

## SUSTAINABILITY


Sustainability is inherent to Workspace and informs everything we do. Our environmental and social achievements this year demonstrate our performance-driven mindset and undeterred commitment to maximising stakeholder value.

**Sonal Jain**  
Head of Sustainability



SUSTAINABILITY CONTINUED

Highlights



**27%**  
YEAR ON YEAR REDUCTION IN FOSSIL FUEL CONSUMPTION (LIKE-FOR-LIKE PORTFOLIO)

2022/23 (ifl)	9,227,509*
2021/22	12,586,574*
2019/20 (baseline)	13,888,908*

kWh of gas used.

**1,600**  
CUSTOMERS BENEFITTED FROM OUR WELLBEING OFFERING

**120**  
SUSTAINABILITY EVENTS DELIVERED

**70**  
ELECTRONIC DEVICES DONATED TO LOCAL CHARITY PARTNER

**180**  
STUDENTS AND 12 CUSTOMERS PARTICIPATED IN THE INSPIREME PROGRAMME ACROSS FIVE CENTRES

**£110k**  
RAISED FOR SHP

**620**  
EMPLOYEE HOURS DEDICATED TO VOLUNTEERING FOR SHP



**12%**  
OF THE TOTAL PORTFOLIO'S FLOOR AREA WAS UPGRADED TO EPC A/B

**71%**  
CUSTOMER ESG ADVOCACY SCORE



**79%**  
RECYCLING RATE

2022/23	79%
2021/22	75%
2020/21	73%

**£600k**  
SOCIAL VALUE GENERATED



RATINGS AND MEMBERSHIPS

Ratings



★★★★☆ 2022

**81**  
Real Estate Assessment Score

**96**  
Development Assessment Score

**A**  
Public Disclosure Score



**A-**



**GOLD**  
EPRA Sustainability Best Practice Recommendations Award



**AA**  
MSCI ESG rating



**Low Risk**  
Sustainalytics ESG Risk Rating

Membership



SUSTAINABILITY CONTINUED

Our approach

We have embedded sustainability throughout our business, driving how we design and operate our buildings and informing every strategic decision we take.

Our three-pillar sustainability strategy - (1) Delivering a Climate-Resilient Portfolio, (2) Looking After Our People, (3) Supporting Our Communities - allows us to continually improve our environmental and social impact, whilst adding value to all our stakeholders. We have also mapped our strategy against the UN Sustainable Development Goals (SDGs) to ensure our objectives and targets are aligned with global ambitions.

With a view to enhance the transparency of our reporting and adding to our existing annual publication of the EPRA report, we are now reporting on our environmental and social performance in accordance with the Global Reporting Initiative (GRI) 2021 and in line with the Sustainability Accounting Standards Board (SASB) guidelines (learn more in the Environmental Performance section of our investor website).

Governance

The highest level of responsibility for our sustainability strategy lies with our Chief Executive Officer, and together with the rest of the Workspace Board, the group acts as a guardian of the strategy. In addition, an ESG Board Committee (refer to page 172) has been established to bolster our sustainability governance and drive further integration across business decisions. The Board is supported by the Executive Committee in setting and delivering our sustainability strategy.

At an operational level, we have committees dedicated to both environmental sustainability and social sustainability, comprising senior representatives from across the business.

The two committees are responsible for operationalising the delivery of our strategy. Progress is reported to the Board and Executive Committee monthly. We also have a number of sustainability champions across the business who help mobilise ground-up support.

OUR THREE-PILLAR SUSTAINABILITY STRATEGY

DELIVERING A CLIMATE-RESILIENT PORTFOLIO 1



Future proofing our business by minimising our environmental impact and transitioning to net zero carbon by 2030.

Relevant SDGs



Read more >  
Pages 41 to 49

LOOKING AFTER OUR PEOPLE 2



Looking after our people through our focus on wellbeing, responsible business practices, skills and employment.

Relevant SDGs



Read more >  
Pages 50 to 57

SUPPORTING OUR COMMUNITIES 3



Creating lasting value for our communities through employment-led regeneration and meaningful partnerships with local community groups and charities.

Relevant SDGs



Read more >  
Pages 54 to 57

This year our staff took on the Three Peaks Challenge

SUSTAINABILITY CONTINUED

Defining what matters most

Materiality assessment

Our materiality assessment helps us understand the issues that matter most to our internal and external stakeholders. We identified and assessed a number of environmental, social and governance issues to refine our approach.

Stakeholder engagement

We consulted with our internal and external stakeholders, including customers and employees through our bi-annual surveys and ongoing interactions with our suppliers to confirm our material issues, as shown on the matrix.

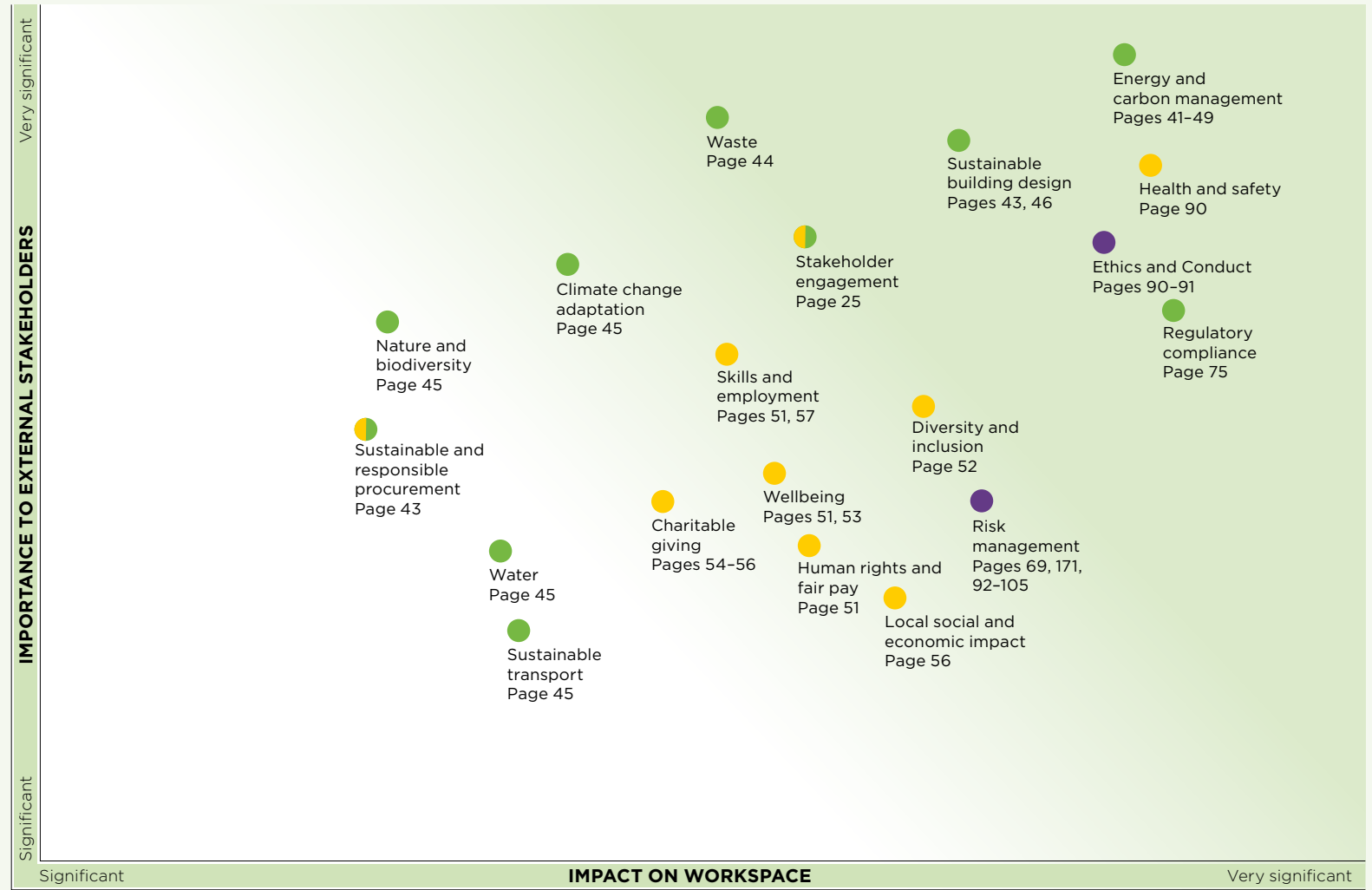
Our response

Our sustainability strategy covers all issues identified as material to our business. Subsequent sections in the report highlight how we are positively impacting these issues.

