Carbon Emissions Report

2019/20

Carbon Emissions

Carbon emissions represent one of our largest environmental impacts and we are actively working to reduce our sources of carbon where possible. The greatest contributor to our carbon emissions are the electricity and gas consumed within our buildings; by improving the energy efficiency of our buildings we aim to reduce our overall carbon footprint.

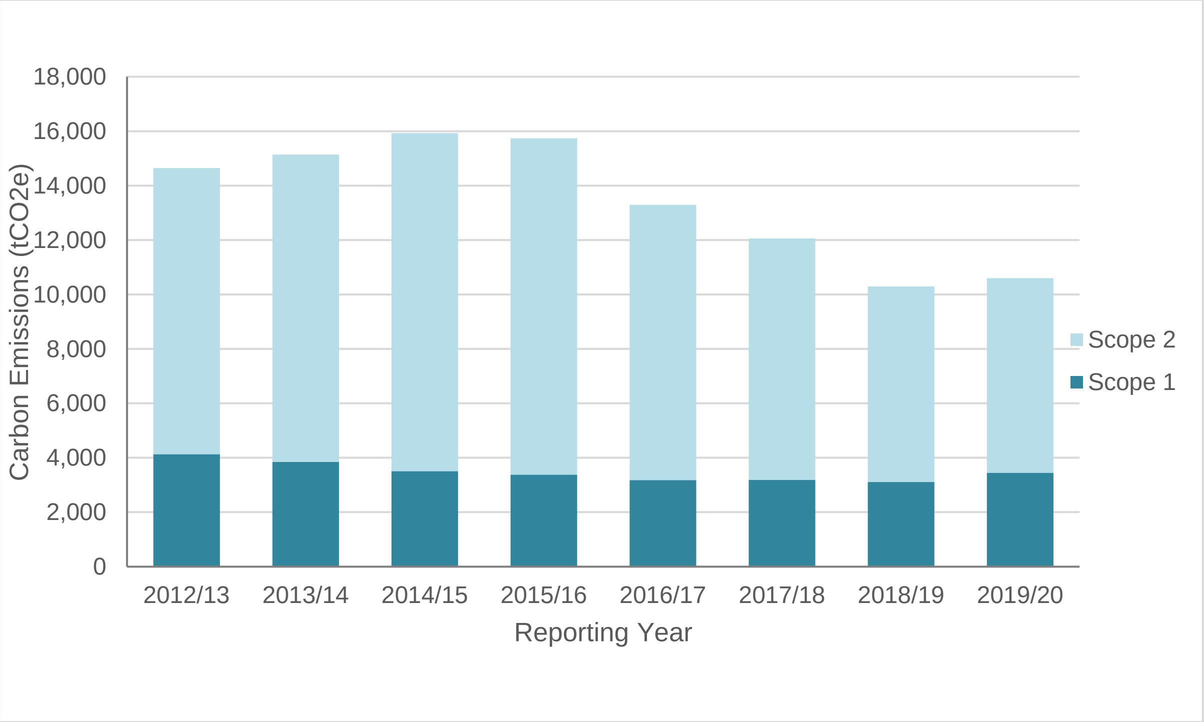
Total Emissions

We benchmark our total carbon footprint annually against our 2012-13 baseline year to review portfolio changes to our Scope 1 and Scope 2 emissions.

The organisational boundary was established following the financial control consolidation approach on a UK basis. The scope includes all emission sources required for disclosure by The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 as follows:

Scope 1 Emissions	Scope 2 Emissions	Scope 3 Emissions
• Combustion of gaseous fuels in facilities • Combustion of liquid fuels in facilities • Combustion of fuel in vehicle fleet • Fugitive refrigerant gases	• Indirect emissions associated with purchased electricity (location & market based) and purchased heat consumed within facilities	• Transmission & distribution of electricity and heat • Water supply & treatment • Waste management • Customer direct electricity • Downstream leased assets

Annual Carbon Footprint: Scope 1 & 2



Our long-term target for this year was to reduce our absolute scope 1 & 2 GHG emissions by 16% from our 2012/13 baseline year, which we have surpassed by reducing these emissions by 28%.

