



Building
performance
together

LIPUT Net Zero Strategy
Summary 2022-2050



Table of Contents

What is Net Zero	3
Net Zero Boundaries	3
Net Zero Governance Structure	7
Net Zero Strategy	8
Roadmap to Net Zero	13
Net Zero Pathway Delivery Outcomes & Reporting metrics	13

Table of Figures

Figure 1 Our ESG Strands	2
Figure 2 Net Zero Strategy Energy Reduction Hierarchy	8
Figure 3 KFIM Net Zero Targets.....	9
Figure 4 KFIM Roadmap to Net Zero	13

Table of Tables

Table 1 BBP Climate Commitment Carbon Boundaries	4
Table 2 Detailed Carbon Scope Table	4
Table 3 Landlord Data 2018-2022.....	5
Table 4 Tenant Data 2018-2022.....	6
Table 5 ESG Business Process.....	7
Table 6 Net Zero Pathway Delivery Outcomes & Reporting metrics.....	13



Foreword

The UN IPCC has declared a “code red warning for humanity”, eliminating any doubt on the link between human activity and the climate emergency. They predict an increase in extreme weather events that will excessively affect those most vulnerable. The built environment is directly responsible for 25% of the UK’s carbon emissions and 19% is from the from the energy needed to heat, cool and power our buildings. With 80% of buildings which will be occupied in 2050 already in existence, it’s imperative that we focus on decarbonising existing stock to prevent the worst impacts of the climate crisis.

The LIPUT Net Zero Strategy is our response to this context and sets out an initial trajectory and action plan for the fund’s assets under management to achieve net zero carbon.

Introduction to KFIM & LIPUT

Knight Frank Investment Management (KFIM) is a specialist Real Estate investment manager operating in the UK and Continental European markets with circa £4.1bn of assets under management. We are an autonomous wholly-owned subsidiary of the Knight Frank Group - the largest privately-owned property services business in the world. The KFIM Long Income Property Unit Trust (LIPUT or the “Fund”) is a core balanced property fund which invests in direct UK property assets that exhibit long & secure income characteristics. The Fund targets assets within the size range £3-25m, with income durations in excess of 15 years. The Fund is targeted to provide investors with income returns of 250bps higher than the 15 Year Index Linked Gilt Yield net of all fees, costs and expenses. LIPUT was valued at close to £1bn and held 112 assets in 2022.

ESG Strategy

ESG factors are at the core of our business strategy, allowing us to drive the continued performance of our clients’ investments whilst benefiting people and our planet. We take an active approach to sustainability and integrate our responsibility to ESG across our business, the assets we manage, and with our employees, suppliers, occupiers and the communities in which we operate and invest. Our strategy is based on the three ESG pillars and apply to all our assets under management. Each pillar has an objective that supports specific UN Sustainable Development Goals. Our sustainability strategy supports 11 of the sustainable development goals.

Figure 1 Our ESG Strands

		
Environmental: Planet stewardship & climate-resilience	Society: Thriving people and communities	Governance: Promoting fairness and prosperity
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What is Net Zero

The Intergovernmental Panel on Climate Change's (IPCC) 2022 report indicated that limiting global warming to around 1.5°C will require greenhouse gas (GHG) emissions to peak by 43% by 2030 to subsequently reach Net Zero by 2050. The report highlighted that human greenhouse gas emissions in the last decade are at the highest levels in recorded history. Unless there are immediate, sustained, and deep emission reductions globally, limiting global warming to 1.5°C will be beyond reach. The UK commits, under the Paris Agreement, to reduce economy wide GHG emissions by at least 68% by 2030, compared to 1990 levels.

The UK has set a target of Net Zero by 2050. Legislation requires the UK to reduce their net emissions of Greenhouse Gases by 100% relative to 1990 levels by 2050. This was introduced to keep the UK in line with the 2016 Paris Agreement to limit warming to under 2 degrees.

Defining of Net zero

The UK Green Building Council (UKGBC) define Net zero as the total greenhouse gas (GHG) emissions would be equal to or less than the emissions removed from the environment. This can be achieved by a combination of both emission reduction and emission removal. Within net zero, the approach is always to maximize emissions reduction first before offsetting the remainder. To apply this definition to the built environment, UKGBC focuses on two further concepts of net zero buildings that can be readily measured and mitigated today – Net Zero Carbon Operational Energy and Net Zero Carbon Construction.

