



**OUR ESG
AMBITION**

BUILDING A SUSTAINABLE FUTURE, TOGETHER.



WE WORK RESPONSIBLY, IN PARTNERSHIP, TO ENHANCE PEOPLE'S LIVES AND ENVIRONMENTS

The built environment has a tremendous positive influence on the way we live, work and connect with each other. However, it also contributes to many of the challenges we're facing as a society, from climate change and the use of limited natural resources to wellbeing and social inequality.

At Knight Frank, we want that influence to remain a force for good so we're using our global reach and our independent voice to help our sector become a responsible guardian of a healthy and sustainable future.

About Knight Frank

We are proud to be the largest privately owned real estate advisory business in the world, providing a range of services to one of the most complex, challenging and dynamic sectors in the global economy.

We have a global footprint, operating under a unique partnership model. That structure has helped us create a culture of accountability and openness with our people, clients and other stakeholders. And it will become increasingly important as more businesses look to meet complex ESG ambitions.

A growing number of clients rely on our expertise and knowledge, including our industry-leading research and deep understanding of the latest industry trends, to help them make better ESG-related decisions. Through our expertise, we help shape our sector in ways that benefit communities and people while offering unique, trusted advice. We make sure our teams have the right tools, knowledge and support to deliver that advice, and also challenge our partners and suppliers to help us achieve our own ESG aspirations.

As a global business working in different cultures and communities, it's not easy to take a 'one size fits all' approach to our own goals and commitments. Instead, we commit to a set of global principles while empowering our local leadership teams to understand – and act on – the priorities that matter most in their own country, delivered through their specific action plans.

Introducing our ESG ambition

This publication sets out how we plan to make positive change as a business and help our sector play its part in the transition to a sustainable future. And how, through our responsible business agenda, we will live our purpose to work responsibly and enhance people's lives and environments. We know that changes by all of us, for all of us, will sustain our society for generations to come – this is our plan to do it, together.

- 4 — 11
OVERVIEW
 Our Group Executive Board (GEB) shares views on the growing importance of ESG and the role of our partnership model in delivering our agenda, guided always by our purpose, our values, and our group vision and strategy
- 12 — 27
OUR ESG FRAMEWORK AND PRINCIPAL AREAS FOR ACTION
 How we're focusing on the areas that matter most

- 1. Restoring the natural environment – pages 14-17**
 Through reaching net zero, tackling biodiversity loss and addressing pollution
 - 2. Creating an inclusive workplace – pages 18-23**
 By focusing on diversity, equity and inclusion, health and wellbeing, and personal development
 - 3. Strengthening our communities – pages 24-27**
 Through our local, impact-led approach to community engagement, often led by our colleagues
- 28 — 33
SHAPING THE INDUSTRY THROUGH PARTNERSHIP
 How our partnership spirit guides our research, our work with clients, suppliers and tech partners, and the way we use our voice to advocate for change
- 34 — 39
MATERIALITY, GOVERNANCE AND REPORTING
 Our structured approach to ESG, and how we plan to measure and report on progress

OVERVIEW

A message from our Senior Partner and Group Chair

Five years ago, I was rarely asked about our purpose. Today, almost every conversation, partnership and pitch I have starts or ends with a discussion about what we stand for and the input we can have, and the environmental, social and governance, or ESG, issues that matter to us.

When I'm asked to describe our purpose in action, many things come to mind from our 125 years plus of history. For example, our decade of work in partnership with many other organisations to help revive Battersea Power Station for the people of London, a redevelopment that will enrich thousands of lives. Or more than 50 years of providing planning, rating and brokerage advice in Hong Kong including the West Kowloon Cultural District, a vibrant place for all to interact, develop and collaborate with local arts. Or a trip to Bangalore in 2019 where I saw our work with Indian Railways to establish their flagship station.

All these examples share an unequivocal link between the quality of places and the health, wellbeing and happiness of the people spending time in them. For us this is paramount. And my vision for the future is one where places – towns, cities, or rural environments – enable people and nature to thrive for generations to come.

Working in partnership as a force for good

I've always believed that Knight Frank exists to enhance people's lives and environments, and this speaks to more than



•• We have the power to create a legacy beyond just financial performance, using our influence to help tackle some of the biggest challenges facing our sector and society.

William Beardmore-Gray, Senior Partner and Group Chair



just our core services in real estate. What's exciting for me is that with our reach and resources, everyone at Knight Frank can be a real force for good, not just within our own industry, but in the lives and communities around us.

As well as our vast sector influence, we must also look to ourselves. To be a force for good, we need to focus on areas where we can make a real impact. Which is why, in 2022, as I stepped into the position of Senior Partner and Group Chair, we saw an opportunity to redefine our Group vision and strategy and responsible business agenda. It was a chance to pause and reflect on how we contribute to the world, and how we put our purpose into action.

We engaged an external partner to collaborate with our in-house team to identify the material issues that most affect our stakeholders, and to think critically about what we can do to address them. You can read more about that work in 'Understanding our material issues' on page 35.

As a result of this work, we have arranged those issues under three principal areas for action, which you will find laid out in more detail on pages 14-27.

A global agenda for local action

None of this is new to us. Many aspects of these ESG issues have been part of how we've done business since our foundation. It is ingrained in who we are: a responsible business that uses our freedom as an independent partnership to focus on the long term, putting purpose right up there alongside financial success.

But what has changed is the attention we are giving them – and the way we're defining how we'll achieve our aims in practical terms. While our overall agenda and three principles for action are global, our partnership structure means that every region will create its own local plan with actions and targets. I know our people across Knight Frank are as excited about this agenda as I am, and I am looking forward to the exciting and innovative ways that this will be brought to life.

Supporting our clients' ESG goals

Key to making it real is how we support our clients. Not only are they looking for partners who are acting on these issues; they are looking for partners who can advise them on what to do as well.

Our ESG service lines are growing rapidly, led by demand and influenced by the scale of regulation and legislation on the horizon. Expanding our team of global advisers will be a primary focus for us over the next five years.

Most importantly, all of our teams have the skills to advise clients on ESG issues related to their own service area. We continue to invest in education and expertise to ensure ESG is embedded in every piece of advice that we give.

In it for the long term

While I am excited about what all this means for our people, I also know the environmental and social challenges we face are massive and difficult to solve, and we cannot underestimate how far we need to go. But by going together, working shoulder to shoulder in partnership, we can go further and be bolder.

