March 2018, eight Workspace boats, with six people in each, rowed 8.5 miles down the Thames to Greenwich. The teams had set themselves an ambitious fundraising target of £16,000 for AHOY, the charity that uses watersports to work with disadvantaged and at-risk young people. Fundraising initiatives included a raffle, bring-and-buy sale and themed events throughout the year. The teams exceeded their fundraising target, raising a total of £23,500 for AHOY.

Targets for the coming year

- Roll out InspiresMe events with local schools for customers across Workspace business centres.
- Continue to work with charity partners, XLP and MyBnk, to run workshops for disadvantaged young people in London.