Net zero: Operational Energy

Net Zero Carbon from the energy of operations for heating, cooling, hot water, and power of a building or space is achieved when carbon emissions associated with a building's operation energy on an annual basis is zero or negative. A Net Zero Carbon building does not use any fossil fuels such as natural gas, is highly efficient and powered from on-site / off-site renewable energy sources, with any remaining carbon balance offset.

Net zero carbon: Construction

Net Zero Carbon from construction (also referred as embodied carbon) is achieved when carbon emissions associated with a building's product raw material extraction, transportation, manufacturing, and construction up to practical completion is zero or negative. This can be achieved through choosing low carbon materials and building practices and offsets or the net export of on-site renewable energy.

Whole Life Net Zero Carbon

Whole Life-Cycle Carbon (WLC) emissions include achieving both operational and construction net zero carbon as well as extending the carbon use during a building's life span covering maintenance, renovation and its end-of-life and eventual disposal. Together, achieving both operational and whole life embodied net zero carbon is referred to as Whole Life Net Zero Carbon.

Net Zero Boundaries

When setting our Net Zero strategy it is important to consider the material emissions across our portfolio to understand where we should focus our efforts. We have developed this Net Zero strategy to be focused on our assets under management within the LIPUT portfolio and therefore have discounted other KFIM operations such as our head office and business travel as these measures sit within our KFIM Net Zero strategy.

Due to many of our lease agreements being Long Income FRI leases, most of our emissions fall into Scope 3. The portfolio has a small proportion of Scope 1 & 2 emissions through vacant units, common areas or external lighting energy supplies. Below is a breakdown of emissions we will be reporting against through each scope.



Across the portfolio there are no landlord procured water or waste contracts and as such this emission stream is not included within the above reporting.

Table 1 BBP Climate Commitment Carbon Boundaries

Activities which generate GHG emissions for real estate investments (directly or indirectly)	Activities controlled and managed by LIPUT	Activities controlled and managed by tenants
Energy to operate buildings (electricity, fuels & heat networks)	Yes	Yes
Water to operate buildings	N/A	Yes
Waste generated during operation	N/A	Yes
Refrigerants (Fugitive emissions)	N/A	Yes*
New development works	Yes*	N/A
Refurbishment Works & Fit Out Works	Yes*	Yes*

*The portfolio is not currently collecting data on these activities.

Table 2 Detailed Carbon Scope Table

Activities which generate GHG emissions for real estate investments (directly or indirectly)**	GHG Protocol Reporting Category	Carbon Scope
Landlord purchased energy (electricity & fuels)	Purchased electricity, heat and steam	1 & 2
Tenant purchased energy (electricity & fuels)	Downstream leased assets	3
Refrigerant fugitive emissions	Purchased Goods & Services	3
New development	Purchased Goods & Services	3
Refurbishments	Purchased Goods & Services	3
Fit-out (tenant controlled)	Tenant Scope 3	3

**The Purchase of goods and services (M&E & property management services) has been excluded from our reporting due to it being de-minimis.

Our Emissions

To understand what we need to reduce, we first need to understand what our baseline emissions are across our scopes. Due to most of our emissions being Scope 3, we have chosen to use 2022 as our baseline year. This is due to having the greatest accurate coverage of our tenant's consumption data and there being a reduced impact from reduced occupancy in Covid. Where data is missing, we have utilised proxy data from collected data average per asset property type. As we work towards our Net Zero ambitions and gather more accurate tenant consumption data, we will update our proxy data entries.

Landlord Data

Most of the Fund's properties are being let on long-term full repairing and insuring leases which means that we only have operational control over energy data for a small number of assets. Therefore, our greatest focus remains on understanding the extent of our tenants' emissions as detailed in the next section.



There are no landlord Scope 1 emissions associated with the LIPUT portfolio. The only landlord consumption comes from electricity supplied to external areas at seven sites. We are pleased to announce that we have continued to obtain 100% data coverage and procure 100% renewable electricity from 2018 to 2022¹.