We have much to address ourselves – not least the diversity and inclusiveness of our own business. But we also have the determination, strength, and, crucially, vision needed to find the necessary long-term solutions, in a world so often dominated by short-term interests.

We are still only at the beginning of our responsible business story. There is a lot to do and, like everyone else, we're learning as we go. It excites me that everyone working for Knight Frank will be able to describe what they do as not just working in real estate, but in an amazing business that is doing positive, measurable things to create a better world.

I am confident that with this plan, we are ensuring that Knight Frank succeeds for another 125 years and more.

William Beardmore-Gray
Senior Partner & Group Chair

CASE STUDY

Enhancing quality of life in Hong Kong with the West Kowloon Cultural District

There's plenty to do in West Kowloon: from immersive art and culture to tranquil nature walks. Covering 40 hectares along the harbour, it is a world-class cultural destination, located within a high-density urban environment. Indeed, the area has become the largest integrated development project in Hong Kong's history. And we're proud to have played a significant role in its creation.

We've advised on the project since 2006, providing expert consultancy on town planning, land development and notional design. As well as providing a hub of entertainment, the development has improved the quality of life in local communities by routing traffic underground. Traditional pollution and noise has given way to new sprawling pedestrian spaces, including a beautiful park and expansive waterfront area.

The Board's role in our ESG agenda

What our people and clients think about us matters. And we know that they expect us to play an active role in society. How we do that has become increasingly important in attracting and retaining talent.

Our people expect more from their jobs than just financial reward. They're looking for greater autonomy and flexibility, and a sense of purpose that helps them feel part of something bigger. The same is true of our clients and customers, many of whom are benchmarking themselves against competitors and peers when it comes to responsible business practices.

Understanding our risks and opportunities

These are not easy issues to address and there are times when the breadth of the ESG agenda has felt overwhelming. But it is only by showing courage and leadership – and taking the occasional leap of faith – that we can make true progress.

That calls for an open mindset and a commitment to continuous learning to ensure we truly understand the risks and opportunities associated with embedding ESG thinking into everything we do. This is particularly true of what we refer to as 'double materiality' – the issues that are both material to our business, and where we can make a meaningful impact.

To help us identify those issues that matter most and where we can have that impact, we conducted a materiality

assessment, which we explain in more detail – including how it has shaped the Board's thinking – on page 35.

While this assessment has helped set out key areas for action, we will continue to closely monitor emerging ESG themes, and in some cases, make commitments that will help us continue to build our knowledge and expertise.

Our Board's ESG responsibilities

Our Group Executive Board (GEB) is ultimately responsible for understanding the ESG issues that affect our business. Those include:

- Business ethics, compliance and integrity
- Climate change and the use of natural resources
- Human rights
- Diversity, equity and inclusion
- Social inequality

Our Group Chief People Officer and the Chairman and Managing Director for India joined the GEB in early 2023 to ensure a good mix of expertise and experience and that the GEB continues to represent a broad range of views.

Equally, our two non-executive advisers provide an important external perspective, sharing insights on the way other sectors address ESG issues, and helping to hold ourselves accountable for measuring and reporting on our progress.

A significant proportion of our senior leadership's remuneration comes from their participation in our profit-sharing process. Since progress against our ESG agenda is intrinsic to the overall success of the business, as measured through profit, we do not separate out specific ESG targets for our senior leadership.



ESG is one of the Board's key priorities, and I am delighted to see that all Knight Frank's Proprietary Partners want to be either highly, or very, ambitious on ESG over the next five to 10 years.

Alexandra Innes, Non-Executive Adviser

SPOTLIGHT

ESG in the Boardroom: Leading through Learning

In 2021, we invited one of the world's leading Green Building Councils into our Boardroom to help the Board strengthen the way we understand and interpret the external environment and relevance of ESG issues to our sector. The speakers shared their knowledge on the growing trends affecting the built environment and how businesses are equipping themselves to face the challenges. They also discussed the importance of personal commitment to lead change and place ESG at the heart of business strategy.

We did the same in June 2023, inviting Business in the Community, the UK's largest responsible business network dedicated to building a fairer and greener world, into our Boardroom. The team shared its insights on how leading with purpose and partnering with others can be a force for good, in addition to harnessing opportunities for commercial success and business future-proofing.



Our purpose, values, vision and strategy

Our purpose guides our decisions and underpins everything we do, supported by our four values, which guide our behaviour. Our vision acts as a compass to help us move forward together, while our strategy lays out the route we will take to get there. Together, they help ensure that we act authentically and in a joined-up way.

Our purpose and values

Our purpose is to work responsibly, in partnership, to enhance people's lives and environments. Meanwhile, our four global values reflect what we believe in, how we interact, how we operate and how we aim to make people's lives better by working together.

Our purpose

We work responsibly:

we strive to do the right thing by all and for all.

In partnership:

we are all in this together, as a collective we are tackling some of the greatest issues of our time. The success of our communities, clients and colleagues is the success of our business.

To enhance people's lives and environments:

we believe in better; together we can inspire and shape places that are more sustainable and inclusive for everyone.

Our values

1

Value the individual

Recognising the strength in difference, being responsive to the needs of others, encouraging all voices to be heard and ideas shared, and supporting everyone to perform at their best.

3

Make the difference

Bringing positive energy, caring about getting it right, and being ambitious about creating the future, instead of waiting for it to happen.

2

Collaborate to succeed

Embracing the power of teams, taking pride in the collective process, and constructively challenging one another so we can always raise the bar higher.

4

Commit to partnership

Creating partnerships that benefit all, acting with integrity and trust, broadening perspectives, and committing to long-term sustainable growth.

Our vision and strategy

We define our vision as 'Our Desired Future'. That means where we're going, together, as a business.

That vision is supported by three strategic pillars that are critically important for positioning ourselves for long-term success: people potential; client centricity; creating the future.

Together, they help us determine what we want to achieve in the next five years. They set out where we are heading, and from there we can establish the steps needed to make that desired future a reality. These pillars are for everyone at Knight Frank to explore, be inspired by and bring to life. And the more we use them to influence the way we work, the closer we will get to that vision.



As leaders we are guided by our purpose and values. This helps our people and clients build trust and confidence in Knight Frank, reassuring them that we will deliver on their expectations.

