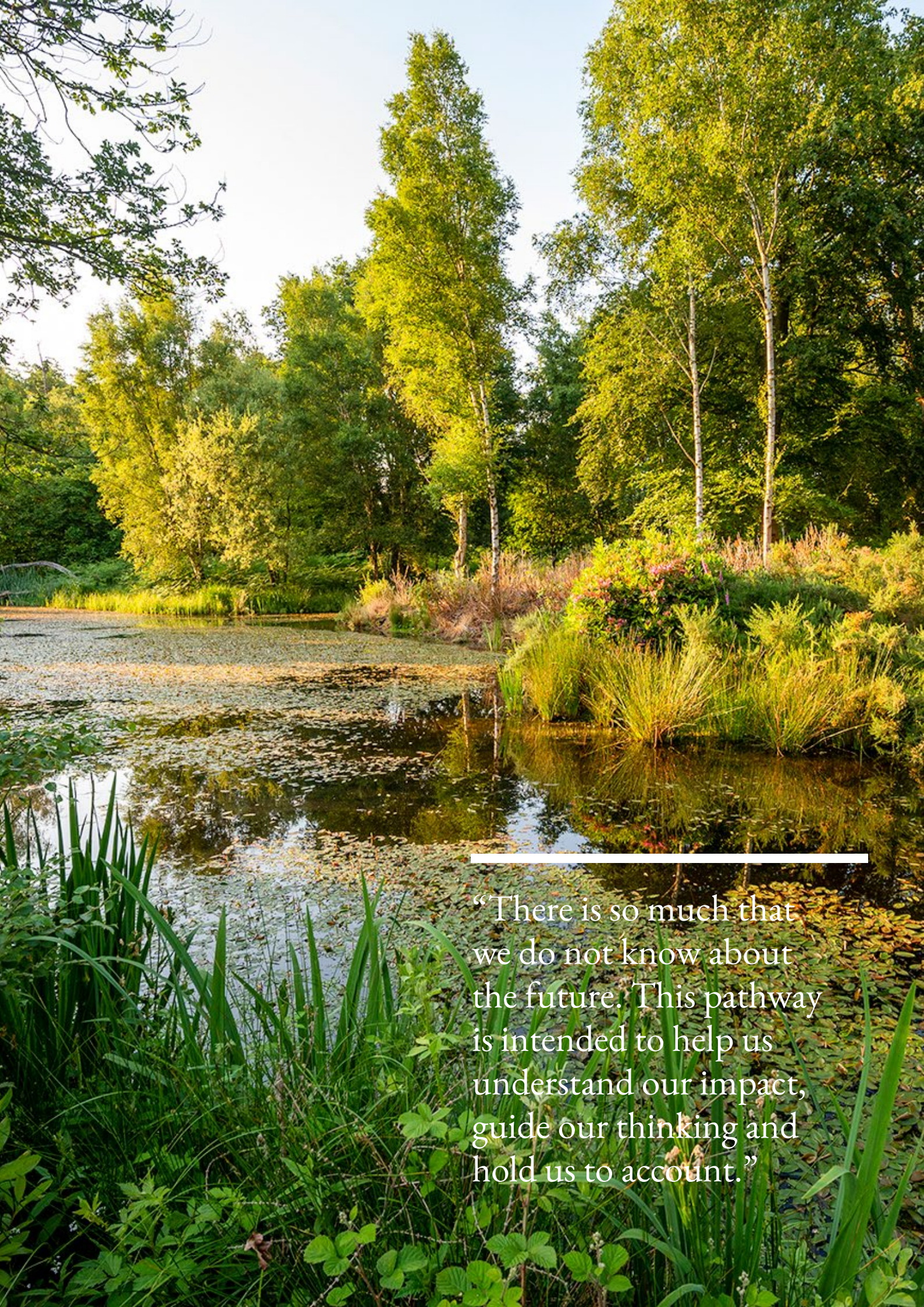




GASCOYNE
ESTATES

NET ZERO STRATEGY

AUTUMN 2024



“There is so much that we do not know about the future. This pathway is intended to help us understand our impact, guide our thinking and hold us to account.”