Table 3 Landlord Data 2018-2022

Indicator	2018	2019	2020	2021	2022
Electricity (kWh)	56,696	27,191	39,926	37,347	83,764
Coverage	100%	100%	100%	100%	100%
Location Based GHG Emissions (tCO2e)	16.05	6.95	9.31	7.93	16.20
Market-Based GHG Emissions (tCO2e)	1.134	0.544	0.799	0.747	1.28

Whilst landlord emissions decreased 2020 and 2021, we have seen an increase between 2021 and 2022. The disparity in landlord consumption between these years can be attributed to the COVID-19 pandemics influence on activity and one new asset with landlord supply added in 2022. Utilising a Market Based approach, the fund has emitted 1.28 tCO2e in 2022 as all consumption is on a renewable energy contract. Due to all supplies serving external lighting, we have not applied an intensity metric. We will continue to collect and report on our landlord data, but our focus is on obtaining and reducing our Scope 3 emissions as our landlord emissions contribute about 0.01% of the Fund’s total emissions.

Tenant Data

Tenant data is imperative to the Fund in helping accurately measure and report on our portfolios environmental impact. We have been collecting tenant data since 2018, covering a range of indicators to allow us to proactively understand performance and identify opportunities for improvement².

¹ We report on a calendar year and are using World Resources Institute Greenhouse Gas Protocol location-based emissions factors from the Department for Business, Energy & Industrial Strategy (BEIS). Data has been sourced from energy invoices. Market-based emissions assume 0.02kgs CO²eq /kWh as we source REGO backed 100% renewable electricity for all landlord sites.

² We report on a calendar year and are using World Resources Institute Greenhouse Gas Protocol location-based emissions factors from the Department for Business, Energy & Industrial Strategy (BEIS). Market-based emissions assume 0.02kg CO²eq/kWh when tenant has confirmed the procurement of 100% renewable electricity. 2020 tenant data have been updated in 2021 as we received additional data as part of theGRESB data collection process.



Table 4 Tenant Data 2018-2022

Indicator	2018			2019			2020			2021			2022		
	Absolute Figures	% Coverage (m ²)	Intensity (m ²)	Absolute Figures	% Coverage (m ²)	Intensity (m ²)	Absolute Figures	% Coverage (m ²)	Intensity (m ²)	Absolute Figures	% Coverage (m ²)	Intensity (m ²)	Absolute Figures	% Coverage (m ²)	Intensity (m ²)
Fuels (MWh)	7,539	13%	0.027	13,939	34%	0.014	20,588	45%	0.012	21,555	41%	0.015	18,348	67%	0.009
Electricity (MWh)	5,960	10%	0.021	19,818	42%	0.016	26,287	70%	0.010	31,053	69%	0.012	37,790	78%	0.011
Off-site Renewables (MWh)	82			12,283			13,599			15,866			12,985		
On-site Renewables (MWh)	Unknown			Unknown			Unknown			35			188		
Location based GHG Emissions	3,074	12%	0.12	7,628	44%	0.07	9,914	76%	0.04	10,541	70%	0.040	10,621	78%	0.035
Market based GHG emissions	3,052	12%	0.12	4,734	44%	0.04	7,015	76%	0.03	7,490	70%	0.028	8,314	78%	0.027
Water (m3)	61,669	11%	2.56	129,521	28%	1.75	138,216	49%	0.86	131,571	46%	0.80	76,925	21%	0.88
Total Waste (tonnes)	332	6%	0.03	5,657	29%	0.07	1,765	38%	0.01	1,912	34%	0.02	849	16%	0.013
Diverted from Landfill (%)	99%	6%	-	98%	29%	-	94%	38%	-	99%	34%	-	91%	16%	-

Through a targeted tenant data collection programme, we have successfully increased our GHG data coverage from 12% to 78% between 2018 and 2022. We were able to scale our energy data coverage by piloting a different method to collect electricity and gas consumption in 2022. We engaged with tenants to request their consent to be able to source their energy data by mapping their MPAN (electricity) and MPRN (gas) energy meters and using APIs to source the data directly from the national grids. Some tenants still preferred to send manual data. Moving forward using API method will ensure a consistent and accurate way to track Scope 3 emissions. The drawback has been our approach to collect water and waste data manually was reduced in 2022 and our coverage fell to 21% and 16% respectively.

Data coverage is a key aspect of understanding the impacts of the Fund’s portfolio. We have made sizable improvements on data coverage year on year and will continue to embed this into our strategy.