The process we followed:

- Step 1** Identify key stakeholders  
List material issues
- Step 2** Consult stakeholders
  - Social Sustainability Committee
  - Environmental Sustainability Committee
  - Employees
  - Customers
  - Suppliers
- Step 3** Analyse consultation outputs
  - Importance to stakeholders
  - Significance of impacts
  - Ability of the business to influence
- Step 4** Prioritise issues and refine our strategy

OUR MATERIALITY MATRIX - KEY SUSTAINABILITY ISSUES



- Environmental issue
- Social issue
- Governance issue

GRI reference

Refer to the sustainability performance section on our investor website

SUSTAINABILITY CONTINUED

Alignment to UN SDGs



The aim of our sustainability strategy is to maximise value for all our stakeholders – our people, our customers, our suppliers, our investors and the environment. Our strategy is also aligned with several of the UN Sustainable Development Goals (SDGs)

**7 AFFORDABLE AND CLEAN ENERGY**

- Relevant stakeholders:
- CUSTOMERS
  - PARTNERS AND SUPPLIERS
  - THE ENVIRONMENT

We invest in on-site renewable energy by installing roof-mounted solar panels across our portfolio, ensuring we generate clean power. We also source 100% of our electricity from renewable sources, through our REGO certified green contract.

**11 SUSTAINABLE CITIES AND COMMUNITIES**

- Relevant stakeholders:
- CUSTOMERS
  - COMMUNITIES

As custodian of some of London’s most iconic buildings, we work to reduce the environmental impact of London’s built environment and build resilience for the long term. This is delivered through sustainable design, construction and the way we operate all of our buildings.

**13 CLIMATE ACTION**

- Relevant stakeholders:
- CUSTOMERS
  - PEOPLE
  - INVESTORS
  - PARTNERS AND SUPPLIERS
  - THE ENVIRONMENT

The delivery of our 2030 net zero carbon commitment ensures we are decarbonising our business swiftly and thus playing our part in limiting global warming to 1.5°C.

**5 GENDER EQUALITY**

- Relevant stakeholders:
- PEOPLE
  - COMMUNITIES

Our people practices actively support gender equality, including the use of gender-neutral language in all our policies and recruitment material. All our people have been trained on unconscious bias and we strive to create a truly inclusive work environment. We work hard to identify and address gaps within existing workplace policies, as well as offering professional development opportunities to all our employees.

**4 QUALITY EDUCATION**

- Relevant stakeholders:
- CUSTOMERS
  - PEOPLE
  - COMMUNITIES

Through our InspiresMe programme, we work alongside our customers to provide inspiration, knowledge, support and experience to individuals within our communities who are most at risk of NEET (Not in Education, Employment or Training) and help them to reach their full potential.

**9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**

- Relevant stakeholders:
- PARTNERS AND SUPPLIERS
  - THE ENVIRONMENT

By investing in clean technology and materials we are reducing our environmental impact while driving innovation in the industry.

**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**

- Relevant stakeholders:
- PARTNERS AND SUPPLIERS
  - THE ENVIRONMENT

Investment in energy efficient equipment and effective management ensures our energy consumption is optimised. We also work hard to reduce waste in operations and construction, aiming to divert 100% from landfill.

**3 GOOD HEALTH AND WELL-BEING**

- Relevant stakeholders:
- CUSTOMERS
  - PEOPLE

Provision of safe and healthy workplaces for our employees and customers is paramount. We do this by ensuring health and wellbeing considerations are fully incorporated into our building design. We also run an extensive wellbeing support programme for all our employees and customers.

**8 DECENT WORK AND ECONOMIC GROWTH**

- Relevant stakeholders:
- CUSTOMERS
  - PEOPLE
  - INVESTORS
  - PARTNERS AND SUPPLIERS
  - COMMUNITIES

We provide quality flexible space for SMEs across London. Our model also creates hubs of economic activity that benefit entire communities through employment-led regeneration of the area. We are also an accredited Living Wage Employer, ensuring that all our employees and contractors are paid at Real London Living Wage.

**10 REDUCED INEQUALITY**

- Relevant stakeholders:
- CUSTOMERS
  - PEOPLE
  - COMMUNITIES

Our InspiresMe programme aims to tackle youth unemployment and the ethnicity gap by building relationships with schools and youth organisations across London to offer work experience placements, career talks, CV workshops and interview practices.

## SUSTAINABILITY CONTINUED

## Strategic pillar: Delivering a climate resilient portfolio

1

In 2019, we made a commitment to delivering a net zero carbon portfolio by 2030, covering all scopes of carbon. We also signed the Better Buildings Partnership's (BBP) Climate Commitment and published our net zero pathway, quantifying our emissions and outlining our decarbonisation trajectory for both our operational and embodied carbon. To make sure this goal is robust and in line with a 1.5°C future, we have aligned our emissions reduction trajectory with approved Science-based Targets (SBT), requiring:

- 42% reduction in scope 1 emissions by 2030, from a 2019/20 base year
- 20% reduction per square foot of Net Lettable Area (NLA) in scope 3 emissions from capital goods by 2030, from a 2019/20 base year
- Sourcing of 100% renewable electricity through to 2030

### Like-for-like performance (Workspace portfolio excluding major projects)

Investment in energy efficiency and decarbonisation of our portfolio has driven significant progress on our net zero carbon pathway. For our like-for-like Workspace portfolio, we reduced our scope 1 emissions by 32% and our scope 2 emissions by 28% in 2022/23 against our 2019/20 baseline. Going forward, we aim to go beyond our SBTs and eliminate our operational emissions as much as we can across the entire portfolio, with minimal reliance on carbon offsetting.

A significant proportion of our scope 3 emissions is attributed to our refurbishment and development activities. This means reducing the embodied carbon of our development projects is a priority for us. Our refurbishments are on average designed to achieve a 60%-70% reduction in embodied carbon when compared to current industry benchmarks of 1,000 kgCO<sub>2</sub>/m<sup>2</sup>.

### Whole portfolio performance (Workspace portfolio + McKay)

Following the acquisition of McKay Securities, we have integrated emissions from the acquired properties into our greenhouse gas reporting this year. The absolute emissions reported for the 2022/23 period are therefore not comparable to the emissions covering the 2019/20 baseline period or previous years, as those only covered emissions from the historic Workspace portfolio. A detailed breakdown of our absolute greenhouse gas emissions can be found on page 101.

# 29%

SCOPE 1 AND 2 REDUCTION  
IN LIKE-FOR-LIKE PORTFOLIO  
SINCE 2019/20

### Relevant UN SDGs



### Enhancing accountability

This year, we have made great progress in increasing the accuracy of our energy data, notably through an accelerated roll-out of smart Building Energy Management Systems (BEMS) across the portfolio.

This has enabled our facilities managers to better understand energy usage across the properties and target reduction initiatives that are most effective.