Introduction

Gascoyne Estates has been rooted in its communities in Hertfordshire, Dorset and London for over 400 years.

Gascoyne's longevity comes from its focus on the future, while appreciating the past which has shaped it. We take a long-term approach across the breadth of our operations, from farming and forestry through to our housing and commercial developments.

This approach to business - one focussed on community, stewardship and resilience - is at the core of our approach to decarbonisation and net-zero. We acknowledge that the climate crisis is upon us, and that significant and rapid emissions reductions are required in order to maintain a healthy and prosperous society.

One of the key challenges we face is our involvement in 'hard to abate' sectors. As this document will explore, emissions associated with construction and agriculture dominate our footprint.

We strongly believe in the need to produce food, and in responding to the housing crisis which holds so many communities back. It is therefore incumbent on

us, as a responsible, long-term business to engage in these activities to the very best of our ability. We must demonstrate leadership, innovation and experimentation to reduce these emissions as far as possible, recognising our responsibility to continue fulfilling these vital functions. We must work with our occupiers, suppliers and partners to achieve the industry wide changes that are required.

Gascoyne is fortunate to manage substantial forestry and land assets, which sequester carbon due to our active management. While this does not reduce our focus on deep and rapid reductions in emissions, it is certain that this sequestration will be required to meet our net zero target of 2035.

This net zero strategy is supported by our Sustainability Action Plan for 2024-2027. While the net-zero pathway sets out the key principles and broad direction of travel, the SAP provides concrete actions which keep us on the right path. There is so much that we do not know about the future. This pathway is intended to help us understand our impact, guide our thinking and hold us to account.

With this plan, we reaffirm our commitment to rewiring our business to addressing the climate crisis. There is no alternative, and there is no time to delay.

Jorge Mendonça
Chief Executive

Anthony Downs
Hatfield Estate Director

Gavin Fauvel
Cranborne Estate Director

Adam Wiles
London Estate Director

Peter Mitchell
Head of Sustainability



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Baseline

Our baseline year for our scope 1-3 carbon audit was financial year 22/23. It was conducted by Pilio Group in accordance with the Greenhouse Gas Protocol.

In common with many businesses, our direct emissions (scope 1 and 2) are dwarfed by our indirect emissions (scope 3).

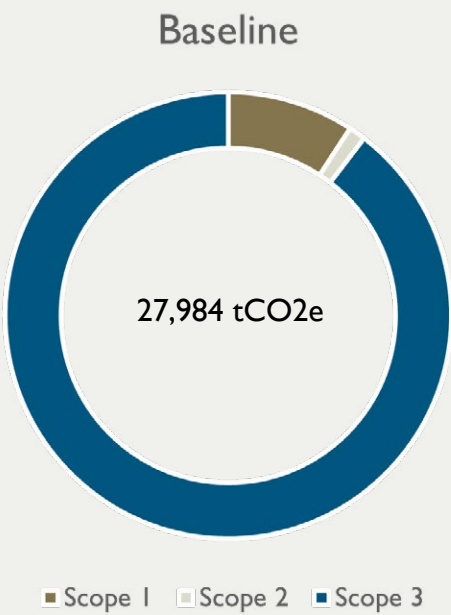
The reporting boundaries include all operations, land and property assets held by Gascoyne in the UK and overseas. Furthermore, they include all our upstream and downstream impacts, including the whole life emissions from our developments. This is on the basis that we engage with our contractors, tenants and suppliers, in order to influence them.

For this work, we are using the definition of net-zero provided by the UK Climate Change Committee, that:

‘the total greenhouse gas emissions would be equal to the emissions removed from the atmosphere’

We are therefore including the carbon captured in our forestry and land management as part of our approach.

