

KFIM Progress Report 2024: ESG Business Operations

Objective: This Strategy ensures that environmental, social, governance (ESG) factors are central to decision-making and operations across KFIM's Business Operations. The KFIM New Change Committee is responsible for defining, updating, implementing and monitoring this strategy. The framework is designed to evolve over time, maintaining a progressive and responsive approach to corporate development whilst providing a platform for team members to contribute ideas and implement meaningful projects.

Value Environment: Planet Stewardship and Climate Resilience

Approach: Minimising our own environmental impact including energy, waste, natural resources, and carbon.

Zero Waste	
Target	Achieve zero waste including reducing resource-use and waste production, increasing recycling, activating reuse and circular solutions, and sending zero waste to landfill.
Actions Taken to Date:	<p>Zero waste:</p> <ul style="list-style-type: none"> ◆ Removed individual waste bins and replace with centralised recycling stations. ◆ Introduced food waste collection and recycling. ◆ Introduced coffee pods recycling. ◆ Introduced battery recycling. ◆ Maintained toner ink cartridge recycling. ◆ Activated recycling processes and communicated to staff for other waste types such as broken electronics, coffee pods, ink cartridges, and batteries. ◆ Confirmed with waste collection provider that no waste is sent to landfill. Our general waste is sent to waste-to-energy. ◆ Trialled a “recycling police” campaign to team reduce contamination and boost recycling. ◆ Maintaining waste transfer notes for a three-year period. <p>Paper:</p> <ul style="list-style-type: none"> ◆ Established baseline and tracked progress on paper consumption both black and white and colour printing from 2022 to 2024. ◆ Created a newsletter instructing staff how to print double sided and in black and white ink. <p>Plastic:</p> <ul style="list-style-type: none"> ◆ Removed single-use hand soap and dish soap dispensers. ◆ Switched to bamboo sponges instead of synthetic polyester or polyurethane. ◆ When pumps/disposable plastic bottles break replace with permanent/stainless steel pumps.
2024: Progress	<ul style="list-style-type: none"> ◆ Recycling increased to 75% in 2022 with slight reduction to 71% in 2024 ◆ Decreased paper printing by 19% from 2022 to 2024. This is equal to about 10,000 sheets which is equivalent to a tree saved. ◆ Maintained zero waste to landfill since 2022



Energy & Carbon	
Targets	Reach net zero carbon emissions across our business operations (scope 1 & 2) by 2025, and for our entire AUM (scope 1, 2, 3) by 2050 or sooner.
Actions Taken to Date:	<ul style="list-style-type: none"> ◆ Created desktop review to calculate scope 1, 2, and 3 carbon emissions baseline. ◆ Reviewed and activated energy efficiency measures such as office temperature settings and controls, switching off heating and cooling systems during weekends and holidays, and turning off coffee machine at the end of each day. ◆ Environmental team meets quarterly and sets goals to help achieve net zero targets. ◆ Created environmental newsletter to inform staff of progress with energy savings. ◆ Introduced natural ventilation in summer by opening windows and shutting down heating/cooling systems. ◆ Office has motion sensor lights throughout.
2024: Progress	<ul style="list-style-type: none"> ◆ KFIM HQ office 100% electric, net zero enable with 100% renewable electricity supply; achieved Net Zero for business operations. ◆ 23% reduction in energy consumption since 2022.

Value Society: Thriving People and Communities

Approach: Ensuring KFIM maintains an open, progressive and supportive working environment.

Diversity & Inclusion	
Target	Increase diversity & inclusivity (D&I) measures and protocols.
Actions Taken to Date:	<ul style="list-style-type: none"> ◆ Implemented and updated D&I policy. ◆ Delivered unconscious bias and inclusivity training to all staff. ◆ Implemented tactics to combat unconscious bias in recruitment processes.
2024: Progress	<ul style="list-style-type: none"> ◆ Underwent gender/diversity pay-gap analysis. ◆ Adopted prolonged maternity and paternity leave.