Our organization remains steadfast in its commitment to expanding data coverage through our robust engagement program. This strategic pursuit aims to attain an exceptional 100% coverage, ensuring our reporting remains up to date and facilitating comprehensive analysis of energy efficiency measures.



We are encouraged to see that the number of the Fund's tenant businesses that have set SBTi targets has increased from 25% to 32% from 2021 in 2022. In that same period overall climate commitments including Net Zero and SBTi combined has improved from 42% to 72%.

Net Zero Governance Structure

To manage our Net Zero strategy, we have the below teams and personnel. These groups or personnel actively oversee either the day-to-day progress of the strategy or are tracking progress against our KPIs to ensure we are meeting our goals.

We continually review the below business lines and processes involved to ensure they are working efficiently and helping us move forward.

Table 5 ESG Business Process

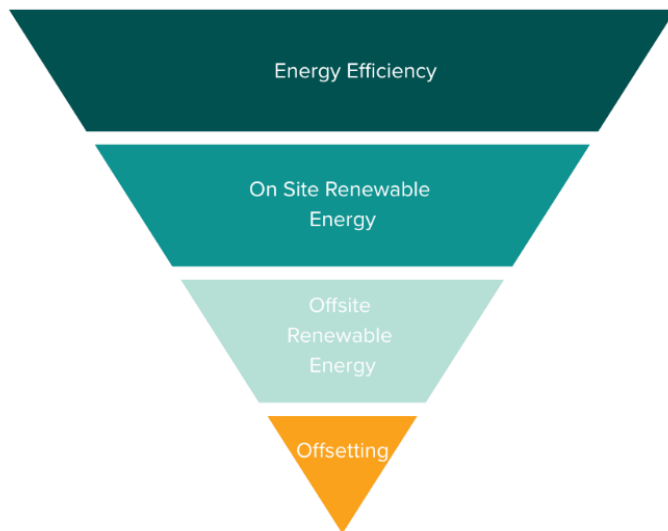
Business Line or Individual	Responsibilities
Head of ESG	Sets the ESG strategy along with standards, and processes. Chair the ESG Real Estate Committee.
ESG Real Estate Committee	Ensures that environmental, social and governance (ESG) factors are central to decision-making, development, and operation of KFIM's Assets Under Management (AUM). Responsible for the definition, update, implementation, and monitoring of the ESG Strategy. The Strategy is expected to evolve over time to maintain a best-in-class ESG approach. The members of the committee serve as ambassadors to ensure the ESG Strategy is adopted by KFIM investment teams. The Committee provides recommendations and/or guidance to the KFIM Investment Committee as and when appropriate to support best practice and ESG performance.
Investment Committee	The Investment Committee takes into consideration ESG KPIs as part of new acquisitions, disposals, and the appointment of third-party suppliers. As part of their reviews for investments the Committee appraises the asset's net zero alignment and gives an overall ESG appraisal along with categorisation of SFDR Article 6, 8 or 9 as a final recommendation.
Fund Managers	Responsible for embedding standards and processes across their teams and tracking and reporting progress.
Investment Managers	Responsible for the delivery of the ESG strategy and the link between the property managers.



Net Zero Strategy

In setting out our Net Zero strategy, we have followed the energy reduction hierarchy. This approach allows us to focus on the key factors which will make a material change across our portfolio in its transition to a low carbon economy.

Figure 2 Net Zero Strategy Energy Reduction Hierarchy



Energy Efficiency – Reducing our energy consumption through both efficient technology and ensuring buildings are operating efficiently are the most important measures to implement first. Through assessing and assisting our tenant’s consumption patterns, we can begin to advise on reduction strategies. This can involve energy efficiency upgrade and behavioural changes, leading to a reduction in operational expenditure for the tenants and greater appeal to potential investors during the exit transaction process.

Onsite Renewable – This section looks at where renewable energy can be integrated onsite most effectively. Through carrying out feasibility assessments the onsite capability for the installation of renewables can be determined and rolled out across the portfolio. Onsite power generation is a useful way to gain independence from the grid, increase cost effectiveness and achieve carbon reduction goals.