Karen Bowes, Group Chief People Officer

	<p>Our Desired Future</p> <p>A diverse place to work where people have a voice and are empowered to make a difference; where their whole contribution is valued and recognised.</p> <p>Knight Frank attracts people who share values and an entrepreneurial challenger mindset. People stay because they have a sense of belonging, access to exciting opportunities, clear career mobility and they enjoy working here!</p>
	<p>Our Desired Future</p> <p>Our relationships are deep-rooted, enduring and personal because we use our insight and knowledge to meet our clients' current needs and anticipate their future ones. <i>The</i> recognised and recommended Global Partnership, we deliver seamlessly with speed, ease and excellence.</p>
	<p>Our Desired Future</p> <p>A stronger brand and global business, because we pioneer with purpose; looking beyond our sector to find new ways of doing things and moving quickly to adapt.</p> <p>We walk the walk, collectively making a demonstrable commitment to the things which matter including ESG, diversity and technology.</p>

OUR ESG FRAMEWORK AND PRINCIPAL AREAS FOR ACTION

Introducing our ESG framework

Society rightly expects companies like ours to play their part in creating a cleaner, fairer world. As an integral part of the global real estate sector our future success relies on embedding ESG thinking into everything that we do.

But ESG is a vast, fast-moving landscape and we cannot cover every aspect. What we can do, however, is set ourselves up with the ambition, goals and measurement tools to become leaders in the areas where we can make the biggest difference.

And the choices we make must be intrinsically linked to our purpose and strategy and always guided by our values (see page 10 for more information on our purpose, values and strategy). So, we have divided the ESG issues that matter most to our stakeholders and where we can have the most impact into three principal areas for action, set around a simple

management framework that will help us deliver our goals and communicate our progress.

While we have set these areas at a global level, it will be up to our local teams to bring them to life, developing their action plans, with their own targets and roadmaps that are unique to individual geographies, cultures and regulatory environments.

For more on how we assessed the ESG issues that matter most, see our 'Materiality, governance and reporting' section on page 35.

Tracking our progress

Having a framework is an important step. Now we must get to work on putting our ambition into action. And we will need to measure and track our progress as we go. That's why we have introduced a new software called Sphera, to help us with the challenging task of collecting, managing and analysing our ESG data to fulfil legislative, corporate and client requirements, as discussed in more detail on page 38.

Sharing this data will become increasingly important to our business, since a growing number of clients look at ESG issues as a differentiating factor when deciding who they want to work with, and whether a business can help them meet their own ESG ambitions.



RESTORING THE NATURAL ENVIRONMENT

Our work both impacts and relies on the natural world around us – from the way we operate our business to the advice we give clients that helps shape the built environment and natural surroundings.

Those impacts can be enormously positive – for example helping to protect and enhance lives by providing the spaces in which people live, work and socialise daily.

But we also rely on products and services that are made, built or powered by natural resources. Unsustainable consumption and production not only depletes those resources, but the associated extraction, processing, manufacturing, consumption and waste disposal all too often leaves a detrimental mark on the landscape. This is driving three planetary crises: climate change, biodiversity loss, and pollution.

With these issues being deeply interconnected – pollution contributes to climate change, and biodiversity loss is exacerbated by both climate change and pollution. Due to the range and reach of our global expertise and services, we are in a unique position to make a positive difference, through our own actions and the advice we provide to our clients.

This means:

- Committing to net zero
- Biodiversity restoration
- Reducing pollution



●● **ESG is essential to our business growth – it's integral to the way we operate as a sustainable business that is future fit.**

Anthony Duggan, Chair of Group ESG Board



CASE STUDY

Planning for the future with the Ingleborough Estate, Yorkshire

Located in around 14,000 acres in the Yorkshire Dales, the Ingleborough Estate has endless opportunities for landscape development, estate management and community engagement.

For the past few years, our UK Rural Consultancy team has helped its owners embrace that potential, from advising on the day-to-day running, to helping create a strategy for the future. Among other things, we have helped provide land stewardship, primarily around peatland restoration, which has an important role to play in locking away carbon dioxide emissions.

We have also managed the rental of the estate's 40 village cottages, local community engagement and the restoration of a sawmill, which is now a bustling visitor centre. And we have helped promote the Ingleborough Cave, which features picturesque nature trails and celebrates the estate's rich history and heritage.



Committing to net zero

Fossil fuels like coal, oil and gas have powered economic progress for more than a century. They run heavy machinery for mining and industrial farming, factories for processing and manufacturing products, and move trucks, ships and planes. They heat our homes and run our businesses.

At the same time, they have helped transform the chemical and agricultural industries, improving quality of life for millions of people. But their use has come at a cost to our climate. So too has the trend towards urbanisation and our reliance on the built environment. In fact, this sector – the

one in which we operate and can significantly influence – is one of the largest contributors to greenhouse gas (GHG) emissions globally, with the built environment accounting for around 40% of global carbon emissions.

To play our part in addressing this issue we have committed to achieving net zero by setting ambitious emissions reduction targets in line with climate science. This means working with our global partners to reduce emissions across our entire value chain (Scope 1, 2 and 3 emissions).

This includes work to develop a global strategic framework and roadmap that will help our business align around a

common goal and make progress in the areas where we can have most impact. We are already taking action. For example, in the UK we are transitioning to electric vehicles for business purposes as part of the company car scheme and in France we are looking to go fully electric by 2026.

Biodiversity restoration

Our need to build homes, grow food and run factories over the past century has encroached on the natural environment, destroying biodiversity and damaging the Earth's life-supporting systems. It has affected our climate's resilience, with the loss of natural flood management, soil erosion and rising particulate matter in our air affecting the health of planet and people.

No surprise then that nature is rising up the ESG agenda and that more and more stakeholders are considering the economic impact associated with its depletion and degradation.

That is why Knight Frank is making it a priority to collaborate with partners who are investing in natural services, and to explore innovative nature-based solutions within real estate development and management. We have our own team of experts who specialise in biodiversity net gain and natural capital, and we ensure that the solutions we deliver to clients are scientifically robust, draw on local knowledge, and remain equitable and inclusive.

We were one of the first real estate businesses to sign up to The Capitals Coalition, a global collective advocating the protection and restoration of natural capital. The Capitals Coalition is helping us to better understand how nature should influence business decision-making.

