

Kinleigh Folkard & Hayward

Our Environmental, Social and Governance Report

Championing sustainable initiatives across our business



Pioneering sustainable change

Foreword from Lee Watts,
Founder and Managing Director of KFH

I am delighted to be writing this introduction to our first annual environmental, social and governance (ESG) report, something I wouldn't have imagined I would be doing when I founded KFH in 1977!

Over the last 47 years, I have seen huge changes in the way we operate and manage our business.

Much of this change has been driven and enabled by technology, but how we deal with big issues such as climate change, corporate social responsibility and wider expectations of clients, customers and staff are now of vital importance, as they help shape who we are and what we stand for.

Part of our ongoing business evolution is a commitment to supporting and promoting ESG, to reinforce our credentials and relevance as a modern, open minded and forward thinking business in a fast changing world.

Even though the property industry is often considered to be rather traditional in its thinking, at KFH we actively embrace change and continually challenge ourselves to look at things differently, improve what we do and contribute even more to the society we operate in.

ESG is a force for good - not only does it encapsulate openness and good practice, but it also makes businesses more transparent and accountable to their clients, customers and employees, something I am very proud to be leading at KFH.

Our approach to ESG

KFH is committed to its continued growth as a sustainable and responsible business, embedding ESG into all areas of strategic business planning through day-to-day operations. Ethical business practices and behaviours allow us to make a genuine, positive difference to the community and the environment, as well as help us to meet and exceed our clients' expectations.

ESG-focused programmes drive staff motivation, and attract and retain the best talent who, in turn, enhance our business. Successful delivery and achievements lead to a strengthening of positive culture, enhanced risk management and transparent business practices, all of which promote the long-term success of the Group and deliver tangible value and assurance to our clients.

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Lee Watts

60+

branches

Nine

business divisions

900+

people



The KFH Way

A values-led approach has always been important to us as a business and so as part of our wider people strategy, we have worked hard to embed our values set within everything that we do as a team – we refer to our set of company values as ‘The KFH Way’

The KFH Way is what defines us – it drives and shapes every aspect of who we are, what we do, and how we do it. It forms the foundation of our culture and the pillars of our business. Our values communicate what we believe in and shape how we work together, influencing how we do business and how we maintain our exceptional reputation.

People are our business

Relationships form the heart of our business, build our reputation, drive our commercial success and make us London’s leading property services group.

We deliver service with care

Our care for our customers, clients, colleagues, and stakeholders is genuine – so we do everything we can to deliver on our word and exceed their expectations.

Results matter, but not at any cost

For us, results aren’t just about statistics and awards. Getting the right result also means achieving it with integrity, and enhancing our reputation with every transaction, project or interaction.

We are better together

Whether it is an internal project or an external transaction, it’s our ability to pull together, refer opportunities and support each other as a team that makes us so successful.

We value experience and encourage new thinking

Experience and heritage set us apart, but we certainly don’t live in the past. We combine our extensive knowledge with new skills and innovation to constantly improve our business.

The KFH Way has provided a useful framework for our ESG approach – with each individual value underpinning key parts of our ESG strategy. This has been critical in engagement and adoption across the business, and has created real momentum and impact in our approach. Essentially, our values have become the foundation of our approach to ESG.

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Our services:

Residential Sales

New Homes

Residential Lettings and Management

Block Management

Build to Rent

Corporate and Relocation

Financial Services

Property Solicitors

Survey and Professional Services

Our environmental impact

Our underpinning value: Results matter, but not at any cost.

Our environmental journey

2013

KFH migrates its entire portfolio of electricity supply to green electricity

2015

KFH House installs new, energy efficient heating and cooling system

2016

KFH implements Itech and transitions to MFD printers, which use less electricity and are more efficient

2016

KFH switches to solely using FCS printing paper

2017

KFH segregates all waste for recycling

2018

KFH fits timers on all electrical equipment

2019

Under our new waste management contract, 95% of KFH waste is recycled through segregation, with the remaining 5% converted into energy to power homes in London