Offsite Renewable – Renewable energy will also be procured through offsite sources, such as solar and wind. Providing support and encouragement to tenants to engage with offsite Power Purchase Agreements (PPAs) and renewable tariffs will increase renewable energy coverage.

Offsetting – While we will not rely on offsetting it will act as a useful mechanism for achieving net after the strategies above have been maximised. We will offset a maximum of 10% of total emissions and apply The Oxford Principles for Net Zero Aligned Carbon Offsetting to ensure credibility used and transparency is maintained.

We have developed a Net Zero strategy based around five key pillars. While we have created strategies and targets across these five pillars, they are intrinsically linked in their ambitions and through achieving one pillar’s target will contribute to another pillar’s ambitions. Below we have outlined the headline targets for each pillar with an individual section on each pillar to provide greater detail on the steps to be taken to achieve these targets.



Figure 3 KFIM Net Zero Targets

<p>Operational Carbon</p>	<ul style="list-style-type: none"> • GHG reduction; 3% by 2030, 13% by 2035, 40% by 2040, 56% by 2045 and 100% by 2050 • Energy reduction; 3% by 2030, 15% by 2035, 31% by 2040, 40% by 2045 and 60% by 2050 • By 2030, target 100% data coverage to reduce reliance on proxy data and to increase accuracy and reliability of reporting
<p>Renewables</p>	<ul style="list-style-type: none"> • By 2030 have an additional 20,000kW installed across the portfolio • Maintain 100% REGO backed certifications for landlord procured electricity • Encourage tenants to adopt REGO back certifications
<p>Embodied Carbon</p>	<ul style="list-style-type: none"> • For all new developments and major refurbishment conduct whole life building carbon (WLC) assessment • Encourage tenants to reduce embodied carbon across any planned works
<p>Carbon Offsetting</p>	<ul style="list-style-type: none"> • Offset residual emissions up to a maximum of 10% of total baseline emissions to reach net zero by 2050
<p>Third Party Assurance</p>	<ul style="list-style-type: none"> • Assure 100% of our landlord & tenant energy, water and waste consumption and associated emissions. • Enrol into the Better Building Partnership (BBP) Climate Commitment and publish progress report annually towards net zero

Operational Carbon

Operational carbon has been split into two main areas, landlord and tenant emissions. Our direct control over electricity usage in our properties is limited to parking areas. However, we will consider and undertake the opportunity to reduce long-term operational carbon emissions by conducting light or deep retrofit works when assets become vacant. This allows us to influence energy usage even as the occupancy status of the asset changes after refurbishment.

Tenant Engagement

To address tenant emissions, we also need to work in partnership with our tenants. As we aim to improve data coverage and set reduction targets aligned with a Science-Based Target (SBT) 1.5°C scenario we will focus our collaboration efforts with tenants of businesses that have set public climate commitments and Science-Based Targets (SBT).

Target

- ◆ GHG reduction; aim for 3% by 2030, 13% by 2035, 40% by 2040, 56% by 2045 and 100% by 2050.
- ◆ Energy reduction; aim for 3% by 2030, 15% by 2035, 31% by 2040, 40% by 2045 and 60% by 2050.



- ◆ By 2030, target 100% data coverage to reduce reliance on proxy data and to increase accuracy and reliability of reporting.

Strategy

- ◆ We will implement energy efficiency measures and targets per asset type based on the UKGBC's targets for offices and the CRREM 1.5°C Global Pathways' aligned targets for all other asset types.
- ◆ Target 100% data coverage to reduce reliance on proxy data and to increase accuracy and reliability of reporting.
- ◆ Conduct portfolio analysis to determine high energy intensity assets. These assets will be the key areas of focus for efficiency improvements.
- ◆ Implement Net Zero audits across high energy intensity assets.
- ◆ Implement green leases to encourage data sharing, renewable electricity procurement and energy reduction collaboration opportunities.
- ◆ Collaborate with tenants to change energy usage behaviours, reduce demand and improve property energy efficiency capabilities.
- ◆ Deliver workshops that educate and encourage tenants to adopt greener habits that reduce energy usage.
- ◆ Conduct WLC assessments for new developments and major refurbishments with operational carbon targets that have CRREM aligned targets.
- ◆ Implement technological solutions to increase quantity and quality of energy data gathered.
- ◆ Map gas usage across the portfolio and create strategy for degasification in collaboration with tenant's net zero strategies.
- ◆ Our tenant engagement approach to reducing operational carbon has two pivotal targets. Firstly, collaborate with tenants in buildings with the highest carbon footprint to define a Planned Preventive Maintenance (PPM) program for Mechanical, Electrical and Plumbing (MEP) systems over the building's lifespan enabling us to identify opportunities to reduce carbon and energy use. Secondly, conducting a fabric review to plan projected capital outlay and identify upgrades that may positively affect other facets of the building to reduce overall operational carbon.