To further drive action, we have embedded energy and carbon targets into various team's objectives. This drove collective effort and streamlined collaboration between various teams, all working towards a common goal of energy and carbon reduction.

# 28

PROPERTIES EQUIPPED  
WITH BUILDING ENERGY  
MANAGEMENT SYSTEMS

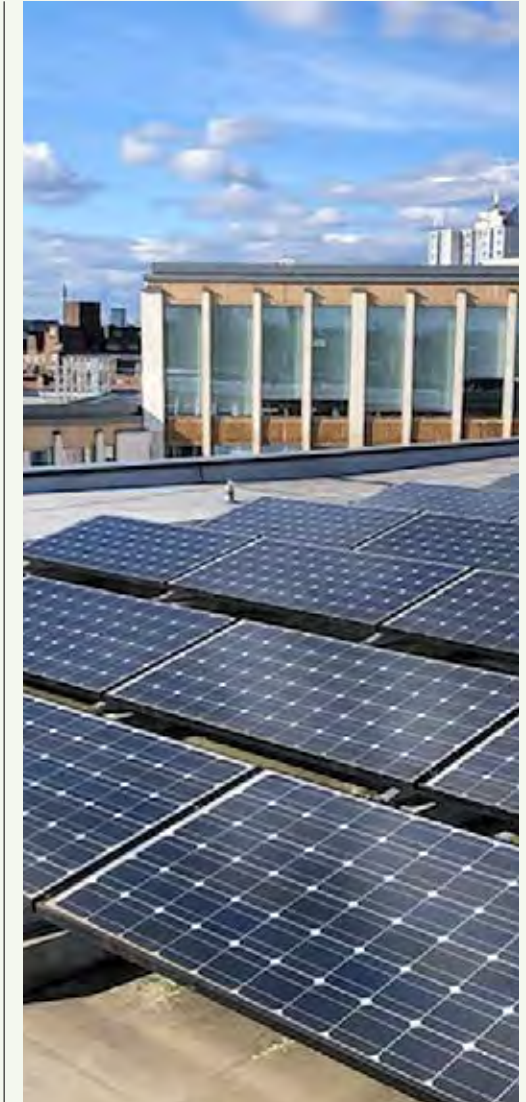
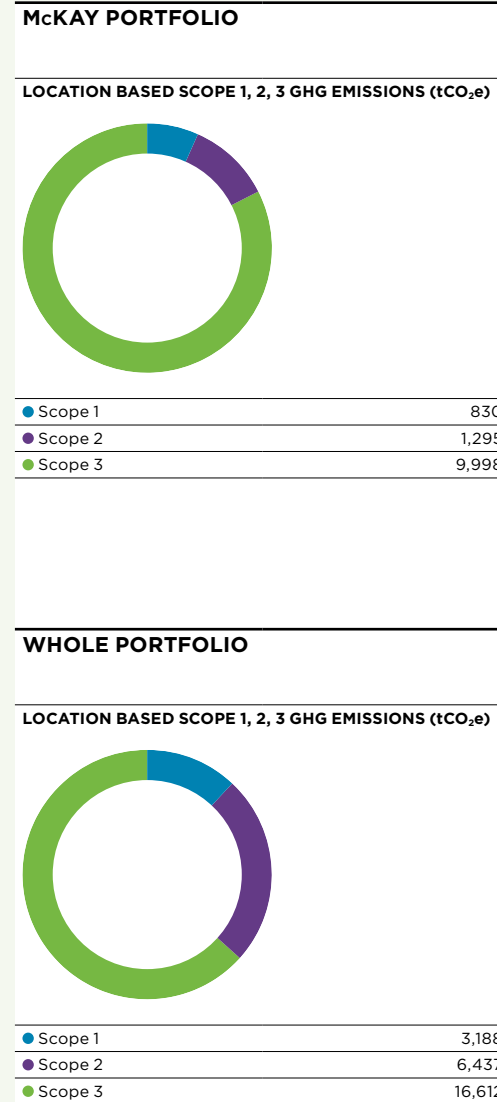
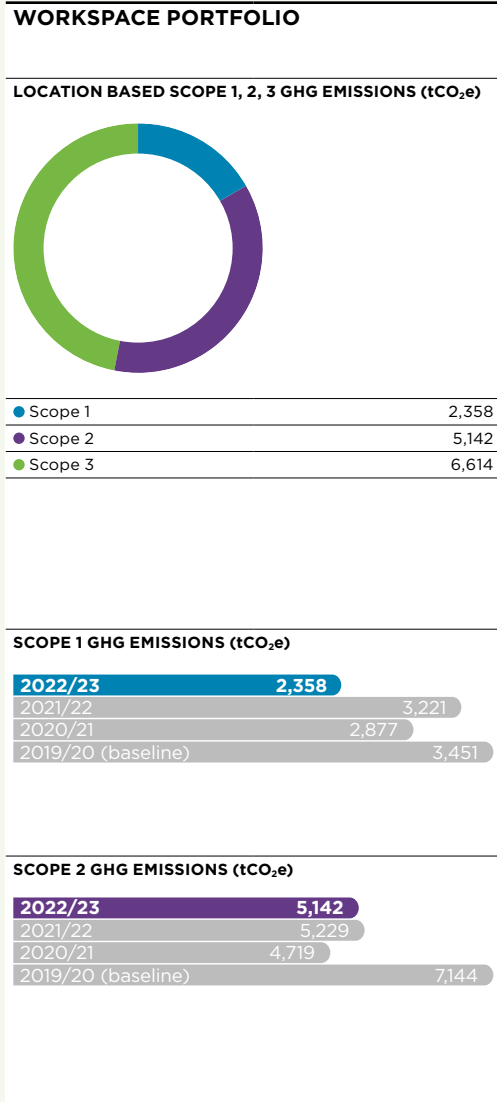
**SUSTAINABILITY CONTINUED**  
**DELIVERING A CLIMATE RESILIENT PORTFOLIO CONTINUED**

**OUR GREENHOUSE GAS EMISSIONS**

As a signatory to BBP’s Climate Commitment and Science Based Targets initiative, we disclose progress against our net zero pathway annually. We have reported our absolute greenhouse gas emissions in line with the GHG Protocol Guidelines. Our scope 1 and 2 categories encompass emissions where we have operational control and therefore include tenant consumption where we procure gas, electricity or heat on their behalf. Although our electricity is REGO-backed, we report scope 2 emissions using a location-based methodology.

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We strive to reduce the carbon intensity of our portfolio by phasing out gas heating and implementing energy efficiency measures












