

Doing The Right Thing

We have a responsibility to Do the Right Thing by all our stakeholders

We believe that our business model and strategy will deliver sustainable growth and performance. In order to do this, we must ensure that Workspace continues to be a responsible business and that we fully integrate environmental, social and governance (ESG) factors into our business.

The following pages outline how we aim to Do the Right Thing in every aspect of our operations and demonstrate the importance of these ESG factors to the business.

Doing the Right Thing is core to Workspace's culture. In employee workshops held during the year, ideas were put forward for further enhancing the environmental and community activities we undertake, and our customers tell us that they see these factors as key elements of our brand proposition.

The Board and senior management team strongly believe that by integrating ESG factors in our day-to-day business activities, we will drive an enhanced performance and ensure the long-term sustainability of the Company.

2018/19 highlights

Our customers

WorkspacePerks

Launched customer benefits platform.

Recycle

More than 70% of our waste has been recycled during the year.

Wellbeing

Customer welcome pack now includes a sustainable transport guide, covering the cycle-to-work scheme, bike maintenance services and the London Healthy Workplace Charter.

Carbon Trust

Partnered with the Carbon Trust to hold "lunch and learn" sessions for customers on energy efficiency.

121

Cycle storage spaces installed this year.

LEG

The Leather Market Environmental Group set up at The Leather Market to help customers reduce their environmental impact.

Our properties

Targets met

Exceeded our CCS target of 37/50 at all development projects completed during the year.



Energy use

Solar panels installed on the roof of The Frames.

SKA rated fit-out

60 Gray's Inn Road was our first Silver-SKA-rated fit-out with 100% of stripped-out material recycled.



Biodiversity

Installing green roofs at several business centres.

Our people

Culture

Successfully launched our new values into the business.



Talent retention

Ten long-term service awards of 10 years and two of 15 awarded during 2018/19.

Training

227 training days carried out during the year.

Social mobility

Workspace signed up to the Social Mobility Pledge, committing to provide work experience to those from disadvantaged backgrounds.

Breast Cancer Care

Workspace supported charity, Breast Cancer Care, in its Pink Week to raise awareness and funds to fight the disease.



Food recycling

We rolled out new food waste streams across the portfolio.



Our communities

InspiresMe

Continued to hold CV and career workshops for disadvantaged young people.

Fundraising

A Workspace team trekked through the Sahara desert, raising £20,000 for XLP.



Community engagement

Continued to engage with local communities. In Wandsworth, we hosted free local events at our Riverside Business Centre, including family learning workshops.

London College of Communications

Provided space for Talent Works programme to hold content creation event for 30 students.

1,217

Hours volunteered for charities by Workspace people.

Our suppliers and partners

Environment

100% of waste was diverted from landfill from all of our managed assets.

Targets met

95%

of all timber procured from certified sustainable sources

Single-use plastic

Started engaging with cafes at our business centres to reduce single use plastic.

Renewable energy

All of our electricity supplies within our Group contract are on a renewable energy tariff.

Partner

Bywaters' new data platform allows our centre managers to compare buildings' recycling rates.

Awards, accreditations and commitments

Global Real Estate Sustainability Benchmark ('GRESB')



We gained a Green Star for the fifth year in a row for the GRESB survey. We achieved an A rating for Public Disclosure and scored 80 in the Real Estate Assessment, exceeding both the Average score of 68 and the Peer Average score of 72. 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 2018 European Sustainability Best Practice Recommendations (EPRA sBPRs) for the fifth year in a row. As with the EPRA financial BPR Awards, each year EPRA recognises companies which have issued the best-in-class annual sustainability performance report.

Carbon Disclosure Project ('CDP')



We achieved a B in our 2018 Carbon Disclosure Project score, exceeding the sector and regional score average B-. Scores were based on disclosure, awareness, management and leadership with regards to carbon management and climate change risk.

FTSE4Good Index



This year we achieved 3.3 out of 5 (Absolute Rating) and 76% (Relative Percentile Score). The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.

Investors in People



We continued to hold our Investors in People accreditation for the 19th year in a row, having achieved the highest Gold Award in the last accreditation. The standard defines what it takes to lead, support and manage people well for sustainable results.

The Social Mobility Pledge



We have signed up to the Social Mobility Pledge and have committed to partnering with schools, providing work experience and adopting open employee recruitment practices.

Green Electricity



All of our electricity supplies within our group contract are on a green tariff. SSE Green is 100% renewable energy generated by a variable mix of hydro-electric, offshore and onshore wind depending on prevailing weather conditions. This year we have calculated our market-based emissions in addition to location-based emissions for our scope 2 greenhouse gas reporting.

Our customers

Attracting and retaining a loyal customer base

Workspace cultivates strong relationships with its customers, thanks to its in-house operational platform and dedicated centre teams who curate thriving communities in their buildings.