Renewables

Due to our lease structures being mostly Long Income, we have a great opportunity to engage with tenants over renewable energy options. The long lease structures provide opportunities for Power Purchase Agreements to be implemented with tenants who will benefit from the lower and renewable energy costs. Through the work we have carried out so far engaging with tenants and the recent rising energy costs, solar installations have risen in its importance for tenants.

In conjunction with increasing the number of onsite renewables across the portfolio, we will also continue to purchase 100% REGO backed certifications for landlord procured electricity. For tenant procured electricity, we will work with tenants to encourage tenants to switch to renewably sourced energy contracts.

Targets

- ◆ By 2030 have an additional 20,000kW installed across the portfolio.
- ◆ Maintain 100% REGO backed certifications for landlord procured electricity.
- ◆ Encourage tenants to adopt REGO back certifications

Strategy

- ◆ Evaluate technical and financial viability for the provision of solar PV systems across the portfolio.
- ◆ Identify optimum system size for solar PV systems to maximise financial parameters related to the investment (Internal Rate of Return and Break-Even Point).
- ◆ Fund solar projects and agree Power Purchase Agreements with tenants where applicable to increase solar coverage.



- ◆ Ensure any new landlord procured electricity contracts are switched to a REGO backed certification
- ◆ Hold tenant workshops and engagement sessions to inform tenants of the benefits of being on a REGO back certification energy contract.
- ◆ Collaborate with tenants to understand renewable energy requirements.

Embodied Carbon

Due to current market infancy in the measurement and reporting of embodied carbon, our initial focus will be on energy reduction measures and implementation of renewables. We however recognise that embodied carbon is an important step in ensuring our portfolio is Net Zero. We have therefore built embodied carbon into our Net Zero roadmap as we look to track key metrics across new developments and major refurbishments (projects impacting over 30% of total sqm). As the fund consist of long leases FRI assets, we have minimal refurbishments opportunities to track. Due to the investment structure, we have in place on the fund, there are limited opportunities where we can influence the design of an asset during construction or after completion. We will however work with our tenants to explore opportunities to improve design performance and the subsequent operation of the asset.

Targets

- ◆ Conduct WLC assessments for all new developments and major refurbishments with embodied carbon targets (LETI aligned targets, 600kg CO₂e/m²).
- ◆ Encourage tenants to reduce embodied carbon across any planned works.

Strategy

- ◆ Where appropriate, carry out whole life carbon assessments across new developments and major refurbishment projects.
- ◆ Encourage tenants to consider embodied carbon through conducting a Whole Life Carbon assessment for light or deep retrofit projects.
- ◆ Engage with tenants during refurbishment projects to encourage them to use low carbon choices through understanding the environmental product declaration of potential materials used during fitout works and encourage the re-use where appropriate.
- ◆ Review whether setting an internal carbon levy for the embodied carbon on new developments/major refurbishment is appropriate for our portfolio and investment structure; monetarising the value of carbon can encourage investment decisions to understand environmental costs within the return on investments and total capital costs of projects.

Carbon Offsetting

Carbon Offsetting will not be used as substitute for energy and carbon reductions, it will be considered as a supplementary tool on our roadmap to Net Zero. Our key focuses will be on the already outlined energy reduction and renewable installation measures while we continually work on improving data quality and accuracy. For any emissions which do require offsetting as we work towards Net Zero, and up to a maximum of 10% of total emissions at baseline level, we will use “The Oxford Principles for Net Zero Aligned Carbon Offsetting” in line with market best practice.

Targets

- ◆ Offset residual emissions up to a maximum of 10% of total baseline emissions to reach net zero by 2050.