Reducing pollution

The amount of pollution the world produces is damaging the Earth's life-supporting systems. And it's not just the rubbish we see in our oceans or the quality of the air we breathe. Pollution can create a vicious cycle of damage that reduces the quality and quantity of natural resources available. For example, unsustainable use of fertilisers in farming damages soil and water quality, affecting the future of our farming and fishing industries.

Many of our offices are introducing waste management principles to support a more circular economy, including reusing and recycling materials as much as possible.

SPOTLIGHT

Zestec Renewable Energy

In 2022, we teamed up with Zestec Renewable Energy, a company 100% owned by funds managed by Octopus Energy Generation, Europe's largest renewables investor, to provide our clients with a zero-capital outlay solar PV solution. This will provide clean energy, reduce their energy bills, and support their ESG objectives.

CREATING AN INCLUSIVE WORKPLACE

We want to create a diverse, inclusive and equitable culture at Knight Frank where everyone feels valued and supported. We want to build a culture where our people feel safe to express themselves without fear of judgement or discrimination.

That means making sure every employee is given the same opportunities to thrive, no matter their age, race, gender, sexual orientation or other characteristics. It's all about creating a culture and working environment that respects and celebrates people's individuality and differences while treating them in the same, fair manner.

Our Knight Frank colleagues around the world are the heart of our business and our global partnership is built on their diversity of thought, cultures and experiences. In return, we

are committed to providing a supportive, trusting environment and investing in their professional development to help them build truly exceptional careers.

In essence, we want our people to feel empowered to do great work, to feel included and supported, and that we listen and celebrate their ideas.

'Value the individual' is one of our four global values and is integral to the way in which we think about diversity, equity and inclusion at Knight Frank. We see it as four key areas:

- We recognise the strength in difference
- We aim to be responsive to the needs of others
- We communicate in a transparent, honest and authentic way
- And we value everyone's contribution, and celebrate their success



Winner, five years in a row

Knight Frank Hong Kong wins Best Companies to Work for in Asia.

Cultural Leave Swap

With the aim to help create a culture that supports people from all ethnic and religious backgrounds, Knight Frank Australia offers people the opportunity to swap three days of public holidays for other days of cultural or religious significance that are meaningful for them.

So, what does empowering our people look like? We summarise it in four ways:

- Striving for greater diversity, equity and inclusion
- Creating an environment of belonging and trust
- Prioritising colleagues' health and wellbeing
- Strengthening our people's ESG skills

Striving for greater diversity, equity and inclusion

We recognise that diverse businesses are better able to respond to challenges, attract and retain top talent, and meet the different needs of clients and customers.

To create a truly diverse workplace takes time and we are committed to progressing our approach to talent attraction and retention, and inclusive leadership, to ensure that our people reflect the communities where we work.

We're going to do that as part of our Diversity, Equity and Inclusion (DEI) programme by focusing on six key areas: gender, ability, race and ethnicity, social mobility and LGBTQIA+.

By bringing more diverse thinking into Knight Frank, from early careers and graduates through to senior management hires, we can create opportunities for a broader group of future leaders. Our recruitment framework is designed to maintain a fair and equal process when we recruit, assess and onboard people into our teams around the world.

Creating an environment of belonging and trust

Creating an inclusive culture helps us attract, retain, develop and engage the best talent and drive future growth. To support this, we provide education and training opportunities at all levels of our business.

We want everyone to feel safe to speak up by creating an open forum for discussion and dialogue about the key issues that affect our people and the communities around us. We are committed to listening and acting promptly when we get it wrong.

Promoting diversity, equity and inclusion means recognising and reducing inequalities and bias to create a sense of belonging – and our global employee policies and initiatives play a big part in this. We are giving everyone in our business equal opportunities to make the most of their lives in and outside the office, without limitations.





Our employees live and work in our local communities, and we know that they want to work for a company that they can trust and that will act responsibly for the benefit of all.

Tim Hyatt, Head of Residential

Prioritising colleagues' health and wellbeing

We want our workspaces to promote good health and wellbeing. We aim to normalise conversations around mental health and wellbeing, so that all our colleagues feel comfortable discussing the issues they face and have access to the support and adjustments they need.

We understand there's often a stigma around health and wellbeing topics and have taken steps to support our colleagues on issues like mental health, neurodiversity, financial welfare and the menopause.

We have also renovated many of our offices, including in Sydney and Melbourne, Australia, Singapore, Dubai and Manchester, UK. By modernising the design of our working environments, we're maximising their value and promoting healthier, more dynamic ways of working. For example, our



Knight Frank China - Employee Engagement Award Winner at ESG China Awards 2023

new office in Malaysia has a range of features, including a moss feature wall and green 'boulevard' at the entrance to enhance indoor air quality and mental energy. It is also an agile workspace, with sit-stand tables, versatile seating and flexible meeting spaces. We've also looked at ways to re-energise our UK high street offices and use these spaces to empower our people, providing more choice for how we work and communicate with each other and our clients.

We know that flexibility is important to our people, so we're implementing dynamic working arrangements to help them create better balance between their personal, family and work commitments. That means allowing our people to work flexibly away from the office on an as-needed basis, subject to the nature of their job and work requirements.

Employee resource groups: championing strength in difference. We are proud of the global network of champion and ally groups that are available at Knight Frank. Focusing on issues such as race and faith, gender, disability, health and wellbeing, and LGBTQIA+, these groups provide invaluable support for people across the business and promote awareness of a wide range of issues that affect colleagues. They also host an active programme of well-attended events and employee engagement activities.



Knight Frank Malaysia - Kuala Lumpur Office



Black History Month 'Phenomenal Women' Event, UK, October 2023



Pride Month Panel Event, UK, June 2023



Our ESG Ambassador network

We have more than 100 global ESG Ambassadors at Knight Frank – environmental and social sustainability enthusiasts who believe in using their ESG knowledge and expertise to provide the best real estate advice.

The network meets monthly to discuss what they are doing and to learn from each other’s experiences. It often invites clients to come and share their own ESG ambitions and challenges, and, more importantly, discuss how we might support them in achieving those goals.

To stay ahead of relevant trends and guidelines, all of our ambassadors receive regular training from industry experts. And many are taking Sustainability Management and Sustainability in Real Estate courses at the University of Cambridge. In 2022, we held our first Global ESG Ambassador Summit – this was a chance for them all to come together and discuss their experiences.