We know from our engagement with customers that they care deeply about the environmental performance of their office space, as well as the role they, and we, can play in the local communities.



Case Study
The Leather Market Environmental Group

We have recently set up an environmental group with our customers based at The Leather Market in partnership with customer Anthesis, an environmental consultancy. The group's aim is to help customers reduce their environmental impacts through education and collaboration. The group will meet quarterly to discuss recycling, energy, water, procurement, events and campaigns. The benefits to our customers include environmental savings, cost savings, PR benefits and networking opportunities.

Case Study
Encouraging our customers to recycle

This year, we surpassed our target of just over 70% of our waste being recycled (based on a combination of estimated and actual waste weighed). To put that into perspective, of the 369 tonnes of waste collected in March 2019, just under 260 tonnes of this was recyclable material. To raise further awareness, centre teams have held recycling and waste awareness roadshows, our Facilities Managers and Technicians have reviewed and managed our recycling areas, and our Energy & Sustainability Manager has been engaging with our café operators.

Case Study
Educating customers on energy use

This year we partnered with the Carbon Trust to hold 'lunch and learn' workshops at various sites across the portfolio, providing advice on energy efficiency and government grants.

In addition, our customer welcome pack contains energy-efficiency resources and tips including promoting the Better Building Partnership's (BBP) Responsible Fit-out Guide, grant opportunities, energy-saving guides and posters, carbon footprint calculators and information on how to switch to a green energy provider.

- Looking forward
- We plan to roll out environmental groups at other centres following success of the LEG.
 - We will be holding more sustainability-focused events across the portfolio.

Link to relevant KPIs
Financial: 1, 2, 3, 4, 5, 6, 7, 8
Non-financial: 2, 4, 5, 6



Our properties

Maintaining the right property portfolio for the long term

Workspace has owned many of its 64 properties for decades and we want to ensure the continued sustainability of these buildings for the years to come.

Whether we're upgrading the sites through minor refurbishments, adding new floors or starting from scratch and rebuilding a more fit-for-purpose asset, we are focused on reducing the environmental impact of our properties and their supply chains.

Case Study

The Frames

In September 2018, we launched a new business centre in Shoreditch, The Frames, on the site of an old asset that Workspace had owned for more than 20 years. The property is designed to BREEAM Excellent rating, the world's leading sustainability assessment method for master planning projects, infrastructure and buildings. 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.



Barley Mow Centre, Chiswick:
3,000 sq. ft. of green roof and wall.

Case Study

Biodiversity

We have made an effort during the year to increase the amount of space at our centres given to biodiverse habitats. ScreenWorks in Islington, The Record Hall in Farringdon and Cocoa Studios at The Biscuit Factory in Bermondsey are just some of the Workspace centres bringing greenery to London's skyline.

Case Study

Achieving Silver SKA rating for the fit-out at 60 Gray's Inn Road

We achieved our first ever Silver SKA Rating at Gray's Inn Road. This is a coveted certification that assesses fit-out projects against a stringent set of sustainability criteria. This refurbishment project saw 100% of the stripped out materials recycled, all materials diverted from landfill, any new products sustainably sourced and energy-efficient air conditioning and lighting installed.

Looking forward

- We aim to achieve further SKA ratings on future projects if feasible.
- We are following the Soft Landings framework for our future development Brickfields. Soft Landings helps close the performance gap between design intentions and operational outcomes.

Link to relevant KPIs

Financial: 1, 2, 3, 4, 5, 6, 7, 8
Non-financial: 2, 4, 5, 6

Workspace Group – Task Force on Climate-related Financial Disclosures (TCFD)

TCFD Disclosure Summary

Launched in 2017, the TCFD encourages businesses to disclose their response to climate change by assessing climate change risks and opportunities. With this in mind, Workspace has provided a TCFD Disclosure in line with these recommendations. Some of the key areas from Workspace's disclosure are summarised below.

Governance

The Board is responsible for the long-term success and the delivery of strategic and operational objectives. The Risk Committee, which reports to the Board, reviews and identifies risks associated with sustainability, carbon and energy management, of which climate change is directly linked.

Strategy

As a responsible business we consider climate-related risks and opportunities across all our business activities including the design, construction, refurbishment and day-to-day operational management of our portfolio. We identify risks and opportunities over short term (0-5 years), medium term (5-15 years) and long term (15+ years) horizons whilst considering the strategic and financial implications of these risks and opportunities on our operations.

Risk Management

Risk management continues to be an integral part of all our activities. Risks and opportunities are considered in every business decision we make. It is embedded in our culture to consider potential risks of any new business decision. We focus on key risks, which could impact on the achievement of our strategic goals and therefore on the performance of our business, and look to identify risks across two key areas: Business (Strategic) Risks and Operational Risks.