Approach: To ensure we focus on the benefits of enjoying working together and feeling at our best in our office environment, while giving equal regard to professional, and personal, development to staff

Wellbeing & Development	
Target	Implement and monitor a comprehensive staff well-being programme encompassing cultural, social and health activities.
Actions Taken to Date:	<ul style="list-style-type: none"> ◆ Annual office satisfaction surveys completed with staff feedback implemented. ◆ Conducted an office assessment for biophilia design opportunities and completed office retrofit from recommendation report. ◆ Implemented health & well-being measures such as office weekly fruits, take the stairs campaign, running/walking clubs, mindfulness/meditation sessions. ◆ Offering team more of a variety of teas and coffee options + plus dairy-free milk options. ◆ New fruits introduced in 2024 (grapes, as opposed to the standard). ◆ Work socials and staff away days. i.e. glamping and Christmas in Canterbury. This is to promote team building and generally happier environment to work in. ◆ Reviewed options, recommendations and activated a programme of activities that promote inclusivity, such choosing different types of social events to appeal to different members of staff. ◆ Assessed staff needs and developed and activated CPD sessions.
2024: Progress	<ul style="list-style-type: none"> ◆ According to the office survey, employee general wellbeing averaged 7.10 out of 10 in 2024, representing a 28.39% increase from the 2022 baseline.



	<ul style="list-style-type: none"> ◆ Other indicators such as individual productivity, motivation to work in-office, productive meetings, and sense of pride also rose from 2022 baseline in 2023 and 2024.
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Value Governance: Promoting Fairness and Prosperity

Approach: Encouraging all staff to contribute their time and endeavours to charitable causes and social impact.

Charities & Volunteering	
Target	Set a whole-business approach for the benefit of carefully considered charities, volunteer opportunities and community impact.
Actions Taken to Date:	<ul style="list-style-type: none"> ◆ Created staff engagement surveys to set KFIM's approach to support charities, fund-raising and volunteering. ◆ Presented at local schools and implemented a work placement programme and internships opportunities to provide experience to under-represented groups in the real estate industry. ◆ Staff offered 2-day volunteer leave annually. ◆ When employees personally fundraise, KFIM will match their charitable contributions up to £500 per year.
2024: Progress	<ul style="list-style-type: none"> ◆ KFIM staff volunteered at different charities and a member of staff completing a Marathon and raised money to donate to Mind charity. ◆ Project Felix: Colleagues spent a day sorting food for this brilliant charity. The Felix Project works to reduce food waste whilst tackling food poverty. The kitchen service has been providing a variety of meals at an average of 3,500 per day since July 2021. ◆ Lunch Litter Pick: KFIM colleagues volunteered to remove litter from the River Thames. Whilst there wasn't much rubbish to collect, the outing provided a brilliant social opportunity for team members to enjoy the outdoors together and appreciate our local river in good condition. ◆ The KFIM men participated in Movember campaign last November and raised £476.

Approach: Set best-in-class standards, processes, incentives and report on ESG progress.

Sustainable Procurement	
Target	To adopt, communicate, and monitor compliance to a Sustainable Procurement policy prioritising products and services based on ESG performance.
Actions Taken to Date:	<ul style="list-style-type: none"> ◆ Approved Sustainable Procurement policy and introduced processes to communicate and monitor compliance. ◆ Reviewed office products and services to establish ESG performance and supplier options to select best-in-class.
2024: Progress	<ul style="list-style-type: none"> ◆ 36% of KFIM suppliers completed self-assessment form.

ESG Incentives	
Target	To incentivise ESG actions and performance.
Actions Taken to Date:	<ul style="list-style-type: none"> ◆ Updated staff appraisal to include ESG assessments and targets. ◆ Recommended and activated financial and non-financial ESG reward programmes.
2024: Progress	<ul style="list-style-type: none"> ◆ 100% of KFIM staff with ESG KPI as part of their annual appraisal. ◆ Annual recognition award to highlight staff ESG impact.



ESG Values	
Target	Update KFIM key values to include sustainability (ESG) for our business and investments to support people and planet to thrive.
Actions Taken to Date:	<ul style="list-style-type: none">◆ Updated KFIM values and communicate change on website and other relevant channels.◆ Updated KFIM Investment Committee forms to track and monitor ESG alignment across asset lifecycle.◆ Replaced Environmental Policy with comprehensive Responsible Investment Policy.
2024: Progress	<ul style="list-style-type: none">◆ 100% of KFIM policies and investment committee forms reviewed and updated for alignment.

ESG Reporting	
Target	Publish KFIM's ESG report annually.
Actions Taken to Date:	<ul style="list-style-type: none">◆ ESG strategy and progress report included in client quarterly and annual reports.◆ Reporting to UN PRI since 2021.◆ Submitted annual report to demonstrate alignment to UK Stewardship Code.
2024: Progress	<ul style="list-style-type: none">◆ Achieved year-on-year progress in UN PRI scores climbing to 92% in confidence building measures, 95% for our policy governance strategy and 88% in real estate categories in 2024.◆ Approved as a signatory of the UK Stewardship Code.