Hannah Awonuga joined Knight Frank as Group Head of Diversity, Equity & Inclusion in September 2023 to develop our DEI strategy across the Group with the aim of building an inclusive and balanced partnership.

Strengthening our people’s ESG skills

We want to help people at all levels of our business unlock their potential, which is why we invest heavily in learning and development.

That includes providing opportunities for people to broaden their knowledge beyond their core competencies so that they can continue to act as expert advisers to their clients. We also want to help them understand the ESG issues that affect our business.

To support this, we launched an internal ESG knowledge base in 2021 to help our people deepen their expertise on key points, read the latest ESG news, and discover examples of good practice. Our current programme uses relevant modules from external training experts and includes a mix of bespoke, industry-related content as well as micro-skilling modules. We’re currently designing our own programme and aim to launch it in 2024.

Our programme is open to everyone – no matter their level in the business or whether they require ESG expertise in their current role. We believe this gives our people unique opportunities to connect with one another, and discuss and innovate new ideas to help us achieve our ESG ambition.

◀ *Global ESG Ambassador Summit, 2022*



**SPOTLIGHT
An opportunity to explore the global network**

Our ‘Broadening Horizons’ programme offers our junior people the opportunity to develop a truly international outlook, and gain greater insight to offer customers a commercially aware perspective on global property.

Likewise, our Global Mobility Programme supports colleagues who work overseas on either a permanent or short-term basis. It helps us retain talent within the business, provides opportunities for people to experience and learn from different markets, and gives them the chance to develop new skills.



**SPOTLIGHT
Knight Frank’s European Academy – motivating the next generation**

This two-year Academy integrates young professionals into the world of Knight Frank from the very start of their careers. Offering exposure to every aspect of the business, it provides a rounded understanding of real estate and explores Knight Frank’s unique approach to unlocking our people’s potential.

For example, colleagues from seven countries meet in monthly sessions to hear senior leaders talk about what they do and why, and to discuss the associated struggles, challenges and successes.

STRENGTHENING OUR COMMUNITIES

To 'make the difference' is one of our four values, and it inspires us to tackle global issues at a local level. Our ambition is to continue to strengthen the relationships we have with the communities where we live and work, as well as those our clients serve.

In doing so, we are thoughtful and intentional with our time, talents and resources so that we really understand the needs of those communities, and partner with those where we can have most impact and help them thrive.

We have a long history of supporting communities through corporate giving – making donations, fundraising, completing pro-bono work and staff volunteering for a wide range of charities around the world.



This investment into the community has broadened over the years and we now actively think about issues such as hiring locally and buying from local suppliers, as well as supporting local initiatives and helping to build networks or make connections within communities. This includes looking at how we can switch procurement spend towards suppliers that create clearly defined benefits to causes addressing social challenges.

We remain flexible, though, so that we can continue to respond in times of crisis. For example, we made financial donations and helped our people volunteer during the Covid-19 pandemic and to support the people of Ukraine.

Community engagement driven by impact

Our commitment to make the difference means identifying the needs of those who are most vulnerable, who might lack access to opportunities, so we can partner and work with others to deliver real change.

We want to do that in ways that drive the greatest impact and are aligned with our business and values. That means aiming for depth rather than breadth of impact, giving us the potential to scale our efforts and become innovative by taking a more



targeted approach to the way we support our communities. It also gives us opportunities to build meaningful relationships and knowledge in the areas we want to address, as well as making it easier to communicate our impact and influence others to join and work collaboratively.

Fulfilling our commitment means:

- Identifying and partnering with charity-based organisations taking a needs-based approach
- Engaging with local networking and fundraising initiatives
- Encouraging our people to volunteer on a skilled and unskilled basis.

Taking local action to support our communities

The challenges facing communities across the world vary enormously, from poverty, unemployment and unequal opportunities to discrimination, pollution and crime. That is why we rely on our local teams to decide on the action they can take to have the most meaningful, beneficial impact.

Our colleagues take part in volunteering days so that they can get involved in social and environmental causes close to their heart, build connections with our local communities, and develop new skills, such as communication, teamwork and creativity, that help us work better together. Above all, it provides that 'feel good' factor.

SPOTLIGHT Ukrainian Action



Knight Frank sponsored a second convoy with Ukrainian Action in 2023, following a hugely successful trip during the previous summer. Ukrainian Action fills trucks with humanitarian aid (everything from blankets to laptops) and requires volunteers to drive them to Poland before they are taken across the border into Ukraine. Coming together to help make a difference to people who need it most encouraged an incredible sense of teamwork and accomplishment among colleagues who volunteered to drive the trucks.

A global day for local giving

Every two years, our global Day of Giving raises money for good causes and gives our employees a chance to volunteer their skills and time to charities and environmental initiatives.

It's also an opportunity for our colleagues from across our global network to come together and make a difference in local communities. Here, we share just a handful of examples.



Singapore

Project Silver Home

As part of a collaboration with Thyee Hua Kwan Moral Charities, our team raised SGD \$7,200 to help low-income families and the elderly, distributed welfare packs and cleaned apartments.



Munich, Germany

Münchner Tafel Charity collection day

Knight Frank colleagues worked with the charity Münchner Tafel to collect food and hygiene items to distribute to people in need.



Australia

Great Book Swap

Our Great Book Swap for the Indigenous Literacy Foundation raised money for books in First Nations languages and educational resources for children living in remote communities.



Shanghai, China

Laptop donations to underprivileged students

Our team donated laptops to first-year university students living in mountainous regions, as part of a programme organised by the Women's Leadership Initiative of the Urban Land Institute.



Lagos, Nigeria

Living Fountain Orphanage

Our colleagues volunteered at the city's Living Fountain Orphanage and helped collect donations for the orphanage.



UK

Charity walks, community projects and more

Across the country our volunteers participated in various activities, including the Motor Neurone Disease Association's 'March for Motor Neurone', children's reading initiatives and community food banks.



Hong Kong, China

Oyster Reef Restoration

Our volunteers helped turn abandoned oyster farms into oyster reefs as part of our partnership with The Nature Conservancy to support a wider restoration programme.

SHAPING THE INDUSTRY THROUGH PARTNERSHIP

The power of partnership

It may be a cliché to say ‘we can’t do it alone’, but tackling complex ESG challenges will require greater collaboration. Our partnership model gives us a great advantage because it delivers true collaboration across the diverse range of expertise, knowledge, and experience from all parts of our business. We fundamentally believe in working collaboratively and building strong and meaningful relationships – with our clients, communities and each other – we are well placed for the collective work that is needed to turn our ESG ambition into a reality.