Strategy

- ◆ Work towards having zero emissions required under offsetting
- ◆ Develop a carbon offsetting strategy and budget to achieve the NZC target
- ◆ Only purchase emissions through nature based, reputable and verified sources



Data Assurance

To ensure our data is accurate we have our consumption data and associated emissions assured. We first carried out this step on 2021 data and will continue utilising this process moving forward. Having our data assured provides us and our stakeholders with confidence in the numbers we are reporting. We also intend on enrolling into the Better Building Partnership and reporting our progress towards net zero publicly annually subsequently.

Targets

- ◆ Assure 100% of our landlord & tenant energy, water and waste consumption and associated emissions.
- ◆ Enrol into the Better Building Partnership (BBP) Climate Commitment and publish progress report annually towards net zero.

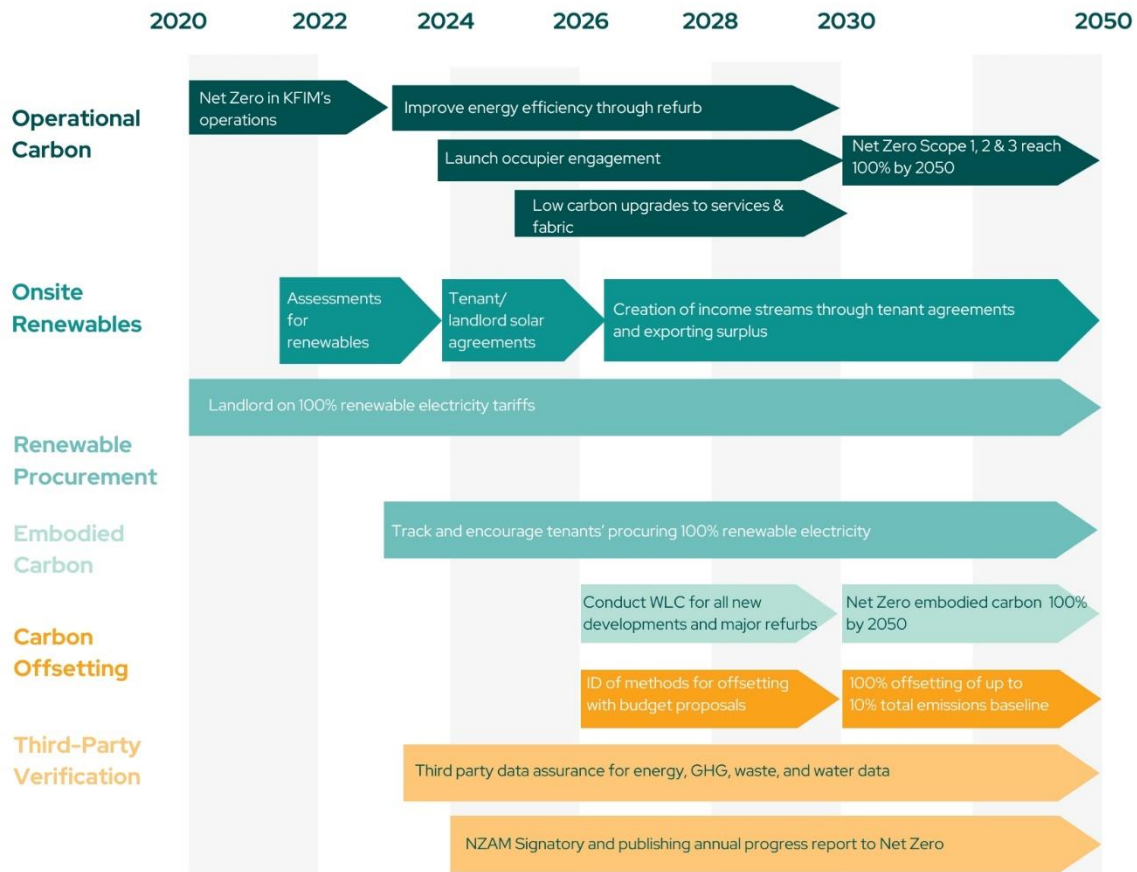
Strategy

- ◆ Continue to carry out third party data assurance on our landlord & tenant energy, water and waste consumption and associated emissions
- ◆ Fulfil the requirements to become a member of Better Building Partnership (BBP) Climate Commitment and publish progress report annually towards net zero to maintain membership