2018

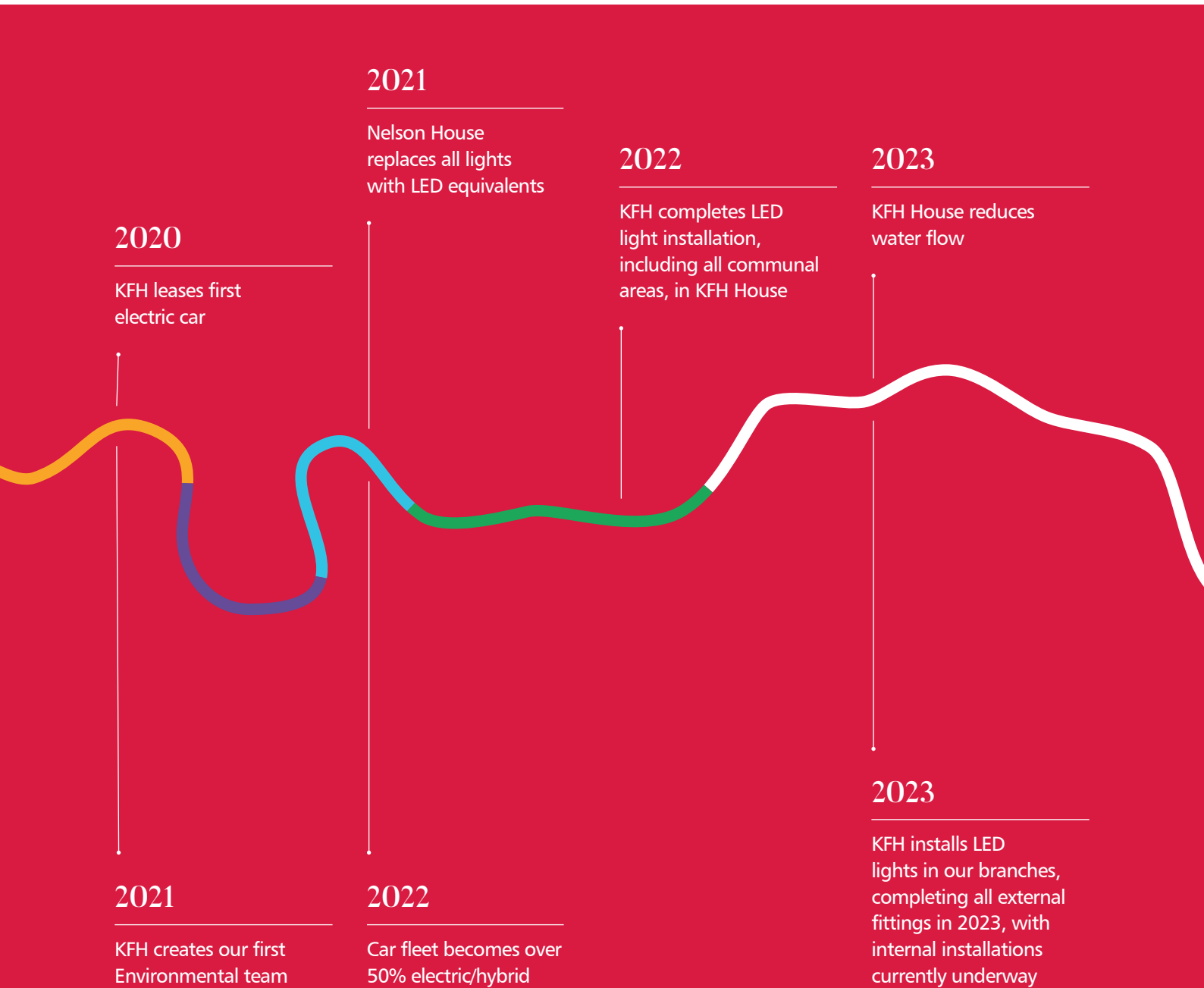
KFH House starts to replace office area lights with LED equivalents

As a responsible business, we strive to ensure that our success is not at the cost of the environment or the communities we operate in.

Through our environmental aspects and impacts register, we scrutinise the ecological impact of our business activities, enabling the development of strategic, focused plans to ensure improved sustainable practices. This commitment underscores our dedication to long-term environmental stewardship and community wellbeing, guiding our actions toward a sustainable future.

