



Carbon Strategy

Grosvenor Food & AgTech



Grosvenor Food & AgTech (GFA) is an active investor in companies that are reshaping food and agriculture around the world – for the better. We identify entrepreneurs and businesses rethinking how food is produced, distributed and consumed, supporting their growth as lead investors and highly engaged board members.

With one of the longest established investment teams in the sector, we actively manage a portfolio of over 25 companies, helping them lead positive change in a way that enhances human health and the natural environment, enabling the economic sustainability of farming and food production.

Our global carbon commitment

Across Grosvenor, we commit to reducing our emissions in line with limiting global warming to 1.5°C.

We will:

- Take responsibility for 100% of our direct (Scope 1 and 2) and indirect emissions (Scope 3), calculated in line with the latest Greenhouse Gas (GHG) Protocol guidance.
- Set ambitious goals to deliver, at a minimum, a science-based reduction in carbon emissions in line with limiting global warming to 1.5°C and the latest climate science, following the latest industry guidance from the Science-Based Targets initiative (SBTi).
- Report transparently on our progress, sharing our knowledge and experience externally.
- Partner with others to drive the wider industry change needed to keep the 1.5°C target alive.

Aware of the complex relationships between climate change, biodiversity loss, inequality, social cohesion and economic growth, we will also look for opportunities to deliver our commitment in a holistic way that identifies benefits beyond carbon reduction.

Furthermore, we will look to accelerate our real-world impact through our indirect investment activities, working with our partners to drive wider industry decarbonisation.



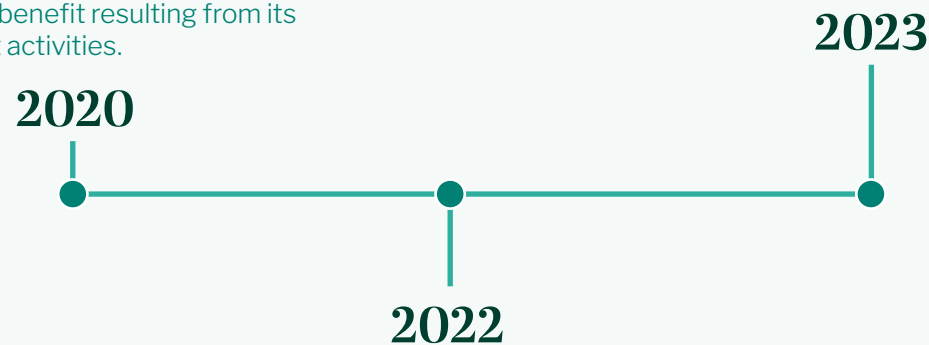
Building our strategy

Increasing our carbon ambitions over the last three years

Since inception, GFA has maintained a consistent focus on environmental and social impact, identifying entrepreneurs and businesses rethinking how food is produced, distributed and consumed, supporting their growth as lead investors and highly engaged board members.

In 2023, Grosvenor announced a new global carbon commitment, covering business activities across our global property portfolio, rural estates, investment and insurance businesses. As part of this commitment, GFA has developed a detailed action plan to deliver our carbon strategy. This involves working closely with our investment partners to support them to develop and meet their own carbon strategies.

In 2020 GFA produced an impact report to assess the positive environmental and social benefit resulting from its investment activities.



In 2022, GFA developed a carbon strategy, baselining the carbon impact of our investments both now and in the future, identifying opportunities to accelerate carbon reductions from our corporate activities, and across our investment portfolio.

Our approach and scope

Our carbon commitment covers 100% of the direct (Scope 1 and 2) and indirect (Scope 3) emissions generated by our business activities.