BASELINE - 2022/23



- 90% of our emissions fall into scope 3
- 28% of our emissions come from tenant farms, over which we do not have operational control
- 22% come from let buildings
- 9% in the baseline year come from the construction of new buildings - this will increase over the period to 2035

Key Impact Areas

It is clear from our baseline that our major impact areas are in our let property, tenant farms and development activities.

Our Sustainability Action Plan demonstrates in detail how we intend to address these challenges.

Our approach to net zero focuses on the following four impact areas:

01 Tackle Embodied Carbon

Deliver our sites to industry leading standards



02 Electrify our let estate

Continue our retrofit programme at pace



03 Lead a farming transformation

In our own business and working with our partners



04 Deliver renewable energy

At building, community and utility scale



Emissions Reduction

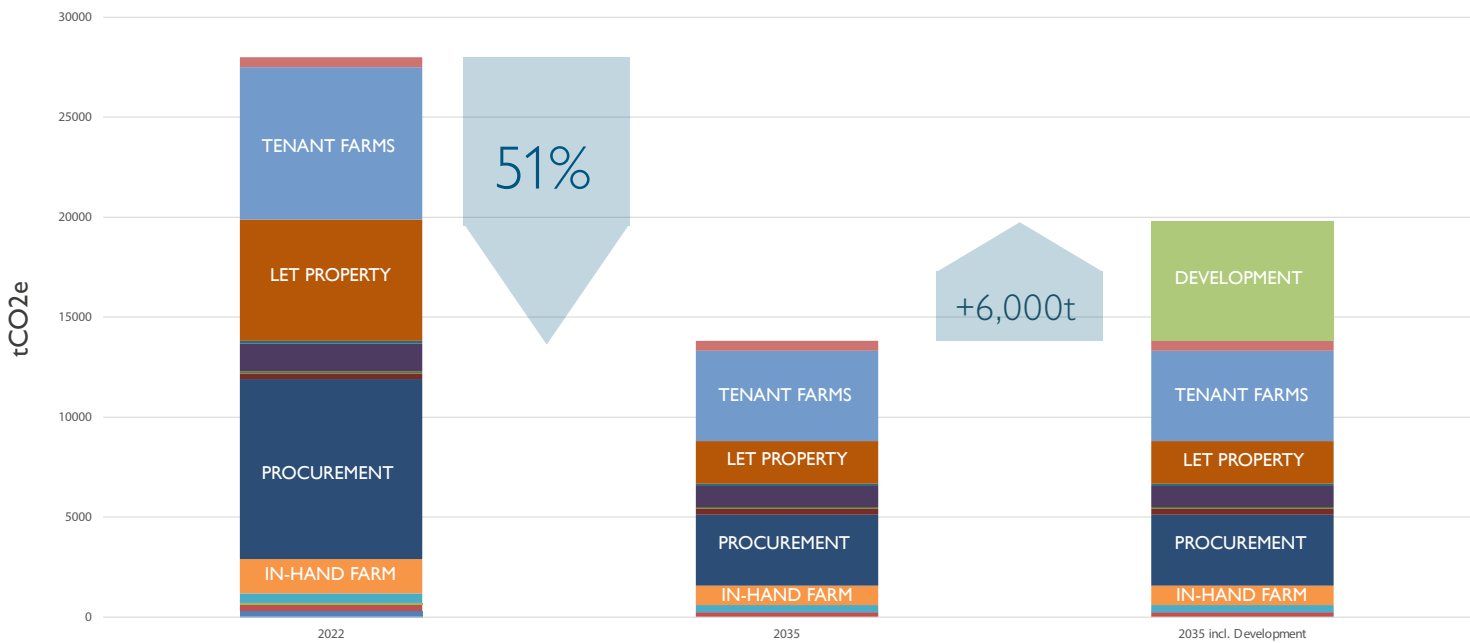
Our baseline year represented a normal business year for Gascoyne. It included some small development projects and property refurbishments, as well as the continued operation of our let estate, farms and leisure operation.