We've already been spearheading greener initiatives for the past decade and so KFH is committed to working towards ISO14001 standards, allowing us to achieve continued year-on-year improvement in our energy consumption and environmental impact.

This is accomplished through the work of our Environmental Committee, formed of champions from across the Group, tasked with reviewing, agreeing and embedding initiatives with a core focus on energy consumption, water usage and waste management across our buildings and vehicle fleet.



Our energy efficiency initiatives

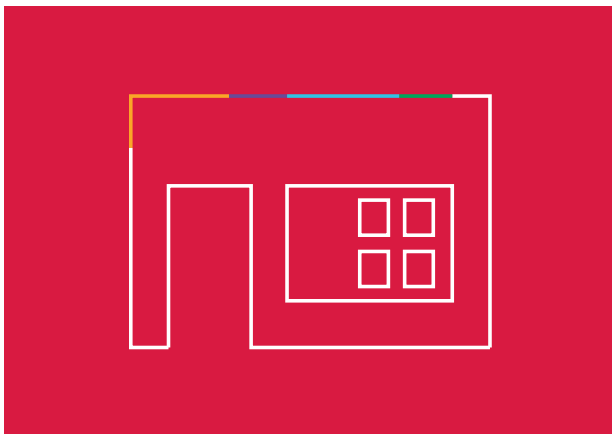
Since 2020, we have succeeded in reducing our greenhouse gas emissions by 24%.

Greenhouse gas emissions, energy consumption and energy efficiency action:

	2022	2021	2020
Emissions resulting from activities for which the Group is responsible involving the combustion of gas or consumption of fuel for the purposes of transport (in tonnes of CO2 equivalent)	700	877	917
Emissions resulting from the purchase of the electricity by the Group for its own use, including the purposes of transport (in tonnes of CO2 equivalent)	414	450	442

Focusing on our two largest head office buildings, KFH House and Nelson House in Wimbledon, we introduced initiatives in 2022 and 2023 to reduce energy consumption, carbon emissions and waste.

Other business-wide initiatives include:



ENVIRONMENTAL MODEL BRANCH

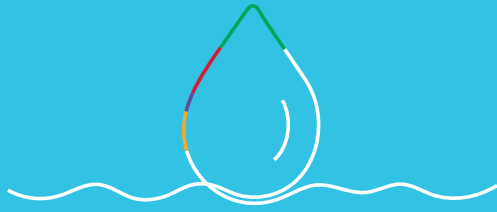
We established an 'environmental model branch' at our Crystal Palace office to pilot and assess various eco-friendly initiatives.

Successful energy-saving initiatives will then roll out group-wide in 2024. One example is electrical consumption monitoring technology, detecting where and when consumption is highest. Once the results are established, we will implement new measures across all sites.



LED LIGHTING

In 2023 we installed LED lighting, which on average uses more than 50% less energy, for all external lights across our 62 branch sites. At the end of the year, over 30% of internal branch lighting had also been replaced. This followed the installation of LED lighting within our two large head office buildings, which was completed in 2022. This action is forecasted to contribute to lighting energy savings of around 40% in 2023.



WATER REDUCTION

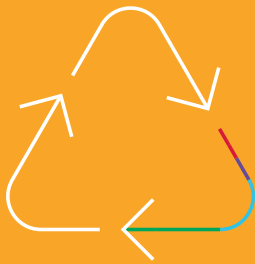
In early 2023, water reduction valves were fitted to the taps in all four kitchens of our head office building, KFH House, reducing water consumption and wastage. The results of this initiative will be reported in our next annual publication.



PAPER

Having always been mindful of waste, our printers have automatically printed double-sided for several years, reducing paper consumption and delivery volume.

In 2023, we upgraded to wheat straw-based paper for everyday printing, significantly reducing deforestation since no trees are cut down for its production.



WASTE AND PLASTIC REDUCTION

In 2023, we removed approximately 300 individual desk bins from our two head office buildings and replaced them with 5 large rubbish receptacles. This change has saved around 50,000 plastic bin liners annually. We also tender our waste contract to ensure all rubbish is sorted for recycling, with any remaining waste converted into electricity to power London homes.



