



## **Independent Limited Assurance Report of KPMG LLP to The Berkeley Group Holdings plc**

KPMG LLP ("KPMG" or "we") were engaged by The Berkeley Group Holdings plc ("Berkeley") to provide limited assurance over the Selected Information described below for the year ended 30 April 2023.

### **Our conclusion**

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of the remainder of this report, in particular the inherent limitations explained below and this report's intended use.

### **Selected Information**

The scope of our work includes only the information included within Berkeley's Green Finance Framework Allocation and Impact Report 2023 ("the Report") for the year ended 30 April 2023 marked with the symbol  $\Delta$  ("the Selected Information") and also listed in Appendix 1. Berkeley's Green Finance Framework requires Berkeley to prepare an annual allocation report setting out the allocation of the proceeds from the £400m green bond with a maturity in August 2031 and the £260m green term loan with a maturity in February 2028 (together "the Green Finance Instruments" or "the GFIs") to Eligible Green Assets ("EGAs"). The Report has been prepared to meet these requirements.

We have not performed any work, and do not express any conclusion, over any other information that may be included in the Report or displayed on Berkeley's website for the current year or for previous periods unless otherwise indicated.

### **Reporting Criteria**

The Reporting Criteria we used to form our judgements are Berkeley's Green Finance Framework as set out at <https://www.berkeleygroup.co.uk/-/media/migration/berkeley-group/about-us/investors/dbt-investors/berkeley-group-green-finance-framework-2022.ashx?rev=464bf0b02b1f401cb60037f06e5c3a7f&hash=F7EEB1858382617A2FB23E5222B3E69>.

The Selected Information needs to be read together with the Reporting Criteria. The Reporting Criteria has been developed to assist Berkeley determining the allocation of the proceeds from the GFIs. As a result, the Selected Information may not be suitable for another purpose.

### **Inherent limitations**

The nature of non-financial information; the absence of a significant body of established practice on which to draw; and the methods and precision used to determine non-financial information, allow for different, but acceptable evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time.

Our work does not provide any assurance that the EGAs to which the GFIs proceeds were allocated were only undertaken as a consequence of issuing the GFIs, nor that Berkeley did not, in the same period, also use other cash flows to invest in activities that they would not be permitted to use the GFIs proceeds for. Berkeley have set out the basis for determining whether assets qualify as EGAs (as set out in section 2.1 of the Reporting Criteria) and our work does not provide any assurance over this basis for determination. Our work does not provide any assurance over the correlation between use of the proceeds of the GFIs and the environmental impacts of the EGAs.

### **Directors' responsibilities**

The Directors of Berkeley are responsible for:

- designing, operating and maintaining internal controls relevant to the preparation and presentation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or developing objective Reporting Criteria;
- measuring and reporting the Selected Information in accordance with the Reporting Criteria;

- the contents and statements contained within the Report and the Reporting Criteria;
- prevention and detection of fraud and for identifying and ensuring that Berkeley complies with laws and regulations applicable to its activities; and
- implementing procedures designed to ensure that personnel involved with the preparation and presentation of the Report are properly trained, systems are properly updated and that any changes in reporting relevant to the use of proceeds from the GFIs encompass all significant business units.

### **Our responsibilities**

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been properly prepared, in all material respects, in accordance with the Reporting Criteria and to report to Berkeley in the form of an independent limited assurance conclusion based on the work performed and the evidence obtained.

### **Assurance standards applied**

We conducted our work in accordance with International Standard on Assurance Engagements (UK) 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information ('ISAE (UK) 3000') issued by the Financial Reporting Council. That Standard requires that we obtain sufficient, appropriate evidence on which to base our conclusion.

### **Independence, professional standards and quality management**

We comply with the Institute of Chartered Accountants in England and Wales ("ICAEW") Code of Ethics, which includes independence, and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, that are at least as demanding as the applicable provisions of the IESBA Code of Ethics. The firm applies International Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Summary of work performed**

A limited assurance engagement involves planning and performing procedures to obtain sufficient appropriate evidence to obtain a meaningful level of assurance over the Selected Information as a basis for our limited assurance conclusion. Planning the engagement involves assessing whether the Reporting Criteria are suitable for the purposes of our limited assurance engagement. The procedures selected depend on our judgement, on our understanding of the Selected Information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

The procedures performed included:

- conducting interviews with Berkeley's management and key staff responsible for the use of proceeds of the GFIs to obtain an understanding of the key processes, systems and controls in place for the use of proceeds of the GFIs and over the preparation of the Selected Information;
- checking documentation which supports the processes, systems and controls in place for the use of proceeds of the GFIs;
- inspecting the minutes of Berkeley's Green Finance Committee to confirm that the EGAs had been considered and approved;
- comparing the total funds received by Berkeley with those allocated to the EGAs (as defined in the Reporting Criteria);
- understanding the information sources used by Berkeley to determine the amount of



proceeds allocated, in GBP, to EGAs;

- performing limited substantive testing to source documentation (i.e. planning permission documentation and Energy Performance Certificates) to support the allocation to EGAs in accordance with the Reporting Criteria;
- checking that the Report only refers to GFI financing; and
- reading the narrative within the Report with regard to the Reporting Criteria, and for consistency with our findings.

The work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

#### **This report's intended use**

Our report has been prepared for Berkeley solely in accordance with the terms of our engagement. We have consented to the publication of our report on Berkeley Group's website at <https://www.berkeleygroup.co.uk/investors/debt-investors> for the purpose of Berkeley showing that it has obtained an independent assurance report in connection with the Selected Information.

Our report was designed to meet the agreed requirements of Berkeley determined by Berkeley's needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Berkeley for any purpose or in any context. Any party other than Berkeley who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our report to any other party.

*KPMG LLP*

**KPMG LLP**  
*Chartered Accountants*  
London  
20 July 2023

The maintenance and integrity of Berkeley's website is the responsibility of the Directors of Berkeley; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information, Reporting Criteria or Report presented on Berkeley's website since the date of our report.



#### Appendix 1: Selected Information

The Underlying Selected Information that constitutes the Selected Information is also listed below. The information in this Appendix needs to be read together with the attached limited assurance report and the Reporting Criteria.

Underlying Selected Information	Selected Information (£m)
Proceeds allocated against refinanced Eligible Green Assets	660