Roadmap to Net Zero

Figure 4 KFIM Roadmap to Net Zero



Net Zero Pathway Delivery Outcomes & Reporting metrics

Table 6 Net Zero Pathway Delivery Outcomes & Reporting metrics

Topic	Delivery Outcomes	Reporting Metric
Operational carbon	<ul style="list-style-type: none"> ◆ We will implement energy efficiency measures and targets per asset type based on the UKGBC's targets for offices and the CRREM 1.5°C Global Pathways' aligned targets for all other asset types. ◆ Achieve 100% data coverage to reduce reliance on proxy data and to increase accuracy and reliability of reporting. ◆ Conduct portfolio analysis to determine high energy intensity assets. These assets will be the key 	<ul style="list-style-type: none"> ◆ Carbon intensity (kgCO₂e/m²/year) ◆ Energy intensity (kWh/m²/year)



	<p>areas of focus for efficiency improvements.</p> <ul style="list-style-type: none"> ◆ Implement Net Zero audits across high energy intensity assets. ◆ Implement green leases to encourage data sharing and collaboration opportunities. ◆ Collaborate with tenants to change energy usage behaviours, reduce demand, and improve property energy efficiency capabilities. ◆ Deliver workshops that educate and encourage tenants to adopt greener habits that reduce energy usage. ◆ Implement technological solutions to increase quantity and quality of energy data gathered. ◆ Map gas usage across the portfolio and create strategy for degasification in collaboration with tenant's net zero strategies. ◆ Our tenant engagement approach to reducing operational carbon as two pivotal targets Firstly, collaborate with tenants in buildings with the highest carbon footprint to define a Planned Preventive Maintenance (PPM) program for Mechanical, Electrical and Plumbing (MEP) systems over the building's lifespan leading enabling us to identify opportunities to reduce carbon and energy use. Secondly, conducting a fabric review to plan projected capital outlay and identify upgrades that may positively affect other facets of the building to reduce overall operational carbon. 	
Renewables	<ul style="list-style-type: none"> ◆ Evaluate technical and financial viability for the provision of solar PV systems across the portfolio. ◆ Identify optimum system size for solar PV systems to maximise financial parameters related to the investment (Internal Rate of Return and Break-Even Point). 	<ul style="list-style-type: none"> ◆ MWh on-site capacity ◆ # of assets with renewables ◆ % of total portfolio emissions



	<ul style="list-style-type: none"> ◆ Fund solar projects and agree Power Purchase Agreements with tenants where applicable to increase solar coverage. ◆ Ensure any new landlord procured electricity contracts are switched to a REGO backed certification. ◆ Hold tenant workshops and engagement sessions to inform tenants of the benefits of being on a REGO back certification energy contract. ◆ Collaborate with tenants to understand renewable energy requirements. 	
Embodied carbon	<ul style="list-style-type: none"> ◆ Where appropriate, carry out whole life carbon assessments across our forward funded development projects and major refurbishment projects. ◆ Engage with tenants during refurbishment projects to encourage them to use low carbon choices through understanding the environmental product declaration of potential materials used during the fitout works and encourage the material re use where appropriate. ◆ Engage with tenants during refurbishment projects to encourage low carbon choices of materials and encourage re-use where appropriate. ◆ Review whether setting an internal carbon levy for the embodied carbon in new developments/major refurbishments is appropriate for our portfolio and investment strategy. 	<ul style="list-style-type: none"> ◆ Carbon intensity (kgCO₂e/m²)
Carbon offsetting	<ul style="list-style-type: none"> ◆ Work towards having zero emissions required under offsetting. ◆ Only purchase emissions through nature-based, reputable and verified sources. ◆ Develop a carbon offsetting strategy to achieve the NZC target. 	<ul style="list-style-type: none"> ◆ Total emissions offset annually (tCO₂e)
Third party assurance	<ul style="list-style-type: none"> ◆ Continue to carry out third party data assurance on our landlord & tenant energy, water and waste 	<ul style="list-style-type: none"> ◆ % data assured ◆ Assurance of compliance with AA1000AS



	<p>consumption and associated emissions</p> <ul style="list-style-type: none">◆ Enrol into the Better Building Partnership (BBP) Climate Commitment and publish progress report annually towards net zero	<ul style="list-style-type: none">◆ Membership to BBP Climate Commitment
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