Metrics and Targets

Workspace also focuses heavily on energy and carbon reduction measures, so that our assets operate as efficiently as possible. As detailed within our full TCFD disclosure we are working towards developing science-based targets which are set against recognised 1.5°C transition scenarios. Setting targets in this way will enable us to determine a carbon reduction trajectory between our base year and target year of 2030.

Workspace's full TCFD disclosure can be found within our TCFD Full Disclosure Report.



- For more information on our environmental performance go to the Report of the Directors on page 158.

Our people

Nurturing and developing talent within Workspace, thanks to a dynamic culture

Workspace's growth and customer-centric approach is possible because of our focus on attracting, retaining and developing the right talent.

We know that Workspace has a distinct culture and set of behaviours that drive the success of the business. However, until now, this had not been articulated. We felt it was important to clearly set out a values framework to support the development and delivery of our customer offer, The Workspace Advantage. We believe that an articulated culture creates a common feeling of identity and direction, helping motivate teams and enhance decision-making.



We held a series of workshops across the business in April 2018, encompassing more than 100 employees, to gather staff insights on our culture. The discussions provided an environment where employees could talk openly about what they saw as common behaviours or values existing across the business and, ultimately, share their perceptions of the internal culture.

The feedback from these sessions was overwhelmingly positive, with a consensus that Workspace has an enthusiastic, inclusive and caring culture. We synthesised the output of the workshops into four key values:

1. Know Your Stuff

"We like people who are serious about their subject and know there's always more to learn. Enthusiasts who back it with the facts. Those who ask questions, who are open-minded and interested. We don't just react to what customers, colleagues or the market are telling us, we anticipate it. And our accent on technology helps us to do just that."

2. Find A Way

"We look for those who are persistent and have the confidence to move things forward even when they are difficult or unclear. Flexibility and adaptability are key but so are focus and determination. Our teams mix people with a range of backgrounds and skills and the result is always more interesting and effective."

3. Show We Care

"We value people with great social skills and look for those who instinctively build really good relationships – we are in constant conversation with customers and one another. We like people who are approachable, flexible and see opportunity in the every day. We think hard about how we can contribute to our communities and give something back."

4. Be A Little Bit Crazy

"We depend on the creativity and imagination of all our people. We like those who sense an idea before they can explain it, the ones who see things a little differently, who believe they can make a difference. We like people who thrive on fresh thinking, who are motivated by possibility, who don't want to work for just another corporation because that's what we're trying not to be."

Workshops

The values were launched via a series of workshops carried out by each team manager, alongside case studies – stories told through intranet news articles, framed posters and email communications – showing examples of employees who had demonstrated the values, while values-branded notepads and tote bags were handed out to all staff. The values have received a positive response and have been embedded in the staff performance reviews and recruitment processes.

Diversity

We strongly believe in the clear competitive advantage gained from employing a diverse workforce, ensuring we attract the best people with a broad range of experience, backgrounds and skills sets. We are fully committed to an active Equal Opportunities Policy covering recruitment, selection, training and development, performance reviews and promotions.



Case Study

Breast Cancer Awareness workshops at Kennington Park

As part of Pink Week, a session was run detailing how to check for breast cancer and how to support friends and family if they are diagnosed.



Employee engagement

We continue to reinforce the values through our internal communications, having introduced several new channels during the year, including Sharepoint, Skype for Business, Yammer and a monthly internal newsletter called The Workspace Wrap.

The objective of our internal communications strategy is to create an engaged, motivated and well-informed workforce who feel they are working towards a common goal: Workspace's long-term success. This is done by empowering staff to become capable brand ambassadors and maintaining a consistent flow of internal news across our new channels, providing engaging content around company performance, property launches and CSR initiatives, for example. See page 80 in Governance for Board engagement with employees.

Long-service awards and careers

Our dynamic culture means that employee retention and loyalty is high, with 26 members of staff achieving long-service awards this year, 10 of which were for 10 years of service and two for 15 years.

Learning and development

Employees have the opportunity to build their careers with us. Know Your Stuff is one of our key values, and we place a lot of importance on providing training and development opportunities to all our employees. We carried out more than 227 training days over the year, covering a range of topics:

- Customer services
- Networking
- IT skills
- Writing skills for customer communications
- Conflict resolution
- Planning and organisation skills



Case study

Sophie Rose started at Workspace in 2013 as a Purchase Ledger Clerk. We have since helped develop her career via a number of professional training courses, which resulted in her qualifying as a Chartered Management Accountant this year. After progressing through the Management Accounts team, she is now Business Analyst within the Financial Planning and Analysis Team. Sophie is also a key member of our 'Doing the Right Thing' committee.

Health and wellbeing

One of the priorities of our internal culture is the health and wellbeing of our staff. Throughout the year, we have promoted yoga and mental health sessions across a number of sites, while launching a new offers platform with discounts on gym memberships and meditation sessions, which can be taken advantage of by employees as well as customers.

