

Workspace Group Green Finance Allocation Report 2023

In line with the reporting requirements as set in our Green Finance Framework (“GFF”), we are publishing our second annual report on allocation of proceeds. This report sets out our allocation of proceeds from the £300m Green Bond to date against relevant eligible green project categories, as well as a short commentary on their impact. We have engaged KPMG to provide Workspace with an independent limited assurance opinion over certain information (as indicated by the symbol Δ) in accordance with ISAE (UK) 3000. The limited assurance report is available [here](#), and we recommend that it is read in full.

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

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

Green Bond Allocation Disclosure:

Eligible Green Projects	Green Funding
Green Buildings	Valuation (Gross Asset Value)
2023 projects: 3 projects acquired	£49,750,000
2022 projects: 11 existing projects	£328,004,351
Renewable energy	Purchase of green electricity
2022 allocation: Purchase of REGO certified electricity for 3 years	£9,948,162
Total Value of EGPs	£387,702,513

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

As set out in the GFF, there are several categories of EGPs, which are aligned with the relevant the ICMA categorisation. In respect of the “Green Buildings” category, the value of GDIs allocated is determined by reference to the external valuation of the assets as at 30 September 2022 in alignment with the Group’s accounting policy. This means that the amount allocated could, in future, vary in line with fluctuations in the

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value of the buildings due to market factors that may not be specifically linked to the green impact of the bond. It is worth noting that the total asset value of the 11 properties included in last year's allocation report increased from £274,875,000 to £328,004,351. In respect of other categories, the value of GDIs allocated is determined by reference to the eligible capital or operating expenditure within the period of 36 months before or 36 months after the issuance of the relevant GDI.

Pending allocation to Eligible Green Projects, the net proceeds of the issue of the Bonds are fungible with all other cash held by the Group and may be used for financing, refinancing, or investing in other projects and/or activities (including, but not limited to, repaying or redeeming certain of the Group's existing financing arrangements). The net proceeds from the Green Bond were used, inter alia, to repay £146m of existing bank debt and to prepay a private placement loan of £154m.

Workspace has to date identified EGPs totalling £387,702,513. From this total, £9.9m relates to the financing of REGO certified renewable energy (based on expenditure) and the balance of £290.1m relates to the refinancing of Green Buildings (based on asset value). This brings the total allocation to £300m.

Green Bond Impact Disclosure

Eligible Green Projects	Impact
Green Buildings	
2023 allocation: Green buildings	3 projects completed, including 2 BREEAM Excellent ratings and 1 BREEAM Outstanding rating
2022 allocation: Green buildings	11 projects completed, including 8 BREEAM Excellent ratings and 3 BREEAM Very Good ratings
Renewable energy	
2022 allocation: Renewable energy	96% of all purchased electricity was on a green tariff from 2019 to 2021

2023 Eligible Green Projects

Prospero



A short cycle ride from the Surrey Hills, Prospero is the greenest building in the south M25 region, with its BREEAM Excellent rating, electric vehicle charging points, intelligent LED lighting and green surroundings.

It combines sustainable heating and cooling system with excellent natural light, providing a comfortable environment for its occupants.

Completion date	2016
Size	83,119 sq. ft.
Green certification/rating	BREEAM Excellent A rated EPC
Green features	24 cycling bays 7 showers 5 double electric vehicle charging points Roof mounted solar panel installation

Wilson Street



Located in vibrant Shoreditch, this building holds a BREEAM Excellent rating and a B rated EPC.

Completion date	2014
Size	15,929 sq. ft.
Green certification/rating	BREEAM Excellent B rated EPC

9 Greyfriars



Located in the heart of Reading town centre, a two-minute walk from Reading railway station, 9 Greyfriars incorporates a highly sustainable design, and achieved a BREEAM “Outstanding” rating and EPC A, offering an exceptional, contemporary environment and low operational costs.

With its high levels of natural light, green transport amenities, efficient heating and cooling systems and 1,542 sqft roof terrace, this building offers an exceptional, contemporary environment and low operational costs.

Completion date	2015
Size	46,263 sq. ft.
Green certification/rating	BREEAM Excellent A rated EPC
Green features	22 cycling bays 5 double electric vehicle charging points Building energy management system Responsibly sourced timber Heat recovery systems