Within this core business, we are targeting a 51% reduction in emissions across all scopes by 2035. We believe this to be stretching but achievable, and will seek opportunities to drive reductions further.

Our large development projects will add approximately 6,000 tonnes of CO2 equivalent (tCO2e) to our scope 3 footprint in 2035, if they are built at the expected rate. This assumes high standards for embodied carbon, but not net zero construction.

Our ability to improve upon this will depend on the rate of change within the construction industry, and our ability to influence our development partners.

EMISSIONS OVER TIME



Our Evolving Business

Despite our best efforts to achieve emissions reductions across our operations, the increase in construction activity will mean our emissions will not fall in a linear way.

All of these development related emissions are scope 3. We can influence them through engagement with our development partners, our specifications and our designs.

We anticipate that the construction industry will improve over the next decade through a mix of regulation and market competition.

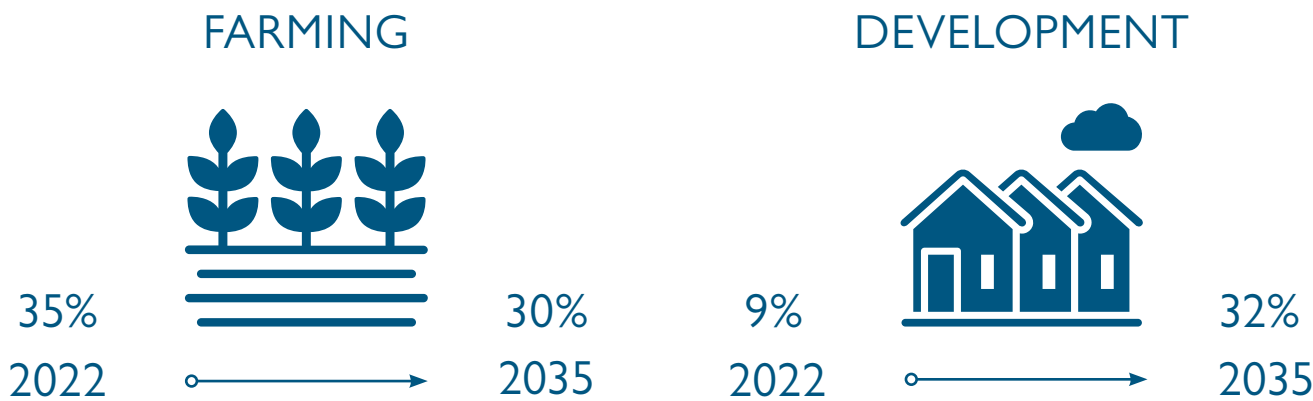
For the purposes of our pathway, we have modelled our developments in line with the Low Energy Transformation Initiative's (LETI) whole life carbon standards for 2030. If opportunities to improve on this arise we will take them, reducing our scope 3 emissions further.

We are also seeking opportunities to integrate renewable energy production into our development sites, so that the emissions associated with their ongoing energy use are further reduced. In this, we may utilise different technologies and techniques depending on what is feasible and available at the time of construction.

We acknowledge the rate of change in the construction industry, and will seek development partners who are aligned with our ambition.

Our Biggest Impact

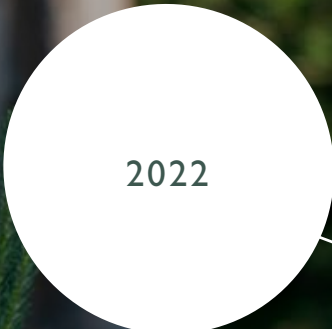
Today our biggest carbon impact comes from farming. Over time, development will become our largest source of emissions.



By 2035, Gascoyne's impact will be dominated by development. Farming and let property will form a smaller portion of our emissions as we make progress against our Sustainability Action Plan.