ELECTRIC FLEET UPGRADE

In 2021, we pledged to have a 90% electric or hybrid car fleet by 2025. We are on target to meet this, currently at 64% of electric or hybrid vehicles, up from 37% in 2022.

We have therefore halved our fleet's CO2 emissions in the last three years and are continuing to work towards our 2025 target, aiming for 80% electric/hybrid fleet vehicles by the end of 2024.

Our social impact

Our underpinning value: People are our business.

People are our greatest asset. With over 900 employees and more than 60 offices serving the communities of London, we put our staff, customers and the community at the heart of our business activities.

Our People Strategy is underpinned by our values and ESG framework and so we invest significant time and resource in all our social initiatives. From health and safety and wellbeing to diversity, inclusion and community engagement, we support and encourage our teams to take ownership and drive the success of these activities.

These programmes don't just contribute to the Company's long-term vision. They also provide opportunities for colleague engagement, to influence the shape of strategic initiatives and to deliver on issues that are important to both our employees and our wider society. These initiatives keep us all much more aware and build understanding of current challenges faced by the communities we serve, which in turn influences forecasting and future plans of the business as well as the development of our people.

KFH celebrates the diverse make up of our people and we're proud to be an employer that strives for and champions equal opportunities. The diversity within our business enables us to connect better with our clients, customers and suppliers.

Understanding the makeup of our people, from

the start of their journey as a candidate right through their career, is critical in ensuring a fair and inclusive environment. Diversity is vital in building an inclusive workforce and leads to increased creativity, productivity, innovation and problem-solving, as well as better decision-making and a broader range of perspectives.

As well as capturing volunteered D&I data for existing staff, we analyse our hiring data to ensure we can best understand our incoming employee representation and identify gaps or trends in our hiring process. Our objective is to gain insight into why certain groups of applicants might be attracted to some roles over others and ensure any barriers are being removed, opening opportunities up to a more diverse pool of candidates.

Furthermore, a positive candidate journey can impact how quickly and effectively a new starter engages with us, performs in their role, aligns with our values, and contributes to our culture.

In 2023, 84% of our candidates responded positively when asked if they would recommend a friend or colleague to apply for a job at KFH.

KFH also offers a trainee negotiator programme, providing opportunity for those with no industry experience to forge a career with on-the-job learning and development support. In 2023, we employed 53 trainees across both sales and lettings, supported by 35 in-house mentors.

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Sales 02



Our people represent a diverse range of nations, including:

Australia, Bangladesh, Brazil, Bulgaria, Canada, China, Colombia, Croatia, Cyprus, Dominican Republic, France, Ghana, Greece, Hungary, Iceland, India, Iran, Italy, Jamaica, Kenya, Latvia, Lithuania, Morocco, Nigeria, Poland, Portugal, Republic of Ireland, Romania, Slovakia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Ukraine and the United Kingdom



Our diversity and inclusion forum

Introduced in 2020, the D&I forum has quickly become an influential part of the business, delivering important initiatives through individual champions across the group, including:

Race and ethnicity:

- Cultural diversity day
- Black History Month

Religion and culture:

- Introduction of a religious reflection and prayer room in our head office
- Celebrating religious and cultural events throughout the year and raising awareness of periods of sacrifice, such as fasting during Ramadan

Gender:

- International Women's Day
- Women in Leadership Conference
- Gender pay gap monitoring

LGBTQIA+:

- Celebrating Pride month

Disability, mental health and wellbeing:

- Menopause staff webinar
- Five mental health first aiders appointed within the business
- Mental health online learning module available to all staff

Neurodiversity:

- Staff-led webinar
- Creation of a neurodiversity support network which aims to bring together colleagues who may identify as neurodivergent, and those who may have neurodivergent children, friends or family members
- Introduction of Grammarly

OUR DIVERSITY AND INCLUSION PHILOSOPHY

At KFH, we believe that people are our business. We know that to deliver on our mission to be London's leading property services group, our workforce needs to reflect the diversity of the city we operate in.

