

# Carbon Reduction Plan

Supplier name: Knight Frank LLP

Publication date: 28<sup>th</sup> October 2022

## Commitment to achieving Net Zero

Knight Frank LLP is committed to achieving Net Zero emissions by 2030.

## Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

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|--|--|
| <b>Baseline Year: 2019 / 2020</b>  |  |
| <b>Additional Details relating to the Baseline Emissions calculations.</b>   |  |
| Our net zero commitment will cover all UK scope 1, 2 & 3 where we have direct control, and it relates to our own corporate operations. |  |
| <b>Baseline year emissions:</b>  |  |
| <b>EMISSIONS</b>   | <b>TOTAL (tCO<sub>2</sub>e)</b>  |
| <b>Scope 1</b>   | 167.00 (2%)  |
| <b>Scope 2</b>   | 863.00 (9%)  |
| <b>Scope 3<br/>(Included Sources)</b>  | 8,948.36 (89%)<br><i>Sources:</i><br><i>Purchased Goods and Services – 4,833.69</i><br><i>Fuel and Energy Related Activities – 210.30</i><br><i>Waste – 2.82</i><br><i>Business Travel – 2,348.87</i><br><i>Employee Commuting – 1,552.68</i><br><i>Upstream transportation and distribution – 0.00 (not related to our field of business)</i> |

|                        |   |
|------------------------|---|
|                        | <i>Downstream transportation and distribution – 0.00 (not related to our field of business)</i> |
| <b>Total Emissions</b> | <b>9,978.36 (100%)</b>  |

## Current Emissions Reporting

**Reporting Year: 2021 / 2022**

**NOTE:** The following figures follow SECR reporting. The Scope 3 figure only includes Employee Commuting. We are in the process of gathering data for Net Zero reporting and this will be available by December 2022.

| <b>EMISSIONS</b>                            | <b>TOTAL (tCO<sub>2e</sub>)</b> |
|---|---------------------------------|
| <b>Scope 1</b>                              | 128.30 (6%)                     |
| <b>Scope 2</b>                              | 612.79 (28%)                    |
| <b>Scope 3</b><br><b>(Included Sources)</b> | 1,480.20 (67%)                  |
| <b>Total Emissions</b>                      | <b>2,221.30 (100%)</b>          |

## Emissions reduction targets

### Reduction targets – aligning with SBTi

We are in the process of defining our reduction targets for all three scopes of our emissions. These will be published as soon as they are validated.

## Steps to help reach our Net Zero Target.

Decarbonising our UK business means focusing on areas where our emissions are most significant. Each of our focus areas will have a dedicated internal project team, who will develop a specific action plan based on our net zero objectives.

### ◆ Workspaces

Across the UK we operate from a range of multi-let office buildings to small high street retail units. The GHG emissions associated with the operation of these sites account for approximately 10% of our total footprint. These occur from the energy we procure directly or where the landlord recharges for the floor-area within our leased spaces.

#### ◆ **Energy Consumption & Efficiency**

With many of our workspaces being leased, our ability to improve energy efficiency through upgrading core building services such as lighting, cooling, heating and ventilation is restricted. However, taking guidance and aligning our workspaces with the UKGBC 'Paris Proof' energy use intensity targets where possible, will help to keep us on our net zero trajectory. We will focus on developing a portfolio wide carbon reduction plan for our workspaces to help reduce our GHG emissions.

#### ◆ **Sourcing of Renewables**

The electricity we procure originates from a renewable source as part of a green tariff (REGO-backed) supply. We have limited opportunity to self-generate renewable power on-site, therefore we will look to optimise our energy procurement by assessing the suitability of a corporate power purchase agreement. Not only does this offer an alternative route to the 'additionality' requirement under net zero to lessen our reliance on energy supplied via the national grid, it also has the benefit of longer term price certainty, pin-pointing exactly where the energy comes from, as well as supporting local economies and communities as part of wider corporate CSR strategy. We use a small quantity of gas which is procured from natural sources. However, as the market continues to develop in the provision of green gas supply, we will continue to review the opportunities available to switch to an alternative gas supply.

#### ◆ **Future Workspace Selection**

Achieving, as well as maintaining net zero status will form part of our requirements for our future workspace. Synchronising our lease cycles to either collaborate with landlords to upgrade existing or select new workspace, will be supported by the development of a net zero specification to help with the decision-making.

### **Rebound Emissions**

#### ◆ **Homeworking**

It's estimated that the shift to homeworking could save over 3 million tonnes of carbon a year through the reduction of employee commuting. However, it could also lead to increased domestic energy use and subsequently, high carbon emissions particularly in the case of poor energy efficiency. It's vital for us to account for the shift in boundaries of our own operational emissions which is why we will look to track these by following The Carbon Trust's home working methodology. And equally important for us to come up with solutions for reducing these. Knight Frank Finance are already leading the way in providing green mortgages to homeowners, including our staff, to enable them to make their homes more efficient.

#### ◆ **Digital Carbon Footprint**

As we move to more flexible ways of working and increase our reliance on technology and digitalisation to conduct the way we do business, carbon emissions in this area may rise. This is because the transmission of data and processing of physical servers in data centres around the world take a lot of energy to run. It's estimated the digital sector contributes to 2% of world's GHG emissions, a figure expected to double within 3 years. Understanding

the direct impact from the IT we use and how we balance energy consumption and efficiency, with other areas of net zero, such as business travel, will be part of our decision making.