**Ariane Ephraim**  
Sustainability Manager



## SUSTAINABILITY CONTINUED

## DELIVERING A CLIMATE RESILIENT PORTFOLIO CONTINUED












## ESG TARGETS

Target	Relevant material issue	Relevant UN SDG	Status	Performance commentary
<b>Reduce energy intensity by 5%</b>	Energy & carbon management	 	 Achieved	<p><b>Like-for-like Workspace portfolio</b></p> <p>We achieved a 5% reduction in average energy intensity across the portfolio, compared to last year. This was mainly driven by significant reduction in gas use across the portfolio, which offset a 3.6% increase in electricity consumption due to higher operational activity across our sites. We invested over £8m this year on various energy efficiency initiatives across the portfolio, including LED lighting, presence detection sensors, smart building management systems, secondary glazing and heat pumps. We also ran extensive customer engagement campaigns to reduce whole building energy consumption including our successful participation to the CUBE UK energy savings competition.</p> <p><b>Whole portfolio</b></p> <p>Our portfolio is inherently energy efficient when compared to industry benchmarks. The average energy intensity across our combined portfolio is 129 kWh/m<sup>2</sup>/year, which is 19% better than current UK Green Building Council energy performance target for net zero carbon buildings.</p>
<b>Reduce scope 1 emissions by 5% across the portfolio</b>	Energy & carbon management	 	 Achieved	<p><b>Like-for-like Workspace portfolio</b></p> <p>We achieved a significant reduction of 27% in gas related emissions across the portfolio. This was primarily driven by roll out of smart Building Energy Management Systems across a number of buildings, optimisation of temperature set points and timing controls and implementation of over 70 HVAC upgrade projects. Currently over 30% of our portfolio is fossil fuel free (all electric or served by district heating).</p>
<b>All new developments and refurbishments designed to be net zero carbon, aiming to achieve embodied carbon of less than 500 kgCO<sub>2</sub>/m<sup>2</sup></b>	Energy & carbon management Responsible procurement	 	 Achieved	<p><b>Like-for-like Workspace portfolio</b></p> <p>We continue to implement our sustainable development framework across all major constructions and refurbishments. This framework ensures all our projects meet the net zero carbon brief. We also undertake whole-life carbon analysis at key design stages to help us further reduce embodied carbon by optimising design and material choices. Estimated embodied carbon of our current projects at Leroy House, Havelock Terrace, Riverside and Chocolate Factory is 230 kgCO<sub>2</sub>/m<sup>2</sup>, 504 kgCO<sub>2</sub>/m<sup>2</sup>, 469 kgCO<sub>2</sub>/m<sup>2</sup> and 291 kgCO<sub>2</sub>/m<sup>2</sup> respectively. Overall, we achieved a 51% reduction in greenhouse gas emissions from capital goods per sq. ft. from a 2019/20 base year.</p>
<b>Increase renewable energy supply and source 100% renewable electricity</b>	Sustainable procurement		 Achieved	<p><b>Like-for-like Workspace portfolio</b></p> <p>12 sites are equipped with solar panels and generated 191,629 kWh of green electricity in the past year, equivalent to the annual electricity usage of 64 typical UK households. Three additional solar projects are currently being implemented, amounting to an annual generation capacity of 78,543 kWh once installed. We also continue to source 100% renewable electricity from our utility provider (REGO-backed).</p> <p><b>Whole portfolio</b></p> <p>14 sites have solar panel installations.</p>



**SUSTAINABILITY CONTINUED**  
**DELIVERING A CLIMATE RESILIENT PORTFOLIO CONTINUED**

**ESG TARGETS CONTINUED**

Target	Relevant material issue	Relevant UN SDG	Status	Performance commentary
<b>Increase the % of EPC A and B rated areas in the portfolio by 10%</b>	Energy & carbon management	 	 Achieved	<p><b>Like-for-like Workspace portfolio</b> This year we upgraded 620k sq. ft. of our portfolio to A/B rated energy performance certificates (EPC) by installing high efficiency lighting and HVAC systems. Overall we increased A/B rated areas by 15%, bringing 43% of our portfolio holding to an A or B EPC rating.</p> <p><b>Whole portfolio</b> Following the energy efficiency upgrades, over 43% of our core portfolio is rated EPC A/B.</p>
<b>All development projects to be BREEAM Excellent and EPC A (B for refurbishments)</b>	Energy & carbon management	   	 Not applicable	<p><b>Like-for-like Workspace portfolio</b> A total of 20 buildings are BREEAM certified in our portfolio. No new projects were completed this year. All projects in the pipeline are being designed to achieve an 'Excellent' BREEAM certification and A rated EPC (B for refurbishments).</p>
<b>Achieve recycling rate of &gt;76%, divert 100% waste from landfill and remove single use plastics from cafés</b>	Waste and recycling	 	 Achieved	<p><b>Like-for-like Workspace portfolio</b> We achieved an average recycling rate of 79% across the portfolio. A total of 2,825 tons of waste was generated across the portfolio, comprising of 68% post consumer waste, 21% general waste, 6% food and 5% bottom ash.</p>



**Our approach to sustainable waste management**













Sustainable management of waste is both a priority for us and our customers. To ensure our people follow the right behaviours on waste management we ran 16 awareness events in 2022/23 and continued to advocate correct recycling via signage, posters and email communications, resulting in a significant increase in our recycling rate across our centres to 79%.

We have also teamed up with FareShare, a charity redistributing surplus food from the UK's top food companies to charities and community groups. For every food waste collection, a meal is donated via FareShare to those most in need. So far 1,300 meals have been donated.

## SUSTAINABILITY CONTINUED

## DELIVERING A CLIMATE RESILIENT PORTFOLIO CONTINUED

## ESG TARGETS CONTINUED

Target	Relevant material issue	Relevant UN SDG	Status	Performance commentary
<b>Benchmark water consumption and drive reduction in use</b>	Water	 	 Roll forward	<b>Like-for-like Workspace portfolio</b> Our average water consumption intensity (where we have visibility) across the historic portfolio is within GRESB standard practice. We will continue to roll out water meters across the sites where we don't have visibility with a view to accurately benchmarking our portfolio water consumption.
<b>Increase greenery and biodiversity across the portfolio, targeting at least 15% improvement in biodiversity net gain on development projects</b>	Nature and biodiversity	 	 Achieved	<b>Like-for-like Workspace portfolio</b> We have reviewed industry guidance and developed a biodiversity policy setting out our approach to nature and biodiversity. We will be updating the document in line with TNFD guidance this coming year. Driven by our sustainable development framework, we will significantly enhance Biodiversity Net Gain (BNG) across our two development projects - Havelock Terrace (100% BNG) and Shaftesbury (74% BNG).
<b>Refine climate risk assessment and create adaptation plans for assets exposed to hazards</b>	Climate change adaptation and resilience		 Achieved	<b>Whole portfolio</b> We have reassessed our core portfolio's exposure to physical climate risk using latest climate models and used probabilistic models to assess value at risk to business. We have also reviewed transition risk to business taking into account the acquisition of the McKay portfolio. Find more detail in our TCFD section along with an explanation of our mitigation strategy on page 92.
<b>Enhance green travel infrastructure across the portfolio</b>	Sustainable transport	  	 Achieved	<b>Whole portfolio</b> We have a total of 32 EV charging points across the portfolio, which were utilised over 3,000 times in the past year, saving 23 tCO <sub>2</sub> e. We have also upgraded site facilities to encourage green transport and have installed an additional 25 showers and 50 cycling racks across the portfolio.

SUSTAINABILITY CONTINUED  
DELIVERING A CLIMATE RESILIENT PORTFOLIO CONTINUED

CASE STUDY  
**Redeveloping Chocolate Factory in Wood Green**

Like many of Workspace’s buildings, Chocolate Factory has a long and rich history. Whilst it is now home to 40 customers, with activities ranging from luxury wallpaper designers to streetwear brands and artists, the site was a sweets manufacturing facility towards the end of the 19th century.

Chocolate Factory is now one of Workspace’s main redevelopment projects, and will upgrade 38,000 sq. ft. of business space. Careful design considerations led us to preserve most of the old structure and give a second life to unique features such as the historic façade, exposed bricks and ironwork.

These design choices both preserve the site’s heritage but also drastically reduce the project’s carbon emissions.

The current design is estimated to emit 291 kCO<sub>2</sub>/m<sup>2</sup> in embodied carbon, a significant reduction from the defacto option which entailed the demolition of an old water tower, an industrial-era enclosed bridge and low-rise storage buildings. All of these building elements will now be repurposed into meeting spaces and site amenities. Operational energy and carbon reduction is also central to the project’s design, which will include high performing windows and internal insulation, as well as decarbonised heating through the installation of heat pumps.

The project is part of the wider mixed-use regeneration scheme at this location, including 230 residential units and 72 affordable housing units with a new public square and significant landscaping improvements.