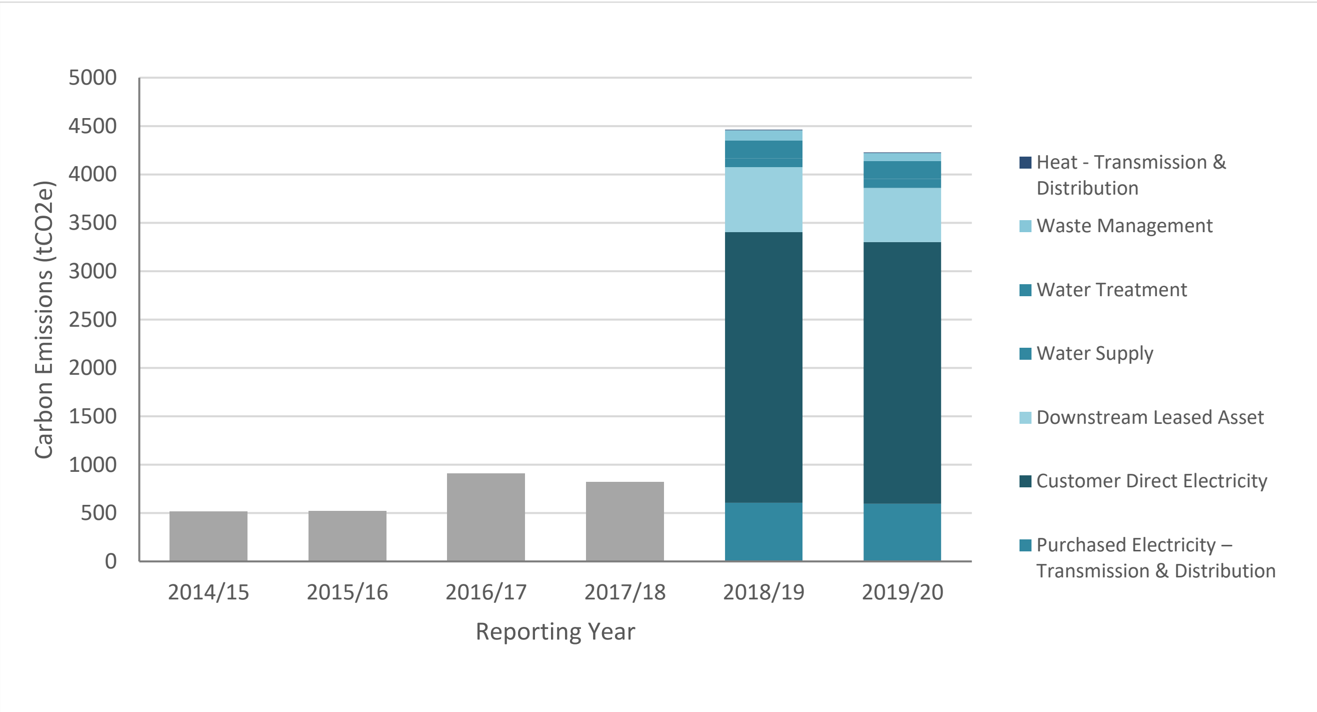
Our year-on-year scope 1 emissions have increased due to a significant improvement in our fugitive emission data collection process, providing a more robust data set this year. Additional contributing factors are the replacement of some gas central heating systems with air source heat pumps for environmental purposes and an increase in demand for air-conditioned space. Our gas consumption has decreased as a result of this and improved data monitoring.

Our scope 2 location-based emissions have decreased slightly compared to the previous year due to the decrease in the carbon dioxide emission factor for UK electricity generation, which is attributed to a decrease in coal generation and the rapid expansion of renewables. Our market-based electricity figure is zero because all the electricity we purchase is now on a renewable energy contract backed by Renewable Energy Guarantees of Origin (REGOs).

Scope 3

Over the last two years we have reviewed our scope 3 emissions and improved both the data accuracy and increased the scope. Data for 2018/19 and 2019/20 now covers 'Customer direct electricity' and 'Downstream leased assets' in addition to transmission and distribution losses, waste and water supply and treatment. We have been analysing our embodied carbon associated with our development projects this year as part of our science based target work, however we have not included this here as it would skew the data.