We are committed to creating a working environment that is inclusive for all. An environment where all employees feel empowered to share their experience and suggest new ways of thinking.

As a business, we pride ourselves on delivering exceptional results, but not at the cost of our core values. KFH will not tolerate discrimination or harassment of any of its employees, job applicants, contractors, clients or any other individuals we associate with.

Similarly, we expect our people to uphold the principles of diversity and inclusion in all of their professional and personal dealings.

Our diversity and inclusion forum (cont.)

All hands webinars

We encourage our people to get involved with, or even lead on, companywide webinars, giving the opportunity to educate peers on significant topics. Recent webinars have included neurodiversity, women in leadership, menopause, and mental health, and will often feature staff members who wish to share their personal experiences and help raise awareness. We are proud to see high levels of engagement and genuine support and recognition from across the group.

Employee benefits

We are acutely aware that the cost-of-living crisis has impacted almost all staff in some way. By way of support, at the start of 2023, our Managing Director, Lee Watts, granted every single staff member a cost-of-living bonus of £750.

The financial climate also prompted a review of our employee benefits offering and a new perks platform was introduced in 2023, providing discounts and special offers for everyday purchases such as grocery shopping, household items and eating out. In its first quarter, staff collectively saved over £50,000 using the new perks and benefits platform.

Staff engagement survey

KFH conducts an annual anonymous employee survey, completed by 60% of staff in 2023. It is critical for the wellbeing of the business that we capture the views of our people and gain a real time understanding our employees' values and expectations, in terms of work life, their perception of the business and what our staff value as important. Increasingly the survey has indicated that ESG sits at the forefront of our people's expectations and ambitions for the company.

When asked about diversity and inclusion initiatives, 81% of participants felt KFH successfully promotes D&I, recognising the diversity within the company and the D&I forum's work.

However, there is a desire for more, including visible executive engagement and ongoing health and wellbeing programs. We support these requests, acknowledging the D&I forum's positive influence and the need to continually strive for equality and equity.

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We take immense pride in our D&I program. It's about fostering a truly inclusive environment where everyone feels valued, respected, and empowered to reach their full potential. It's an engine that drives innovation and high performance in our company.

Jasmin Athwal, Director of People



Our community impact

Our underpinning value: We are better together.

London Youth has improved young lives across the capital for over 135 years. Through a network of 600 youth clubs, the charity provides a safe space for London's young people, offering somewhere to go, something to do, and someone to trust, in every borough. However, without funding, many clubs risk closure, leaving young people without the skills and support needed for successful careers. KFH has partnered with London Youth since 2017, raising almost £400,000 in unrestricted funding.

Stacey Kirby, Marketing Director at KFH said:
 "Over the last seven years we have seen the direct impact that London Youth and its clubs have on young people across the Capital. Our partnership is vital in helping support London Youth and their mission to keep young people's ambition alive and has truly become part of our cultural DNA at KFH."

Our support for London Youth includes various initiatives. This year, our achievements include:

- **Raising a total of £385,000** in unrestricted funds across the group specifically for London Youth, including our longstanding 'Pay a Pound Forward' initiative where for every sales or lettings valuation we undertake, we donate £1 to London Youth.
- **Launching a new incentive** via our Talent Acquisition team whereby we donate £50 to London Youth for every successful candidate referral for a new job role. The target set was £5,000 which we were delighted to achieve for the year.
- **Delivering a full window display takeover** across our 60-branch network to support London Youth's Ambitious Applications campaign in April. This activity helped generate awareness for the charity, generated direct donations and gave us the opportunity to discuss our partnership and the work London Youth do with members of the public.
- **Running a Christmas appeal**, helping four London youth clubs to stock up on Christmas gifts and essential items for the year ahead by ordering items from an Amazon wish list. The appeal was promoted internally as well as to our clients, suppliers and the general public.
- **Offering work experience** to two young people who expressed an interest in working in property via London Youth. One of the young people successfully interviewed for a paid contract role at KFH on her second day of placement, further enhancing her skills and employability.