Pathway Actions

We must deliver significant reductions in emissions in each of our key impact areas to deliver net zero by 2035.



2022

Baseline

Tackle
Embodied
Carbon

Achieving high standards across future developments and commit to continous improvement through working with our partners.

Farming
Transformation

Boosting soil health in order to reduce use of artificial inputs, while embracing innovation and engaging with our partners.

Electrify
our Estate

Retrofit and electrify our let estate, reducing energy bills and emissions for our occupiers.

Renewables

Produce clean electricity for our own use, our communities and tenants, and the wider grid.



2035

Sequestration

Manage our land for carbon sequestration and biodiversity.

Challenges To Net Zero

Tackle Embodied Carbon

Our business is about to embark on a project which is not reflected in our baseline: the development of new homes homes and an innovation campus.

We believe that building more homes is critical to the success of future generations. The housing need across the country is substantial. It is therefore incumbent on us as long term landowners to balance this need while delivering housing sites to the highest possible sustainability standards. This includes wider placemaking and quality of life considerations, such as landscaping, biodiversity and sustainable transport.

We retain a long term involvement in each of our sites. We believe that this is the best way of ensuring that the quality of the development is maintained throughout its construction and occupation.

Gascoyne takes a central role in the design, specification and ambition of the developments. We are therefore taking responsibility for the whole life emissions associated with them. We believe that this is the right approach, but it gives us a substantial challenge to delivering net zero by 2035.

Even if we are able to deliver industry leading developments from an embodied and operational carbon perspective, we will still be responsible for a large quantity of carbon emissions.

WE MUST THEREFORE:

- Set rigorous and challenging sustainability standards for all of our future developments
- Engage with our housebuilder partners to align with our net zero ambitions
- Encourage and facilitate innovative approaches to reducing operational carbon emissions

URBAN REGENERATION



REGENERATIVE FARMING IN ACTION



Farming Transformation

In our baseline year, in-hand and tenanted farming operations accounted for approximately 35% of our impact. Agriculture remains a hard to abate sector, with the techonologies and approaches required to reach net-zero still in development.

Similarly to development, however, we believe we have an ongoing responsibility to produce nutritious food on our land. Simply stopping farming in order to reduce our emissions would be counterproductive. If every farmer did the same, it would result in increased imports to address demand and the outsourcing of our emissions overseas.

The majority of our farming emissions are derived from the use of nitrogen fertiliser. When spread on fields fertiliser reacts with oxygen to form nitrous oxide, a potent greenhouse gas. The production of fertiliser also requires a large amount of energy, releasing carbon emissions in the process.

A key action, therefore, is to dramatically reduce our use

of nitrogen fertiliser. We have agreed a transition plan which sees reductions of 17% and 30% by 2027, in Hatfield and Cranborne respectively.

In the medium term, the development of new technology and approaches is required to achieve substantial further reductions in emissions.

In order to capitalise on these opportunities, Gascoyne is creating a comprehensive land use strategy. It will appraise global and national trends, and apply insights to Gascoyne's land management operations. It will set out a programme of focussed experimentation, which will enable us to achieve a thriving, profitable land business with substantially lower carbon emissions and increased biodiversity.

TO MAXIMISE OUR IMPACT, BY 2035 WE WILL:

- Experiment, testing new technologies and approaches to deliver economic, environmental and social outcomes.
- Reduce our consumption of artifical inputs as far as possible.
- Engage extensively with our tenants and partners to bring them along on this journey.

Electrify Our Estate



Much of our property is historic, making retrofit more challenging. We are committed to maintaining the heritage value of our portfolio, meaning sustainability interventions must be targeted and specific to the property in question.

We have already demonstrated the potential for historic properties, with relatively simple fabric alterations, to be adapted for electrification. Air source and ground source heat pumps are used extensively across the estates, and have become the default technology when the situation permits.