Annual Carbon Footprint: Scope 3



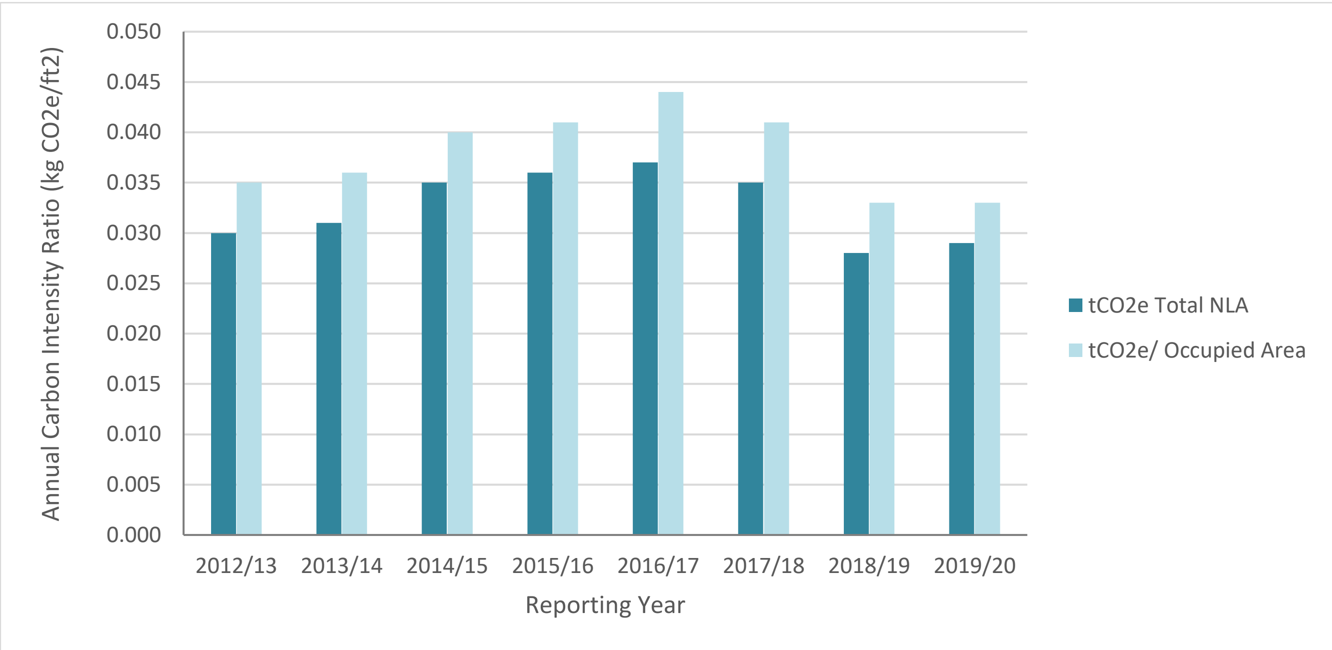
Our scope 3 emissions have decreased this year compared to the previous year due to data quality improvements and the change in the number of customers and downstream leased assets procuring their own energy directly from suppliers. The emissions associated with waste management have decreased by 22% compared to the previous year due to the increase in recycling rate and reduction in total waste generation across the portfolio.

Carbon Intensity: Scope 1 & 2

We also benchmark our emissions using an intensity ratio to compare our emissions against both net lettable area and occupied area. This allows data to be normalised against changes to our business activities, for example the acquisition or divestment of a building(s) or changes in occupancy levels.

Both intensity ratios have reduced since the baseline year, with a slight year on year increase for the net lettable area intensity.

Annual Carbon Intensity Ratio



Notes:

1. Previous data has been recalculated to account for changes and additions.
2. Emissions from vacant units have been omitted from data collection as they are considered to immaterial.
3. Calculations based upon a 5% materiality threshold.
4. Joint venture emissions as a proportion of our equity share.
5. DEFRA Environmental Reporting Guidelines and the financial control approach applied.

Looking forward

- Reduce absolute scope 1 GHG emissions by 42% by 2030 from a 2019/20 base year.
- Continue to source 100% renewable electricity (scope 2)
- Reduce scope 3 GHG emissions from purchased capital goods related to development projects by 20% per lettable area by 2029/30 from a 2019/20 base year.

- Deliver a net zero carbon real estate portfolio by 2050 (includes operational & embodied carbon)
- Engage with our customers on environmental performance topics through events, workshops, newsletters, posters and social media platforms
- Publish our own net zero carbon pathway by December 2020
- Undertake embodied carbon assessments for all new developments and major refurbishment projects
- Set operational energy intensity targets for landlord areas
- Collect environmental data from customers where Workspace are not directly responsible for energy procurement and waste management