**Bryony Gerega**  
Head of Development

THE CHOCOLATE FACTORY IN NUMBERS

**38,000 sq. ft.**  
OF REFURBISHED SPACE

**Excellent**  
TARGETING BREEAM EXCELLENT RATING

**291 kgCO<sub>2</sub>e/m<sup>2</sup> NLA**  
EMBODIED CARBON (71% LESS THAN INDUSTRY BENCHMARKS)

**39%**  
EXPECTED IMPROVEMENT ON PART L ENERGY STANDARDS FOR REFURBISHED SPACE

“  
The redevelopment of Chocolate Factory is a perfect example of how preserving the heritage of a building goes hand in hand with enhancing its environmental performance

**Bryony Gerega**  
Head of Development

The Chocolate Factory,  
Wood Green

**SUSTAINABILITY CONTINUED**

**DELIVERING A CLIMATE RESILIENT PORTFOLIO CONTINUED**

**DRIVING ENERGY REDUCTION ACROSS THE PORTFOLIO**

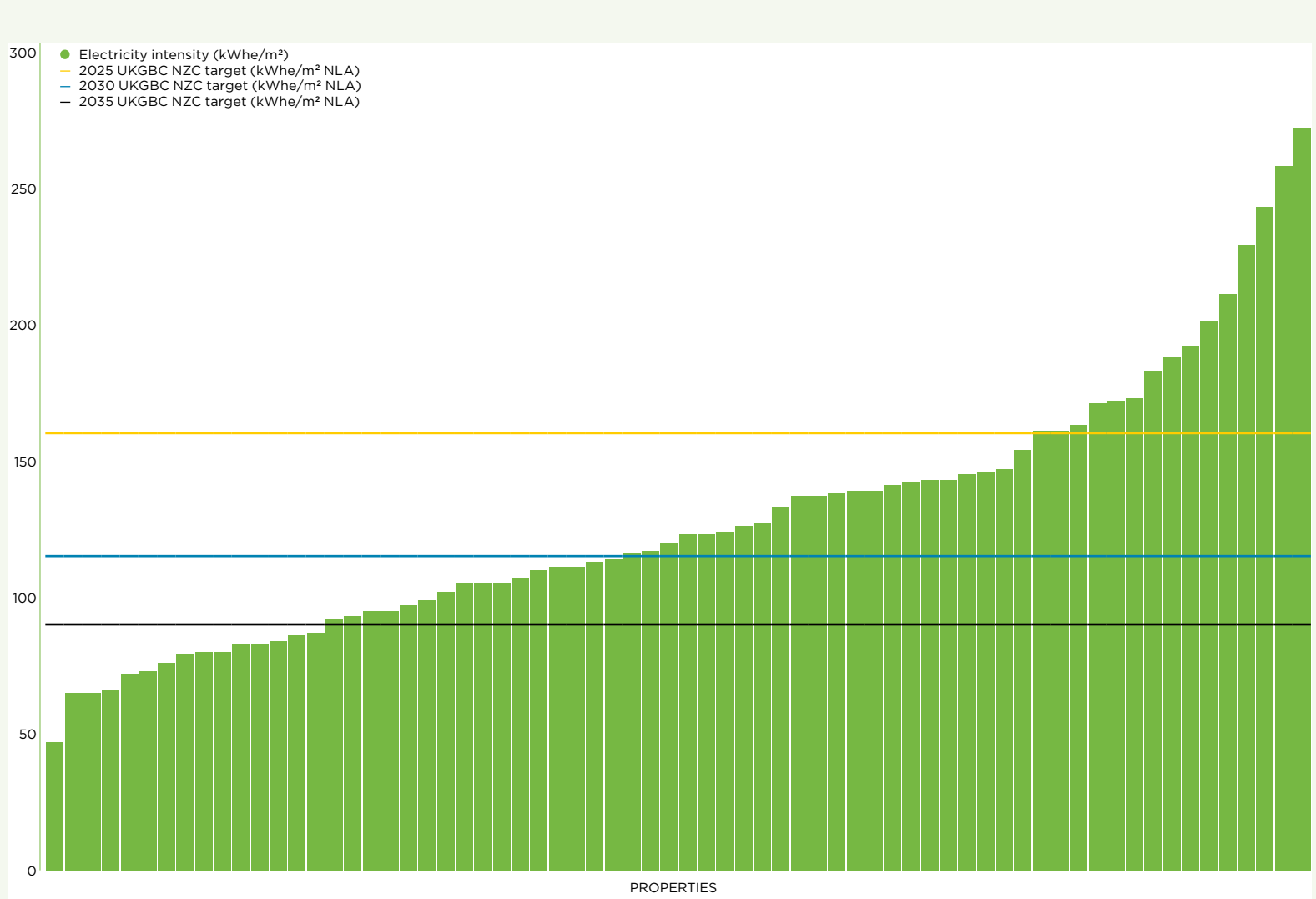
Driving energy reduction is a key priority for the business and we have invested over £8m this year in efficient lighting, presence-detection sensors, smart Building Energy Management Systems and heat pumps to remove reliance on gas boilers. We have closely monitored each property's energy performance and optimised temperature controls and timers. As a result, we have decreased our portfolio energy intensity by 5% across the like-for-like Workspace portfolio.

Taking into account the acquisition, the average energy intensity of our core portfolio is 129 kWh/m<sup>2</sup>. This represents a 7.5% increase from last year's average energy intensity due to high energy consumption associated with some of the properties we have recently acquired. We have also witnessed increased occupational activity across our centres compared to the last two years of the pandemic, which has also contributed to an increase in electricity use in customer occupied areas.

Following integration of the McKay portfolio, we are creating a targeted energy reduction programme for the high consuming buildings which will be rolled out this coming year. We expect to see a significant drop in the energy intensity profile of these properties as a result.

The graph shows the energy intensity of all properties in the office portfolio. All buildings but 15 meet the 2020 UKGBC energy performance target for net zero carbon buildings (depicted by yellow line) and 30 buildings already meet 2030 target (depicted by blue line).

**APRIL 2022 TO MARCH 2023 ENERGY USE INTENSITY (kWh/m<sup>2</sup> NLA)**



**SUSTAINABILITY CONTINUED  
DELIVERING A CLIMATE RESILIENT PORTFOLIO CONTINUED**

**CASE STUDY  
Significantly reduced energy intensity at Edinburgh House**

One of our flagship buildings in South London, Edinburgh House, formerly a 1960s housing block, was redeveloped in 2019 into a bright and open business centre, home to 78 businesses.

Whilst it achieved a BREEAM Very Good certification and a B rated Energy Performance Certificate, it showed an unusually high energy intensity at the start of 2022.

As a result, our Facilities Management team amended the heating and cooling controls strategy and operational schedules so as to precisely meet occupants' needs and avoid superfluous out-of-hours energy consumption. For instance, the building's chiller and boilers are respectively isolated in winter and summer months and are only operating when necessary,

responding to seasonality and building occupancy patterns.

These measures drove an 11% reduction in energy intensity across the building.

This is a great example of how effective operational energy reduction initiatives can be. Whilst significant retrofit investments are sometimes essential, cost-free operational optimisations on pre-existing equipment can also prove to be very powerful energy savers.



**Domenico Pallucci**  
Facilities Manager

“  
At every building I manage, I always look for the small operational improvements that will make a difference in reducing energy consumption. Every kWh saved helps us to stay on track with our sustainability targets

**Domenico Pallucci**  
Facilities Manager

**EDINBURGH HOUSE IN NUMBERS**

**11%**  
REDUCTION IN ENERGY INTENSITY  
SINCE THE START OF THE YEAR.

**34%**  
REDUCTION IN GAS CONSUMPTION IN  
2022/23 VERSUS 2021/22.

Edinburgh House,  
Vauxhall

**SUSTAINABILITY CONTINUED**  
**DELIVERING A CLIMATE RESILIENT PORTFOLIO CONTINUED**

**EPC RATINGS**

Whilst our portfolio is already compliant with the current Minimum Energy Efficiency Standards (MEES) regulation, requiring all units to hold a valid EPC with a minimum rating of E, the UK Government is planning to increase requirements to a minimum rating of B by 2030.