Since 2017, we're so proud to have raised nearly £400,000 for London Youth





THE PRINCE PHILIP AWARD

We were delighted to receive the Prince Philip Award at the 2023 London Youth Awards. The event brings together youth workers, young people, policy makers and supporters to recognise the best of youth work in the Capital.

The Prince Philip Award was created by London Youth's first royal patron, HRH Prince Philip, The Duke of Edinburgh, who supported the charity for over 70 years. The award recognises outstanding contributions and commitment to supporting frontline youth work.

Pauline Daniyan, London Youth's CEO said:

"KFH has supported us for seven years and consistently gone above and beyond to open up positive opportunities to young Londoners and put a spotlight on the value of good youth work."

Julian Peak, KFH South East London Sales Director said:

"We are honoured to receive this award. Through our partnership we have seen the direct impact that London Youth and its member youth organisations have on young people across the Capital. The fundraising and volunteering we do at KFH adds so much to our culture, but more importantly it gives us the opportunity to contribute and make a difference to the young people of London."

Other community support work

KFH also supports **Business2Schools**, having donated 750 units of IT equipment, including laptop computers, in the past year. Business2Schools is a charity focused on providing improved technology to state schools - creating better learning environments for students.

Lindsey Parslow, Founder and CEO of Business2Schools, said: "We are delighted to be working with KFH again in helping create better futures for children across the country. Climate change is a huge factor in every child's life, and this generous donation will help curb its impact as well as help end digital poverty."

Each year, we're also proud to sponsor numerous other local events to support our London communities. Some examples of 2023 events include:



WEST HAMPSTEAD: EMMANUEL SCHOOL CORONATION PARTY

The branch sponsored a Coronation party at the Emmanuel School which raised a total of £7,076 for the school. The team set up stocks and volunteered to have wet sponges thrown at them for the cause.



MUSWELL HILL: RHODES AVENUE SCHOOL SUMMER FESTIVAL

The branch sponsored Rhodes Avenue School's Summer Festival. The team was involved in face painting throughout the day, as well as offering children the opportunity to 'meet the mermaid' with our very own Danica McNab.



TOOTING: FURZEDOWN PRIDE

The team set up a table at the street party and provided free ice lollies and colouring activities to local residents, families, and members of the local LGBTQ+ community. After a day of fun, the event concluded with a comedy night and drag show at The Furzedown Pub.



FULHAM AND PARSONS GREEN: THE GREEN MEET

The team set up a stall at Fulham Palace, selling cocktails, and giving out cupcakes and balloons to the children. It was a great way to get their name out there and interact with the locals of Fulham.



BATTERSEA: NORTHCOTE ROAD CHRISTMAS LIGHTS SWITCH ON

The branch installed a photo booth on the office floor and offered festive drinks and sweets to the local community. The place was packed, with a queue often out the door.

Governance

Fostering excellence through ethics, training and standards.

The Board

The KFH Governing Board is formed of non-executive and executive directors and meets regularly throughout each year, ensuring stable and informed leadership and organisational structure. Senior leaders from across the group also attend relevant board and operational meetings, to ensure key information is conveyed right up to the highest level. ESG is core to the governing agenda, with all pillars sponsored at board level. Critically, the five key KFH Way values shape the compliance and ethical behaviour of the business, reflected particularly in 'results matter, but not at any cost'.

Corporate behaviour and priorities: The KFH Way

Ethical corporate behaviour is fundamental to the success of the business. How our business and people behave impacts our staff, clients and communities and is a principal driver for customer satisfaction and retention.

Our values and principles are shared through The KFH Way, ensuring that colleagues throughout the business all share the same vision and expectations in terms of conduct. The KFH Way values have also been embedded into personal development reviews, ensuring that performance is measured against delivery of the values as well as commercial achievement.

Staff training

A structured staff training programme is delivered and reviewed annually, covering both operational and ethical practices including anti-money laundering, data protection and cybersecurity, modern slavery and human trafficking, and health and safety - with an 80% pass rate requirement across all key modules. Staff completion of the modules is mandatory for all staff members. In addition, we offer classroom style development learning, with 2,200 training seats filled across 2023.

Upholding standards

KFH is part of a wider community of responsible estate agency and property service businesses. As such, we work in partnership with our industry peers when campaigning for best practice.