## **Embodied Carbon**

### **◆ Office fit-out**

Whilst our net zero commitment looks to reduce our operational energy, our strategy will include the development of our understanding of GHG emissions that are 'locked' up in the materials we choose to use during the fit-out and refurbishment our office workspaces. With today's focus on net zero and reducing whole life carbon, there is a need for office space to be adaptable to avoid carbon penalties and future proofing. This is a topic which was discussed in our London Report 2019 – A design for Life. Embodied carbon plays an important role in helping to achieve net zero – for the real estate sector it is about delivering net zero buildings in their entirety which means addressing the carbon emissions in both the construction, fit-out and operation of its lifetime.

### **◆ Company Fleet**

Transport is now the UK's largest source of GHG emissions, with road transportation from passenger vehicles accounting for the majority. It is also the main contributor of poor air quality in and around some of the UK's towns and cities. New UK legislation will see the sale of new petrol and diesel cars to end by 2030, but with the UK still so heavily reliant on 'dirty' vehicles, one of the biggest challenges will be the major infrastructure support needed to accommodate their use. Our latest report on E-Mobility in the Fast Lane discusses the work Knight Frank has been doing to get our roads net zero ready. Our company fleet is mainly used in rural parts of the UK, where access to public transport is limited. Collectively our fleet is approximately 1% of our emissions, and whilst this is a very small portion of our carbon footprint, we understand the electrification of our fleet will play a vital part in reducing our scope emissions, including the source of energy used to charge them.

### **◆ Business Travel**

The second largest proportion of our footprint at 24% comes from business travel and includes car mileage, rail and air transport. Decoupling business travel and growth without comprising on the value we gain from in person meetings will require us to really think about how we do business. Our approach will be a combination of educating staff on the environmental impact of different forms of transport, choosing low carbon commuting options and questioning if there are alternatives to taking business travel that could still achieve the same outcome. We will also review our business travel suppliers for those offering low carbon travel options and bring all this together under a new sustainable travel policy. Supporting our employees with their individual commuting emissions is equally as important once we have a better understanding of these emissions. Until then we will continue to support our people through the provision of public transport allowances and 'cycle to work' schemes, including provision of showers and office storage to encourage sustainable journeys.

### **◆ Supply Chain**

It is estimated that more than half of global GHG emissions come from only eight supply chains: food, construction, fashion, fast-moving consumer goods, electronics, automotive,

professional services and freight. Our footprint shows the largest proportion of GHG emissions come from the goods and services we procure, which is around 48%. Decarbonising the supply chain will be a challenge. The current lack of available data on calculated GHG emissions in the value chain we know can restrict the setting of targets and standards. In addition, the supplier landscape is often fragmented and lengthy, making it difficult to understand exactly where the emissions come from. Adopting industry best practice and engaging with our suppliers to work together for net zero will be a crucial element to the delivery of our strategy. Having access to better data, understanding the footprints of our key products and incentivising suppliers to optimise their own value chain will be part of our approach. We may give preference to those suppliers who are advancing themselves in net zero, but we also see this as an opportunity to really help other businesses with managing their own carbon footprints.

◆ **Internal Carbon Pricing**

We will look to use an internal carbon price to incentivise behaviour change for the required action needed to reduce the impact of our business operations. This price will be set in line with industry best practice.

◆ **Offsetting**

We anticipate the use of offsetting for residual emissions and our choice of carbon removal projects will be determined as the market grows its offering of nature and technology-based solutions. Knight Frank's own expertise in this area means we have been working closely with landowners, investors and corporate clients to help develop a range of carbon sequestration projects.

## **Carbon Reduction Projects**

### **Completed Carbon Reduction Initiatives**

We currently do not have any completed carbon reduction initiatives.

In the future we hope to implement further measures such as:

### **Future opportunities**

◆ **Technology**

Technological advances will play the biggest role in helping to resolve the rapidly growing problems of CO2 emissions. Developing and deploying new and existing technology will be critical to progressing in areas such as energy and carbon management, particularly in the real estate industry. As there is no single technology that can deliver net zero, businesses will have to find the best combination of those that suit their needs as they transition to net zero. Knight Frank has invested in PropTech venture capitalist, Fifth Wall, who are looking to produce technologies that could help decarbonise the real estate industry. This gives us an active involvement in the ever-evolving PropTech arena, allowing us to embrace initiatives that might not only suit ourselves but help our clients meet their own net zero ambitions too.

## ◆ Hydrogen

The use of hydrogen has long been considered essential if the UK is to meet its net zero emissions. It's abundance and ease of production from any primary energy source, including hydrocarbons and renewables, makes it favourable. Coupled with its flexibility in use, efficient storage at scale, easily transported as gas or liquid and safe to use (under the right management controls). Most importantly it has zero carbon emissions at the point of use. All this makes it a complementary decarbonisation pathway, alongside electrification, for the UK energy system. There are a range of hydrogen solutions that are currently being commercialised for domestic and commercial heating. Whilst our own gas use is extremely small and sourced from existing fossil fuels, we will be keeping a watchful eye on the UK's approach to providing consumers with a 'blended' gas supply of hydrogen and methane as it overcomes the challenges of infrastructure tolerance and operational cost.

## Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard<sup>1</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>2</sup>.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard<sup>3</sup>.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

### Signed on behalf of the Supplier:

*Ian Tasker*

Ian Tasker  
Partner, Head of Public Sector Advisory

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Date: 28<sup>th</sup> October 2022

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<sup>1</sup><https://ghgprotocol.org/corporate-standard>

<sup>2</sup><https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

<sup>3</sup><https://ghgprotocol.org/standards/scope-3-standard>