We are working towards an annual increase of A/B rated space of 10% to 2030.

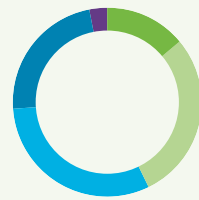
This year, following an investment of over £8m in HVAC equipment, lighting upgrades and insulation works across 41 properties, we have increased the proportion of A/B rated spaces from 28% to 43%.

Based on the projects we have already delivered, we estimate the total investment needed to upgrade our portfolio to EPC A/B by 2030 will be c.£45-60m (c.£7-8m each year). However, the actual additional investment needed each year will be lower as part of this expenditure is covered by our ongoing maintenance capex.

**43%**  
A/B RATED PROPERTIES

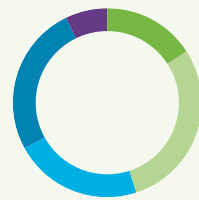
**£8m**  
INVESTED IN 2022/23  
IN EPC UPGRADES

**EPC SCHEDULE** WORKSPACE PORTFOLIO



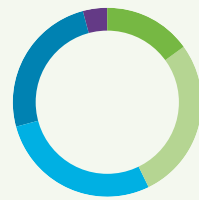
A	14%
B	29%
C	31%
D	23%
E	3%

**EPC SCHEDULE** MCKAY PORTFOLIO



A	16%
B	29%
C	22%
D	26%
E	7%

**EPC SCHEDULE** WHOLE PORTFOLIO



A	15%
B	28%
C	28%
D	25%
E	4%

**CASE STUDY**  
**EPC upgrades**



**Print Rooms**

**EPC C to B**  
**21,000 sq. ft. project**

Phasing out our buildings' reliance on gas boilers is core to our decarbonisation strategy.

At Print Rooms, our teams removed the gas fired heating system and installed a Variable Refrigerant Flow (VRF) system using heat pumps to provide decarbonised heating and cooling to the building.

LED lights were also installed across the building in order to further reduce electricity demand.



**Leather Market**

**EPC C to B**  
**2,800 sq. ft. project**

A small but ambitious project, the refurbishment of the third floor in the Lafone House building at Leather Market is a great example of energy efficiency improvements. Our team entirely removed the gas heating system to install heat pumps. LED lighting was also installed along with presence detection sensors.

Operational optimisation is as important as efficient equipment. Our teams have therefore enhanced the metering infrastructure and added new automatic meters as part of Building Energy Management System installation.

## SUSTAINABILITY CONTINUED

Finance and Operations

## Strategic pillar: Looking after our people

2

As an employer of 280 people, client of over 800 suppliers and office space provider for over 4,000 customers, we have a responsibility to create a culture that fosters fairness, wellbeing, inclusion and diversity, and to support people to perform at their best.

### Our culture

Change starts at home. Whilst our employees believe in our commitment to sustainability and our core values, our business is committed to delivering continuous improvement and fostering a cohesive culture, where everyone feels valued and knows how they can contribute to the Company's goals. Initiatives such as town hall meetings and regular business unit updates, Executive Committee site visits, internal shadowing days, employee suggestion scheme and employee support networks are all contributing to a positive company culture.

### Diversity

Our diversity is our strength and the first step to improving on diversity is to measure it. 90% of our employee base provided personal diversity data, and we have now published our first gender pay gap report. As part of our ongoing efforts, we continued to roll out our unconscious bias and anti-harassment training and have launched an employee support network. Building on our equal opportunities hiring policy, we are implementing inclusive recruitment practices (such as anonymised CVs) and utilising alternative hiring channels to widen access to profession. A breakdown of the number of directors, senior managers and all employees by gender is set out on pages 151 and 152.

### Wellbeing

Workspace strive to provide spaces where people can thrive and enjoy coming to work. This applies both to our customers and our employees. From offering outstanding physical and mental health benefits to our staff, to delivering a bespoke programme of wellbeing themed events to our customers (ranging from puppy therapy to financial wellbeing and mindfulness awareness), we go above and beyond to support the wellbeing of our people.

80%

WORKSPACE INCLUSIVITY SCORE

1,600

CUSTOMERS BENEFITTED FROM  
WELLBEING INITIATIVES

### Relevant UN SDGs



### Listening to our people

Whilst we gather employee feedback via an annual survey, our People Team have also launched an employee suggestion scheme to encourage feedback and idea sharing all year long.

To keep delivering the best to our customers, we keep our ear to the ground and collect formal feedback twice a year. This helps us evolve our offer to best meet our customer needs. We have also introduced a customer feedback policy to ensure our customers have a direct line to communicate with us. Through this policy, we aim to cater to customer needs in a timely and consistent manner.














69%

FAVOURABLE  
ENGAGEMENT SCORE

## SUSTAINABILITY CONTINUED

### LOOKING AFTER OUR PEOPLE CONTINUED

#### ESG TARGETS

Target	Relevant material issue	Relevant UN SDG	Status	Performance commentary
<b>Support and enhance the wellbeing of our employees and customers</b>	Wellbeing		 Achieved	<p>A total of 23 employee wellbeing events and initiatives were delivered, reaching a total of 600 attendees. Over 160 employees utilised our wellbeing cash back programme, with total claims value of c.£28k. We received an average employee wellbeing score of 79%, based on our annual employee survey. A number of wellbeing questions were included in the survey to gain a holistic understanding of employee expectations. These included questions on satisfaction with our wellbeing offering, work load management, stress management and managerial support.</p> <p>A total of 57 customer wellbeing events were hosted centrally (including 50 wellbeing events and seven sessions on financial wellbeing), benefitting over 1,600 customers. All events received very positive feedback with average score 4.9/5 star score. In addition, the centre teams partnered with local gyms and businesses to host a further 37 wellbeing focused initiatives. Based on insights from our mid-year customer survey, customers who attended wellbeing events were 15% more likely to be brand promoters.</p>
<b>Improve diversity across all levels of business and embed inclusive behaviours into our culture</b>	Diversity and inclusion	 	 Achieved	A key initiative for us this year was to better understand the diversity of our existing employees. Over 90% of our employees provided personal data which enabled us to benchmark our performance. We also published our first gender pay gap report and created an action plan to address the gap. We continued to roll out unconscious bias and harassment training to a total of 105 employees. Throughout the year we celebrated different cultures and launched our first employee network to support people with caring responsibilities. We were pleased to receive an inclusivity score of 80% in our recent employee survey.
<b>Champion compliance with living wage and modern slavery across the supply chain</b>	Human rights and fair pay	 	 Achieved	Workspace are an accredited Living Wage employer and both our employees and contractors are paid at London Living Wage levels. This year we ensured new contractors that were onboarded as part of the McKay acquisition were also paid the living wage. To drive compliance, Workspace's new supplier code of conduct is mandated across all contracts and formally included in our supplier on-boarding procedure. We also worked with a third party to conduct a modern slavery audit of our cleaning supplier.
<b>Support professional development and career progression of our people</b>	Skills and employment		 Achieved	We supported over 17 employees to complete accredited training, including 10 employees who were sponsored for our newly launched Leadership and Management programme. In total we delivered 363 hours of professional training to our employees (women – 232 hours and men – 131 hours), including over 100 hours of Chartered Institute of Personal and Development coaching and people skills training.
<b>Widen access to profession and drive local employment within our operations and across our supply chain</b>	Skills and employment, Diversity and Inclusion	 	 Achieved	As part of our new recruitment policy, we are implementing a number of inclusive recruitment practices (such as hiring managers training, anonymised CVs and utilising alternate recruitment channels). We also engaged with our charity partner Single Homeless Project (SHP) and supported the successful hiring of one of their clients with our cleaning contractor. This previously unemployed person is now permanently employed on our portfolio as a member of the cleaning team. We continued our engagement with SHP and delivered a successful employability workshop to support their clients with employability skills. Throughout the year we continued our engagement with our suppliers on employment related opportunities. We are pleased to see that a total of 23 apprentices are employed as part of our supply chain contracts.