A member of Propertymark, The Property Institute (formerly ARMA) and RICS, we are proud to uphold the highest of industry standards set by our professional bodies, and adhere to the regulations imposed by our supervisory bodies.

We also hold ISO9001 accreditation and are active members of The Lettings Industry Council (TLIC) and the Large Agents Representation Group (LARG), both of which strive for improved industry standards, seeking to inform, educate and, most importantly, protect our consumers.



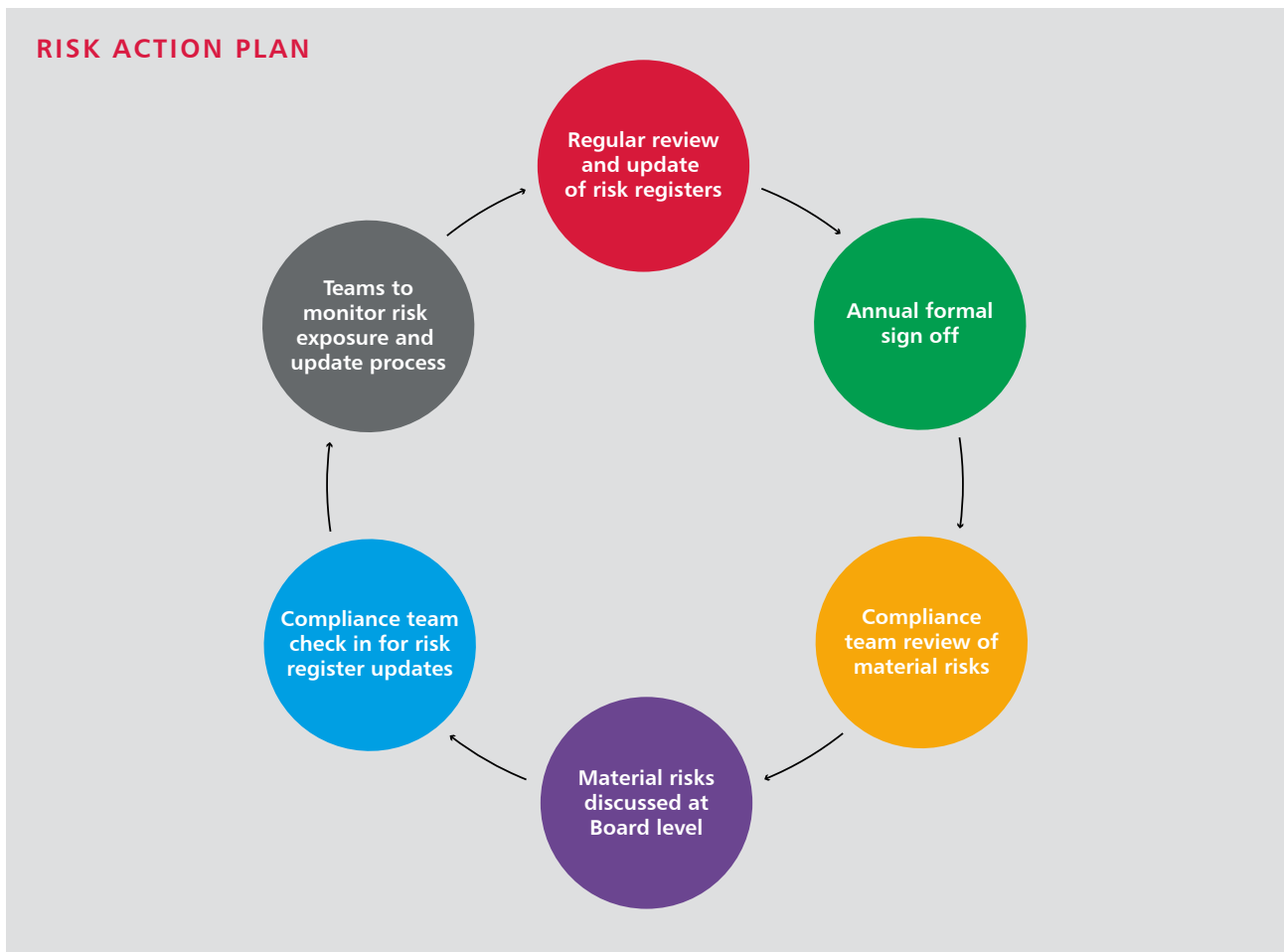
Managing risk

Risk registers provide a structured tool to ensure our risks are controlled. They deliver oversight of the controls in place and highlight where these can be improved across the entire business. The registers cover all areas of business function and activity, from service delivery and business continuity through to the critical matter of cybersecurity. Having registers promotes a proactive approach towards managing risk, rather than reactive, using our experience and encouraging new thinking.

Risk reporting promotes a regular review of whether our risk strategy is efficient or whether we can make improvements to our processes. The registers offer reassurance to our stakeholders that we proactively manage risk to an acceptable level, helping us to deliver our service with care.

The registers create a structure for communication and responsibility for risk reporting and allow us to readily communicate our risk strategy to our stakeholders and potential clients. A planned risk strategy helps us avoid regulatory breaches and shows where we may be exposed, protecting our income stream. Results matter, but not at any cost. Having a planned risk strategy, backed up with processes and controls, minimises the risk of damage to our 'best in class' reputation.

Regular reviews help us to be at the forefront of industry changes and to stay experts in our field. Areas of exposure that we would like to improve upon are documented on the registers. This creates a project list for each department and highlights collaborative project work to drive our focus.



The future

We are committed to building upon our ESG achievements each year, ensuring our impact as a responsible business continues to benefit our community and environment.

ENVIRONMENT

We have committed to achieving ISO14001 accreditation by the end of 2024. To achieve this, we pledge the following:

Lighting

We are aiming to replace all internal branch lighting with LEDs across all branch sites.

Electricity

We will be investigating the impact of voltage optimisers and W timers on distribution boards with a view to controlling highest energy output facilities, such as air conditioning units, in branches identified with the highest usage.

Water