We are also developing our approach to the integration of on-site renewables - either roof or ground mounted - to further reduce emissions and energy bills for tenants.

Many of our commercial occupiers are interested in working with Gascoyne to improve their environmental performance. This is enabled through sustainability-linked or 'green' leases.

Challenges persist, however, including:

- Costs remain high for sustainable options
- Skilled installers are in short supply
- Occupiers vary in their willingness to adapt to different technologies
- Disruption to tenants can be substantial, especially for more vulnerable groups

We have taken steps to integrate the benefits of sustainable buildings into our decision making process. Our conventional appraisal tool has been adapted to value sustainability performance in financial terms, incentivising our teams to make more sustainable design and procurement decisions.

We believe the business case for sustainable buildings is clear, and we are taking steps to prove it in our own portfolio.

Renewables

As a landowner, we are in the fortunate position of being able to assist in decarbonising the electricity grid through the provision of renewable energy.

We are currently exploring opportunities for and seeking to deploy solar photovoltaics at every scale. This will include:

- Investing in utility scale projects on the most appropriate sites
- Development of rooftop solar through Power Purchase Agreements and direct investment
- Integration of energy production into our strategic sites
- Local energy projects which directly benefit our communities through lower bills and reduced carbon emissions.

We will also explore opportunities to 'stack' benefits, including food production and biodiversity, on land set aside for energy generation.

Our net zero pathway does not currently include assumptions around the carbon avoided through the delivery of renewable energy projects, nor does it make any assumptions around the roll out of solar energy on our buildings. This gives us capacity to speed up the deployment of renewables and the delivery of net zero.





“Stewardship of our land and property is central to what we do - we must adapt to thrive in a difficult and unpredictable environment”

Lord Salisbury

Sequestration

Our land sequesters large quantities of carbon on an annual basis due to our management practices.

Through regenerative farming and continuous cover forestry, we capture and store carbon in the soil and above ground biomass.

We believe that the currently available methodologies for estimating sequestration rates are flawed. They struggle to account for variations in approach and context. Where possible, we are taking our own measurements from research stands to inform our sequestration calculations. We are also feeding into the development

of new methodologies which more accurately represent sequestration rates.

We know that, given the expansion of our development work, our sequestration rates are key to achieving our net zero target. In support of this, we will also be creating and restoring habitat which will increase our land-based sequestration.

During 2024 and 2025 we will undertake a detailed natural capital baselining exercise, in order to prove the progress we are making, both in capturing carbon and improving biodiversity.

CONTINUOUS COVER FORESTRY



Data

A central pillar of our approach to net zero is a commitment to improving the quality of our data.

Across all of our property and land assets, we are seeking actual data instead of making assumptions.

This is being achieved through:

- The roll out of green leases across all commercial property, with commitment to cooperate and data sharing clauses
- Engagement with our tenants - particularly our farm tenants - in order to facilitate their own carbon footprinting
- Deployment of smart meters and energy monitoring across our let estate
- The deployment of a supply chain charter, to begin shaping conversations with our suppliers
- Contribution to the development of land based sequestration modelling, to ensure the validity of our assumptions

We will continue to refine our data and our approach to collecting it, working with our occupiers and partners to get a clearer picture of our impact.



Next Steps

This pathway is not perfect. It is our best effort to quantify our impact and plot a route to a better business.

We have to be honest about what we do not know. Some of the actions required to achieve our net zero target are unclear. Indeed, some are not yet invented.

We will report upon our progress against the Sustainability Action Plan and demonstrate our alignment with the net zero strategy. We will seek opportunities to beat it, through our key impact areas.

However, we believe that by setting out our ambition in this way, we will continue our progress in reshaping Gascoyne. It will set us up to seize new opportunities to improve as they arise, with a clear idea of their impact and importance. It will focus our efforts on reducing our impact and making our contribution to the green transition.



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