SUSTAINABILITY CONTINUED  
LOOKING AFTER OUR PEOPLE CONTINUED

CASE STUDY

Creating a diverse and inclusive business

We are very proud of our business values and welcoming culture. We strongly believe that the success of our business depends on our people and are committed to providing a working environment which is inclusive of all cultures, where everyone feels welcome, and in which we celebrate different experiences and perspectives.

We have launched a series of initiatives to support diversity and inclusion:

- All our employees have completed unconscious bias training and we are rolling out anti-harassment training.
- Our first diversity network called 'Supporting Others' was launched, providing a safe space for colleagues to support each other and share their experience on balancing work and caring responsibilities.

- We published our first gender pay gap report (see investor website).
- We implemented inclusive recruitment practices including anonymised CVs and hiring manager training.

We are always striving to do better and build on current initiatives. To start monitoring our diversity performance and set a diversity and inclusivity improvement plan, it was important to get a deeper understanding of the diversity of our workforce. This year, for the first time, we collected additional data from our employees to better understand our diversity. Although this was entirely voluntary, we achieved a 90% response rate which is a testament to our employees' desire to support a strategy towards more diversity and inclusion within the business.

Satpreet Dhariwal  
Senior HR Manager



**31%**  
FIRST GENERATION  
OF THEIR FAMILY  
TO GO TO  
UNIVERSITY

**11%**  
50+ YEARS OF AGE

**30%**  
UNDER 30 YEARS  
OF AGE

**28%**  
WITH CARING  
RESPONSIBILITIES

**24%**  
ENGLISH NOT AS  
A FIRST LANGUAGE

**23%**  
NATIONALITY  
OTHER THAN  
BRITISH

**30%**  
IDENTIFY AS BAME

**6.5%**  
IDENTIFY AS LGBTQ

**57%**  
IDENTIFY  
AS FEMALE

“  
We celebrate different  
experiences and perspectives

## SUSTAINABILITY CONTINUED

### LOOKING AFTER OUR PEOPLE CONTINUED

#### CASE STUDY

### Our approach to employee wellbeing



We prioritise the health and wellbeing of our employees. We are proud to offer a wide range of benefits, including Health Shield, which subsidises wellbeing treatments. Over 160 employees utilised Health Shield, with a total claims value of c.£28k.

We continue to offer seminars on mental and physical health, financial wellbeing, and stress management. A total of 23 employee wellbeing events and initiatives were delivered, reaching a total of 600 attendees.

#### EMPLOYEE WELLBEING IN NUMBERS

# 79%

EMPLOYEES AGREE THAT WORKSPACE CARES ABOUT THEIR WELLBEING

# 23

WELLBEING EVENTS ATTENDED BY 600 EMPLOYEES

#### CASE STUDY

### Our approach to customer wellbeing



Building on last year's success, we have continued to deliver a series of wellbeing events for our customers. Our puppy therapy events were once again extremely popular. We have also diversified our offer to include more hands-on wellbeing sessions, which we call 'wellbeing', including pottery workshops and terrarium building, that have been shown to significantly reduce stress.

On average, our 'wellbeing' events received 5/5 star ratings from participants.

#### CUSTOMER WELLBEING IN NUMBERS

# 5/5

POST EVENT STAR RATING AWARDED BY PARTICIPANTS

# 57

CUSTOMER WELLBEING EVENTS REACHING 1,600 PEOPLE

# “

Creating an environment that fosters wellbeing is in our DNA. We are proud of the stellar reviews our customers give following each wellbeing event

**Stacy Lyden-Saupé**  
Events Manager



SUSTAINABILITY CONTINUED

**Strategic pillar:**  
Supporting our communities

3

Social impact is inherent to Workspace's business model. We support employment-led regeneration of London by investing in some of the most deprived areas of the capital, enabling employment opportunities for local people and boosting local spend.

We have a strong culture of charitable giving and volunteering. Working closely with our charity partner Single Homeless Project, we have made significant impact in alleviating homelessness across London.

In London, we manage over 60 sites across 15 boroughs. Through our centre teams, we aim to build meaningful relationships with local communities and charities. We work closely with our customers to implement engagement initiatives that support the local communities.

**£600k**

SOCIAL VALUE GENERATED

**620**

VOLUNTEERING HOURS

Joe raised £985 for SHP as part of a skydiving challenge

Relevant UN SDGs



**Driving positive social impact**

As a major provider of office space to over 4,000 of London's brightest businesses, Workspace is in a unique position to address some of the most pressing social issues in the capital.

Thanks to our provision of high quality work space in all parts of London, we support local employment opportunities for many SMEs. We also support independent businesses and enhance local economic activity through our operations and customer footfall.

In London, homelessness has increased by 47% in the past 10 years, and the proportion of NEET<sup>1</sup> young people aged 16-17 has reached 3.4%. This is why we are committed to using our centres as hubs for driving positive social impact amongst local communities, through a focus on skills and education and homelessness prevention.

1. Not in education, employment or training.















**180**

BENEFICIARIES OF SKILLS AND EMPLOYMENT PROGRAMME

## SUSTAINABILITY CONTINUED

### SUPPORTING OUR COMMUNITIES CONTINUED

#### ESG TARGETS

Target	Relevant material issue	Relevant UN SDG	Status	Performance commentary
<b>Roll out our community skills and employment programme InspiresMe across five centres</b>	Skills and employment		 Achieved	We successfully launched InspiresMe across five centres. These included Kennington Park, Brickfields, Mare Street, Cargo Works and Chocolate Factory. Over 160 students benefitted through our CV workshops and career sessions and 20 students were hosted for work placements. A total of 12 customers participated in the InspiresMe programme. The responses from school partners and customers were extremely positive with 100% of the schools who took part agreeing they were keen to continue with this initiative next year.
	Local social and economic impact			
<b>Works in partnership with SHP to prevent homelessness in London</b>	Skills and employment		 Achieved	We raised over £110,000 for SHP, including providing funding for a full-time employability coordinator. A number of our employees supported SHP throughout the year and delivered over 620 volunteering hours. This year we also hosted an employability workshop for SHP clients where we ran a daylong session on business and IT skills.
	Charitable giving			
<b>Support local food banks and charities across our centres to drive greater community impact</b>	Local social and economic impact		 Achieved	We ran 38 community engagement initiatives across our centres in partnership with local charities, including 17 food bank collections which were hugely popular with our customers. We also partnered with local charity, Community TechAid, and supported them with the donation of over 70 pieces of electronic equipment. Overall, we contributed £162k through our lettings in kind programme, providing free space and meeting rooms to local charities.
	Charitable giving			
<b>Assess and enhance social value generated across our portfolio</b>	Local social and economic impact		 Achieved	We have created a social value framework that helps us align our activities to issues that are most material to the business. The framework also enables us to adopt a stakeholder value approach, ensuring we positively impact our employees, our customers, our suppliers and our local communities.  To help us baseline our current performance, we worked with Social Value Portal to assess our social value contribution. In total we generated over £600k of direct social value across our material issues – wellbeing, responsible business practices, local community and charity partnerships, employment and skills and customer stewardship. We also worked with our suppliers and customers to drive additional social value (i.e. our indirect impact) worth £280k, mainly through our outreach on employment and skills. We plan to further enhance our social value in the coming year by setting actionable goals under each of the material issues.
	Charitable giving			
	Wellbeing			
	Skills and employment			
	Diversity and Inclusion			
	Human rights and fair pay			