We will expand the introduction of water reduction taps across our head office locations.

Supplier ethics

We are committed to undertaking a review of supplier ethics and environmental policies and implementation of supplier minimum standards for our key contractors and suppliers.

World Earth Day pledge

In support of World Earth Day we are holding a 'walk to viewings' day in April 2024, reducing emissions and our environmental impact. Our head office based staff have committed to litter picking in the Wimbledon area for the same week.



SOCIAL

Diversity and inclusion

Our priority is to enhance the D&I program, increase attendance at events like PRIDE, and deliver more all-hands webinars.

Accessible housing

KFH is partnering with AccessiblePRS to increase accessible homes in the UK, ensuring older and disabled renters find properties through standard channels.

Team engagement

We aim to increase participation in the annual staff survey, enhance employee experience with expanded surveys, and ensure actions are implemented for continual improvement.

London Youth

Our 2024 fundraising target is £60,000.

Work experience

We are planning to offer a week of work experience per quarter for two London Youth nominees, helping to shape the future prospects and employability of Londoners.

Volunteering

We will launch volunteer opportunities with London Youth, identifying regional activities and committing to four sessions per year. We also aim to recruit volunteers across the business using the new London Youth portal to link volunteers with club opportunities.



GOVERNANCE

Senior engagement

The Executive Board will meet monthly in 2024 to support key projects, with ESG as a fixed agenda item. The Board is committed to integrating ESG into all business areas and service delivery. We plan to enhance senior leadership engagement by increasing board sponsorship of key ESG initiatives.

Compliance training

We will monitor completion rates for compliance training modules across the Group to improve on past years and explore new ways to promote compliance. We are also developing the group audit function to help departments meet regulatory requirements and mitigate risk.

SUMMARY

This year, we've made significant progress with our ESG agenda. Across the Group there has been extraordinary dedication to our strategy, generating real momentum and impact.

Embedding ESG at every level of our business is crucial, and we are making solid strides in that direction at KFH. Our business is driven by values, and ESG embodies those values in practice.

As an integral part of the community we serve, we are driven to enhance our contributions further. While we take immense pride in our achievements so far, there is a deep and lasting commitment to keep striving for more.