Our clients and customers trust us because we stay ahead of the changes and challenges that dynamic property markets present. We give them insights that help them navigate that market in even the most difficult times. This advice is the bedrock of our relationships, which endure for many years.

We believe successful partnerships are built on trust and integrity. It is the foundation of our global value ‘commit to partnership’. We see our clients, suppliers, communities and colleagues as our partners as we strive towards a more sustainable, healthier future. And we want to keep working together to advocate for change and sharing resources within our sector.



●●
Knight Frank’s long-term commitment to partnership lends itself well to collaborating with clients and peers in solving the real estate industry’s greatest ESG challenges.

Charlotte Boyle, Non-Executive Adviser





ESG is about how we manage risk and identify opportunities. Client engagement is key to making sure we know where to grow our business in areas to influence.

Matt Tweedie, Chief Financial Officer & Head of Business Services

Influencing our industry through research

ESG regulations and data have an increasing influence in the real estate sector and our research team plays a vital role in helping clients understand the way in which ESG issues drive market trends and affect demand and liquidity in our sector.

For example, we've recently demonstrated how making homes more energy efficient can add value, calculated the cost of extending property life and evidenced a rental and sales premia for green-rated buildings in London, UK, and Sydney, Australia.

Our award-winning analytics team also provides important data and insight into some of the property world's most challenging ESG issues. For example, the team helps clients map flood defences and identify land for affordable housing developments and public services.

Sustainable development must also consider the influence of human behaviour and social progress. Which is why we do not



▲ Winner: EG UK Adviser Award 2023
Including special recognition for ESG services.
Photo: Ed Telling



limit our insights and research to just property. By analysing shifts in demographics, as well as the behaviour and choices of communities around the world, we provide truly holistic guidance for our clients and help them build the most effective solutions for long-term sustainable growth.

Using our ESG expertise to support clients and customers

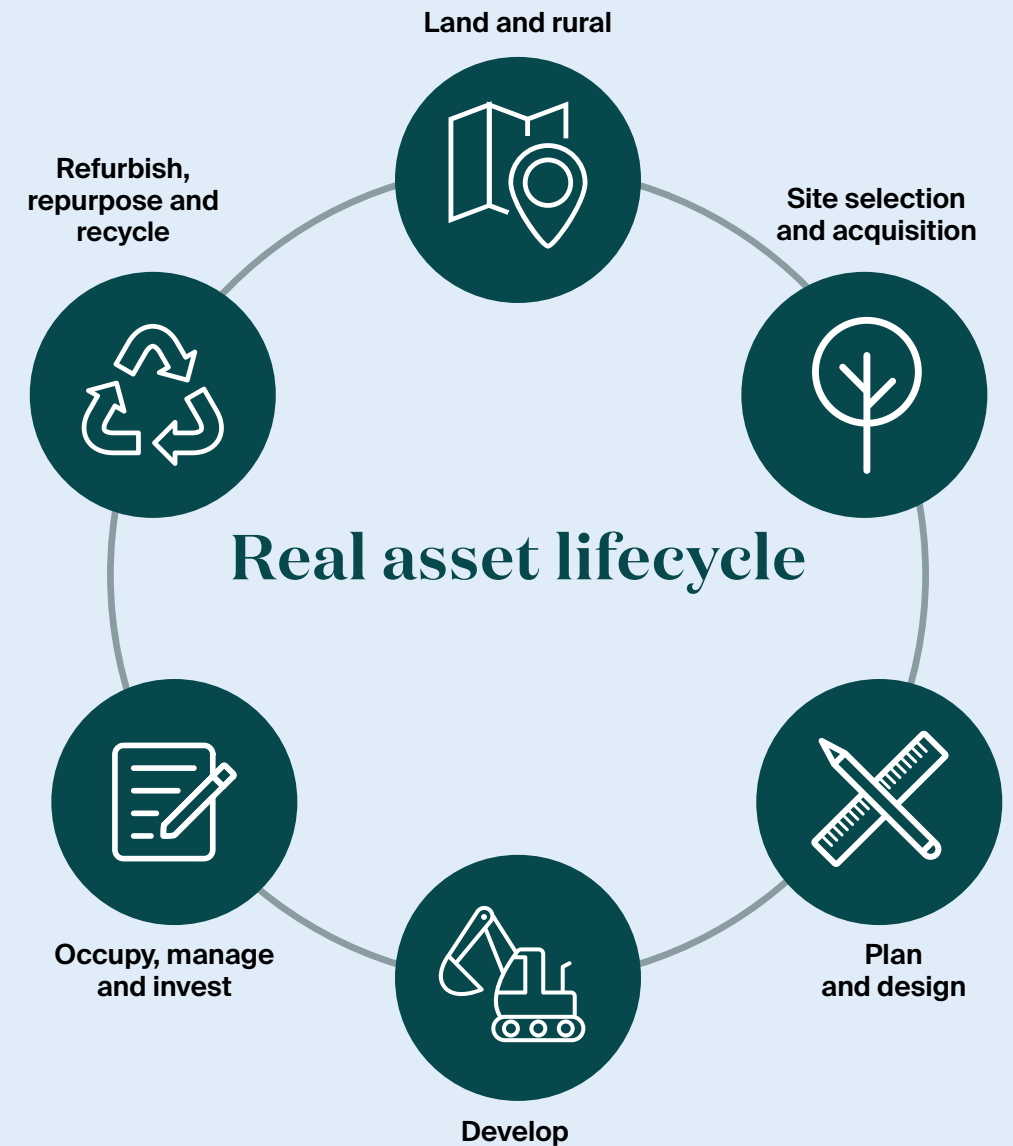
Clients are increasingly looking for our guidance on the ESG issues that face our industry. As well as providing advice on embedding responsible practices throughout the real estate lifecycle, our research team provides insights on the measurable value clients can get from investing in ESG and embedding it into their strategies and day-to-day actions.

Our work with clients also gives us the opportunity to play a powerful role in shaping the built environment, since we also challenge them on current practices and share our knowledge with the wider industry to support healthier, more sustainable communities.