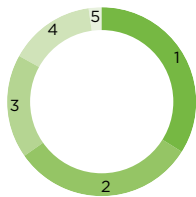
We really enjoyed participating in InspiresMe and spending time to pass on knowledge. It was great to see how it had benefitted the students by the end of the week

Customer at Kennington Park

**SUSTAINABILITY CONTINUED**  
**SUPPORTING OUR COMMUNITIES CONTINUED**

**SOCIAL VALUE WE HAVE CREATED**

**SOCIAL VALUE CREATED - £604,747**



1. Responsible and Inclusive Practices	£206,608
2. Charity and Community Support	£188,447
3. Wellbeing	£107,828
4. Innovation - Customer Stewardship	£88,476
5. Skills and Employment - Direct	£13,388

This is the first year we have worked with Social Value Portal to quantify the social value we create. The National TOMs Framework has been used to calculate the financial value associated with each of our initiatives, which is deemed 'additional' to business as usual. The table provides a breakdown of various initiatives and social value created by our direct business activities. Separately, we have also calculated the indirect value generated through our collaboration with our suppliers and customers.

**WORKSPACE - SOCIAL VALUE FY 22/23**



**WORKSPACE - SOCIAL VALUE FY 22/23**

Area	Social Value Created
Wellbeing	<ul style="list-style-type: none"> <li>- £65.8k invested to deliver wellbeing events for customers (including event manager's time)</li> <li>- £16.5k invested to deliver wellbeing campaigns for staff (including Charity, Wellbeing and Social Committee members' time)</li> <li>- £25.5k delivered through all employees having access to a comprehensive wellbeing programme (Thrive, Health Shield, etc.)</li> </ul>
Responsible and Inclusive Practices	<ul style="list-style-type: none"> <li>- 33 employees received the unconscious bias training and 175 employees received the harassment training (£64.9k social value delivered)</li> <li>- 24 employees benefitted from funding for further studies (£0.5k social value delivered)</li> <li>- £1.2m spent with non-profit organisations as suppliers (£141k social value delivered)</li> </ul>
Charity and Community Support	<ul style="list-style-type: none"> <li>- 45 hours of skilled volunteering (SHP employability workshop, procurement training) - £4.5k social value delivered</li> <li>- 624 hours of unskilled volunteering - £10.6k social value delivered</li> <li>- 693 hours of CMs' time spent to support the local community (foodbanks, fundraisers) - £11.7k social value delivered</li> <li>- £161.6k in-kind contributions (lettings, business rates, room bookings, electronic equipment, SHP donation)</li> </ul>
Innovation - Customer Stewardship	<ul style="list-style-type: none"> <li>- £88.5k invested to deliver four London's Brightest Businesses breakfasts and seven master classes (including event manager's time)</li> </ul>
Skills and Employment - Direct	<ul style="list-style-type: none"> <li>- 10 weeks of InspiresMe work placement supported by Workspace (£1.9k social value delivered)</li> <li>- 676 staff hours invested in delivering InspiresMe (£11.4K social value delivered)</li> </ul>
Skills and Employment - Indirect	<ul style="list-style-type: none"> <li>- £211k social value delivered through key suppliers hiring of homeless, NEET, ex-offenders and people with disabilities</li> <li>- 261 weeks of apprenticeships delivered by our key suppliers (£65.7k social value delivered)</li> <li>- 10 weeks of InspiresMe work placements with customers (£1.9k social value generated)</li> </ul>

## SUSTAINABILITY CONTINUED

### SUPPORTING OUR COMMUNITIES CONTINUED

#### CASE STUDY

### SHP employability workshop



In October 2022, we were delighted to support the hiring of one of Single Homeless Project's (SHP) clients by our cleaning contractor, Olivers Mill. We hope this success story is the first of many, and we are continuing to focus several of our SHP volunteering opportunities around employability skills.

In November 2022, 11 Workspace employees took part in an employability workshop with SHP clients. The aim of the session was to help SHP clients with creation of CVs and interview skills.

Building from a positive initial feedback from SHP clients, our charity committee are looking to organise more employability workshops in the coming year.

#### CASE STUDY

### InspiresMe



#### INSPIRESME IN NUMBERS

**4.3/5**  
SATISFACTION SCORE  
FROM STUDENTS

**4.3/5**  
SATISFACTION SCORE  
FROM SCHOOLS

**100%**  
CUSTOMER ENGAGEMENT  
SCORE



InspiresMe is Workspace's community outreach programme, focused on skills and employment. The aim of the programme is to work alongside our customers to provide inspiration, knowledge, support and experience to individuals within our communities who are most at risk of NEET (Not in Education, Employment or Training) and to help them to reach their full potential.

As a provider of office space to a diverse range of SMEs, we are in a unique position to broker a partnership between local schools and our customers in order to improve the employability skills of underprivileged young Londoners. The programme gives our customers the opportunity to deliver CV workshops, interview training sessions, participate in career fairs and host work experience placements throughout the year.

In the last year we launched InspiresMe across five centres in various London Boroughs - 180 secondary school students benefitted from the programme and 12 customers participated.

SUSTAINABILITY CONTINUED  
SUPPORTING OUR COMMUNITIES CONTINUED

## Looking ahead



## Q&amp;A

**Sonal Jain**  
Head of Sustainability

**Q: What has been your biggest achievement?**

I am incredibly proud of the progress we have made this year. We have reduced our total greenhouse gas emissions by 16% across our like-for-like portfolio, upgraded over 12% of our portfolio to EPC A/B, boosted our customer ESG advocacy score and delivered significant social value through our wellbeing and skills and employment programme. However, for me personally the biggest highlight was collective ownership of our sustainability agenda. Right at the start of the year we set a number of business-wide sustainability targets, which were then translated into individual objectives. Each of our teams have worked with undeterred determination to achieve these targets. I am so pleased by the way each Workspace employee has embraced a sustainability mindset.

**Q: What are your plans for the coming year?**

Our inherently sustainable business model gives us an advantageous position in the industry, whether it's our lower energy use intensity, lean embodied carbon refurbishments and the positive socio-economic impact we generate through our focus on employment led regeneration. However, we realise we need to continue to deliver high performance in order to maintain our market leadership position.

To this end, we will continue to roll out an accelerated programme of refurbishment and ensure our portfolio is decarbonised and future proofed ahead of the 2030 deadline. Energy and carbon management continues to be our top priority and we will be focusing our effort to further reduce our energy intensity.

With the launch of our social impact framework focused on social issues that are material to the business, we have set ourselves a number of actionable targets that will help us deliver enhanced social value in the coming year. This includes a key focus for us to champion skills and employment across our value chain.

We are fortunate to be Home to London's Brightest Businesses, many of them are in the green economy sector themselves. We realise our duty of care towards our customers, ensuring they have a productive and sustainable workspace. We ran a successful customer engagement programme this year and plan to further enhance it. In addition, we will actively explore collaboration opportunity with our customers to jointly deliver on sustainability programmes across the portfolio.



As a team, we always think twice when it comes to energy, all our electricals have automatic standby mode, our office lights are always turned off when the unit is not in use, and we open our windows before the aircon gets considered

Owen O'Neill, founder at Uni Compare,  
winner of the energy savings competition  
at Frames