Looking forward

- We are increasing our focus on mental health, training a number of Mental Health First Aiders across the business who will be equipped to spot the signs and symptoms of mental ill health and provide immediate support.
- We will also be monitoring employee engagement and satisfaction through a new employee survey.

Link to relevant KPIs

Financial: 1, 2, 3, 4, 5, 6, 7, 8
Non-financial: 2, 4, 5, 6

Our communities

Working alongside and supporting our communities

Workspace aims to be a good and responsible neighbour. With properties in 15 different boroughs across London, we play an active role in supporting our local communities in many different ways.

We work with local businesses and aim to encourage the local employment of young people with our customers and suppliers.

We continue to engage with local communities and host consultation events. In Wandsworth we ran free local events at our Riverside Business Centre, including family learning workshops.

We leverage our relationships with customers and suppliers, as well as our in-house skills and knowledge, to support disadvantaged young people in London. Through our InspiresMe programme, we run CV and career workshops and provide interview practice. We have also continued to hold events for our customers and suppliers to raise awareness of the benefits of hiring apprentices and introduce them to potential candidates.

Case Study
Developing creative talent with the London College of Communications

Workspace partnered with the London College of Communication's Talent Works programme, providing space at Kennington Park to hold their two-week pop-up content creation studio for 30 students. Holding the studio at an external venue provides the students with a richer experience and teaches them what working in the real world can be like.



Supporting communities
LCC Talent Workshops held at Kennington Park.

The students were given briefs from 13 local charities and enterprises, with projects covering filmmaking, print and digital design, motion graphics, animation and social media strategy. The project is aimed at students who may struggle to get their first paid creative job. They gain experience working with real clients, develop soft skills, and work for their portfolios.

Looking forward

- We have selected Great Ormond Street Hospital as our new Charity Partner. We will host a variety of fundraising events throughout the year to support the hospital.
- We will continue to work with XLP through our InspiresMe programme.

Link to relevant KPIs

Financial: 1, 2, 3, 4, 5, 6, 7, 8
Non-financial: 2, 4, 5, 6



Fundraising

Workspace staff and customers raised £26k for our charity partners this year. The XLP four-day Sahara trek was our main fundraising event.

Our suppliers and partners

Developing strong relationships with our suppliers and partners

We are committed to driving positive change both within our supply chain and across our partnerships.

Stringent KPIs are embedded into our tendering process from the outset, designed to ensure all suppliers and partners adhere to the highest standards of sustainability.

We work closely with Bywaters, our waste contractor, to improve our recycling rates across the portfolio. For example we have worked together on initiatives including back-of-house recycling areas, introducing new food waste recycling streams and holding recycling events for our customers. This year we have transferred all of our data onto a new platform, allowing our centre managers to easily compare each building's recycling performance on a monthly basis so as to address issues and reach our targets. This year we surpassed our target to recycle more than 70% of our waste.

Our target is to procure at least 95% of timber from certified sustainable sources such as FSC – we exceeded this across all of our projects. We also surpassed our target for diversion of construction and demolition waste from landfill. For example, 100% of waste was diverted from landfill at The Light Box.

Case Study
Considerate construction on development projects

We have exceeded our target Considerate Constructors Score (CCS) of 37/50 at all of our projects completed during the year. Notable scores included 40/50 at Cocoa Studios at The Biscuit Factory, 41/50 at The Light Box in Chiswick and 40/50 at Brickfields in Hoxton.



Case Study
Engaging with our cafés on single use plastic

This year we have been working with the cafes and catering partners in our centres to reduce single-use plastic. We have visited each cafe to discuss switching to low environmental impact alternatives, such as reusable coffee cups, cardboard packaging and paper straws. Following our engagement and research, we will be setting a Workspace best practice standard across our cafes this year.

Case Study
Better Buildings Partnership (BBP)

We are a member of the Better Building Partnership (BBP) and report into the Real Estate Environmental Benchmark (REEB). The BBP is a collaboration of the UK's leading commercial property owners who are working together to improve the sustainability of existing commercial building stock.

Case Study
Islington Sustainable Energy Partnership

Karen Jamison, our Energy & Sustainability Manager, sits on the Steering Committee for the Islington Sustainable Energy Partnership (ISEP). Committee members meet six times a year to plan projects and events, and maximise benefit for members and the wider community.

Looking forward

- Our new recycling rate target for 2019/20 is 75%
- We will work with Bywaters so that more than 70% of our waste is measured by weight (rather than volume or estimated) by 31 March 2020
- We will host further XLP apprenticeship workshops for partners, suppliers and customers.

Link to relevant KPIs

Financial: 1, 2, 3, 4, 5, 6, 7, 8
Non-financial: 2, 4, 5, 6