We aim to lead our industry in helping to address challenges like rising urbanisation, affordability, changing consumer preferences and ageing populations. We've already set a range of solutions in motion by working with government and not-for-profit organisations to maximise the use of land.

Our specialist ESG services across the real asset lifecycle

We offer a range of specialist ESG consulting services across the lifecycle, as shown here. We also offer advice on investment, capital allocation, specialist valuations, net zero strategies, project advice, management and compliance and offsetting solutions.





●●
We are committed to working in partnership with others to help shape the future of our industry, so that together we can create a more sustainable, inclusive, innovative society.

Stephen Clifton, Head of Commercial



Working with our supply chain partners

Our relationships with partners and suppliers are going to be instrumental in turning our ESG ambition into reality, helping us unlock potential opportunities that bring scale and impact.

And just as our clients are challenging us on our ESG performance, we're going to need our suppliers' help in managing the ESG risks within our supply chain and building resilience to ensure everyone benefits from the working relationship.

As a professional services business, our corporate supply chain is generally low risk in comparison to some of our clients, who work in much bigger, more complex arenas. Nevertheless, we do face a certain amount of reputational and operational risk if we do not identify and manage our ESG risks correctly. This is particularly true when outsourcing services.

So we need to understand the nature of the risks we face and prioritise them according to likely impact and chance of occurring. At the same time, we intend to set policies that will govern our contractual activities and build a level of commitment with our suppliers from the start. To do that we will work with our suppliers to assess ESG risk within our supply chain and work in partnership to address issues that may cause concern.

One important area where we will need to collaborate more will be in collecting ESG data. We know that this will take time and be particularly challenging for smaller suppliers and partners.

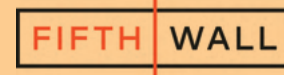
Using technology to make a difference

Technology has a key role to play in helping us deliver our own ESG ambitions and those of our clients. Here, too, we will need to work in partnership to identify the technologies that are most useful – whether that's to help us reach net zero, boost our data protection systems or collect and share Scope 3 emissions data.

The good news is that we're already seeing plenty of innovation in the real estate sector. Not just to help people buy, sell, research, market and manage a property, but technology that supports more efficient building energy management systems to help drive down carbon emissions.

Investment into PropTech for Real Estate

Fifth Wall is the largest venture capital firm focused on real estate technology. Our investment into Fifth Wall's European Real Estate Technology Fund, which aims to connect European start-ups who offer valuable solutions to some of the European real estate market's most pressing challenges, provides us with insights into future technology trends that are shaping the built world and disrupting the industry.



Trialling climate tech in Knight Frank's headquarters in London

LightFi is a property technology company that uses real-time occupancy data to save energy, optimise space and provide healthy working environments to help clients meet their net zero ambitions. By knowing how many people are using a particular space, LightFi can ensure that the building is only using the resources it needs – no more, no less. For example, when occupancy levels are low, LightFi automatically reduces energy consumption.

We have been trialling LightFi's innovative climate technology at our headquarters, which helps monitor the building's comfort levels and associated emissions for half the energy. Like us, LightFi is on a mission to improve people's lives and environments – creating buildings that are good for the planet and for the people who work in them.

Using LightFi's technology to automate and control a building's comfort levels has the potential to reduce the energy consumption associated with heating, ventilation and air-conditioning (HVAC) by up to 50% (depending on the HVAC infrastructure and exactly how the building is controlled).

Using our voice to advocate for change

We want to help shape the future of the real estate sector so that, together, we can have a positive impact while meeting the needs of the people and communities our industry serves.

One of the ways that we can do this is by sharing our knowledge and expertise in ESG matters. This is particularly important since there is still a lot of debate, and a lack of clear direction, on how to address some of the changes we know our sector needs to make.

But by playing an active role in industry organisations, we aim to be part of a movement to create change and influence areas that are within our expertise. This includes signing up to certain ESG commitments and principles that we can integrate into our decision-making, while also bringing constructive challenge and practical solutions to the wider conversation.

Memberships and associations

We seek to work with organisations who share our values, inspire others, and actively tackle the ESG challenges that our sector is facing. Working together in this way, we can drive sustainable and inclusive outcomes. We work extensively with partner organisations in areas where we can make the most impact to ensure we're amplifying global issues, sharing good practice, and giving relevant guidance needed to advance our industry.



MATERIALITY, GOVERNANCE AND REPORTING

Our approach to ESG is informed by the issues that matter most to our business and stakeholders and where we can make the most impact.

We have a clear governance structure to help us embed ESG thinking into every level of the business and ensure that everyone understands their responsibility in delivering our ESG ambition. That structure is supported by policies that outline our expectations of our people on key issues. Setting out our intentions is only the first step on our ESG journey. We will also need to measure and report on our progress and are currently reviewing the processes and tools we'll need to do that in a meaningful way.

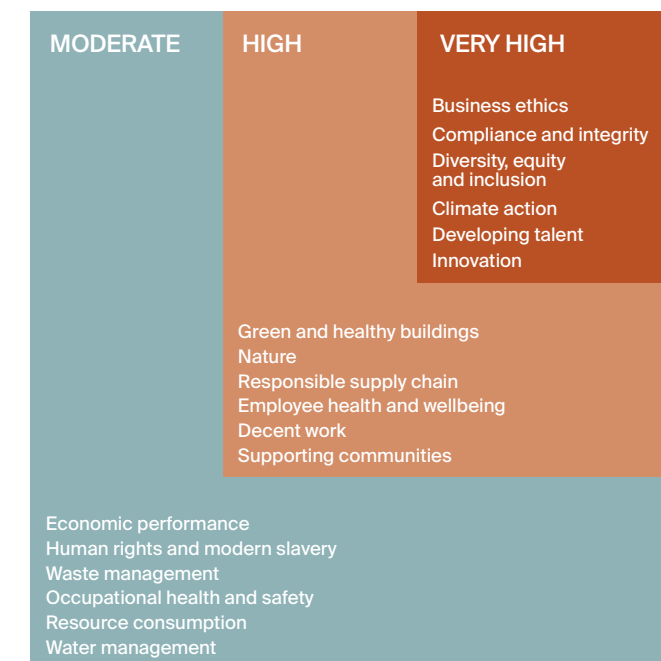
Understanding our material issues

To help us develop our ESG approach, we first need to understand the issues that matter most to our business and stakeholders. That's why, in 2022, we carried out a materiality assessment to give us a clearer picture of the areas where we should prioritise our work.