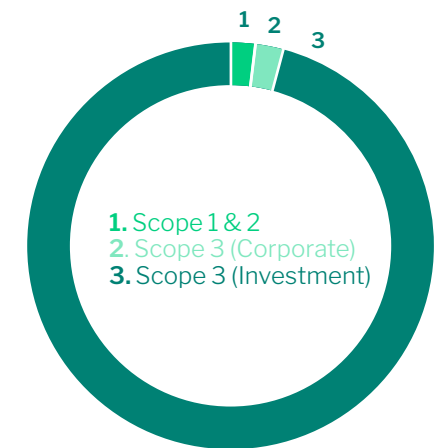
To develop GFA's strategy, we reviewed the latest industry guidance for calculating emissions and developing credible 1.5°C-aligned carbon reduction pathways and chose to follow the latest and most relevant GHG Protocol and SBTi guidance.

Firstly, we baselined our emissions following the GHG Protocol guidance, using 2021 as our baseline year, and projected the emissions forward in a business-as-usual scenario. This enabled us to identify where to focus our efforts to reduce our emissions.

Next, we followed the SBTi Private Equity Sector Guidance (PE Guidance), which recommends a portfolio coverage approach to set 1.5°C-aligned carbon reduction pathways. This reflects the lack of control investors have in delivering absolute carbon reductions from their baseline year, instead requiring them to engage with their investment partners and portfolio companies to encourage them to set targets to reduce their own emissions.

Our 2021 carbon baseline

Taking 2021 as our baseline year, our emissions were estimated at 14% of the Grosvenor Group. Of these, 99% were associated with GFA's investment portfolio, with just 1% coming from our corporate operations including energy use in our corporate offices (Scope 1 & 2 emissions), our supply chain, employee commuting and our business travel (Scope 3 emissions).



Our carbon strategy

Our commitment

GFA has made the following carbon commitment: 100% of qualifying portfolio companies* will have 1.5°C - aligned carbon reduction pathways by 2040, supported by interim targets. All of GFA's operational emissions will be net zero by 2040.

Working with our partners

As 99% of GFA's emissions are associated with our portfolio companies, we will take a collaborative approach to engage with and support our portfolio companies to decarbonise their business activities. To do this, we have developed an engagement tool to assess their current position and track their progress on their net zero carbon journey.

Reducing our corporate emissions

Whilst corporate emissions make up just 1% of GFA's overall carbon baseline, we are committed to reducing these. GFA's Scope 1 & 2 emissions relate to our office space, which we share with other Grosvenor businesses. There are already plans in place to significantly reduce the operational emissions of Grosvenor's headquarters, enabling GFA to significantly reduce our Scope 1&2 emissions. GFA's Scope 3 emissions relate predominantly to our supply chain and business travel. To address these, we will:

1. Engage with our suppliers to share knowledge, and following our **Grosvenor Supplier Principles** encourage them to set their own strategies to reduce emissions.
2. Review our corporate business travel policy to reduce emissions.



Delivering our strategy

Action Plan

To successfully implement our carbon strategy, we have developed a carbon action plan, identifying short-term priorities and resource requirements to deliver our carbon targets.

Our immediate priorities are to engage with our portfolio companies to:

- Agree steps towards setting their own carbon targets, supported by a 1.5°C-aligned carbon reduction pathway.
- Agree appropriate mechanisms to monitor their progress against their targets.

Governance and reporting and verification

Measuring and reporting our progress is critical to ensure transparency and accountability. GFA will report progress towards our carbon target annually in Grosvenor's Annual Review. In addition, progress will be regularly reviewed internally by the GFA Board and Executive Committee, and the carbon impact of all new investment opportunities will be appraised and reviewed by the Investment Committee.

Monitoring evolving climate science and industry guidance

We acknowledge that some areas of our strategy may need revisiting and updating in the future as climate science and industry guidance and best practice evolves. We will continue to monitor the changing external context to ensure we are delivering carbon reductions that are science-based and reflect best practice.

Furthermore, we are reviewing ways to calculate the real-world impact that our business activities have in terms of avoided carbon emissions. We understand that industry guidance is still developing, and so will monitor credible methodologies available to calculate and report the avoided emissions resulting from the disruptive technologies or replacement goods delivered by GFA's portfolio companies.

*As defined by SBTI Portfolio Coverage guidance