To do this, we reviewed our internal and external drivers, interviewed some of our largest clients and scanned the horizon for ESG risks that affect us now, or could have an impact in the future.

This assessment has also helped our Group Executive Board strengthen its own understanding of the issues that matter most to key stakeholders, including our people, clients and customers, and informed its thinking about priorities in terms of impact and influence.

Importance of issues to Knight Frank and our stakeholders



*the above graph is based on perceived risk, not quantitative statistical risk.



In some cases, we implement local governance structures, which are supported by employee resource groups who provide advice and help deliver ESG-related activities.

This framework, alongside an ESG approach that is linked to our vision, purpose and values, will help us be more transparent, provide greater accountability and build trust in our brand.

A clear governance structure to build trust and confidence

While ultimate responsibility for ESG lies with our Board, it is supported by our Group ESG Board, which is responsible for our business strategy on ESG. The Group ESG Board is, in turn, supported by steering groups that focus on Corporate Impact and Client Services to guide and direct the way we implement our ESG approach across our business.

Meanwhile our Global ESG Alliance Group brings together our global partners to better align our ESG ambition across the global network and share examples of good practice and lessons learnt. Our Group Risk & Compliance team ensures all matters relating to ESG regulatory obligations are being met with input into our Group ESG Board.



Measuring and reporting on our progress

We will need to set ourselves accompanying goals and targets so that we can measure progress in our principal areas for action in a scientific way.

We're aiming to take a data-driven approach (where possible), using recognisable key performance indicators and metrics to measure our ESG success.

Given our global scale we will set the majority of our commitments, goals and metrics at a local level. The current exception is our global Net Zero commitment, which has to be set at parent/group level to meet science-based targets (SBT) requirements. For more information, see 'Restoring the natural environment' on page 14.

The need for transparent reporting is particularly important in our value chain, since a growing number of our clients want to work with like-minded organisations to help achieve their own ambitions. The ESG performance information that we share contributes to our clients' own ESG progress.

As a partnership, we are not always obliged to report against ESG regulations in the way that other businesses are. Nevertheless, we believe it is the right thing to do and take a proactive approach where formal reporting offers our business and stakeholders the most value.



●● **Our philosophy is to be entrepreneurial and always deliver outstanding service to our clients. But we believe in doing this at a local level, where social and environmental issues are understood and prioritised.**

Kevin Coppel, Managing Director Asia Pacific & Chair of the Global Strategy Board



While deciding which standards and frameworks to report under has been challenging, we are now preparing to report globally against the Task Force for Climate-related Disclosures (TCFD) framework. This will help us conduct a deep dive into the risk that climate change poses to our business around the world. It will also help inform our business growth strategy, and assess whether we will need to adapt our business operations, as well as the assets we advise and manage on behalf of our clients, to limit risk and disruption. Finally, it will give us a common ESG language, aligning our communications with many of our clients.

We are using the Global Reporting Initiative (GRI) framework to align our ESG targets and metrics. The GRI also informed our materiality assessment and how we are going about collecting data, which will help us to address the varying needs of our clients.

We will continue to monitor the reporting landscape and may, in future, choose to measure ourselves against other frameworks and standards. For example, certain ESG indexes may prove useful for benchmarking purposes.

Sentiment analysis will be another important measurement tool, helping us understand how our stakeholders feel about our achievements, as well as benchmarking ourselves against our sector.

Internally, we will rely on existing engagement channels, such as our employee engagement surveys and feedback forums to hear what our people think about working for us. Externally, our client care teams will help us understand our clients' changing needs as ESG issues continue to grow in significance.

Our policies to support our ESG ambition

We have several policies in place to help set standards of ethical behaviour at Knight Frank:

- Global ESG Policy Statement
- Global Whistleblowing policy
- Global Anti-Bribery and Corruption Policy
- Modern Slavery Statement (covering locations where legislation applies)

Our local teams also develop and govern their own ESG policies, taking into account specific legal and cultural perspectives.

Drawing on data to track our progress

Data is crucial if we are to understand – and report effectively on – our ESG performance. This is particularly important since a growing number of clients look at ESG issues as a differentiating factor when deciding who they want to work with.

Like many companies, managing data effectively has been challenging. For example, different parts of our business collect and manage different types of data, meaning we need a solution that allows for both cross-department data integration as well as global collection. In addition, a lack of standardisation and the number of frameworks (indicators and metrics) available will make it a real challenge to report in a consistent manner against the variation in data metrics requested or used by our clients.

We are determined to overcome these challenges and have now introduced new software called Sphera, to help us collect, manage and analyse our ESG data to fulfil legislative, corporate and client requirements.



•• In the pursuit of ESG excellence, recognising sustainability beyond borders is crucial. In forging an inclusive and prosperous future, we uphold our global values by honouring regional, geographic and cultural nuances.

Shishir Baijal, Chairman and Managing Director for India



CASE STUDY

Improving rail travel in India: modernising the KSR Bengaluru Railway Station

Trains are a lifeline in India. Every day, more than 13,000 passenger trains carry 23 million people across the country. No wonder then that it is home to the world's largest rail infrastructure.

In the past few years, Indian Railways has been working to modernise railway stations across the country to provide optimum levels of service for travellers. Knight Frank was appointed to modernise the KSR Bengaluru Railway Station, the flagship project in this initiative. Our facilities management of this station has set new standards of service to communities across the country.

To find out more about our approach, please visit our website at www.knightfrank.com/esg or start a conversation with us to find out more about what we are doing or how we can help you.

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BUILDING A SUSTAINABLE FUTURE

Creating a more sustainable, healthier world is a journey, not a destination. With our new ESG framework we've set out our ambition, and defined the challenges. But we still have a lot to learn and plenty to do. We've known for more than a century that we are stronger when we work together – with our people, peers, partners and all those whose lives we touch: it is the cornerstone of our partnership. So, as we take those next steps, we'll keep doing just that – working in partnership to make a difference, together.



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The production of this publication has been carbon balanced through the printer who are a certified partner of Climate Impact Partners.

Printed hard copies of this publication are available given some readers find the physical experience more enjoyable and makes reading a bit more engaging and memorable. For the controlled number printed, we have deliberately chosen sustainable paper.

Safeguarding of our colleagues and families is paramount for our business which is why all images have been used with the subjects' permission.