

OUR VISION
2030
TRANSFORMING TOMORROW



Green Finance Framework

ALLOCATION AND IMPACT REPORT 2024

Introduction

The Berkeley Group (“Berkeley”) presents its Allocation and Impact Report under its Green Finance Framework (“GFF”) for the year ended 30 April 2024.

Under its GFF, Berkeley raised £660 million of Green Finance Instruments (“GFI”) during the year ended 30 April 2022:

—£400 million Green Bond with a maturity in August 2031

—£260 million Green Term Loan with a maturity in February 2029

This report is consistent with Berkeley’s GFF prepared in accordance with the ICMA Green Bond Principles (“GBP”) 2021 and LMA Green Loan Principles (“GLP”) 2021, collectively Green Finance Principles (“GFP”).

Berkeley, through our long-term “Our Vision 2030: Transforming Tomorrow” strategy, is the only UK homebuilder delivering brownfield regeneration at scale. We transform the most challenging and complex brownfield sites into welcoming and sustainable places, with homes and amenities for all.

Returning neglected brownfield land to community use is a Government priority; helping to meet local housing needs, revive left behind places, energise local economies and relieve pressure on greenfield land.

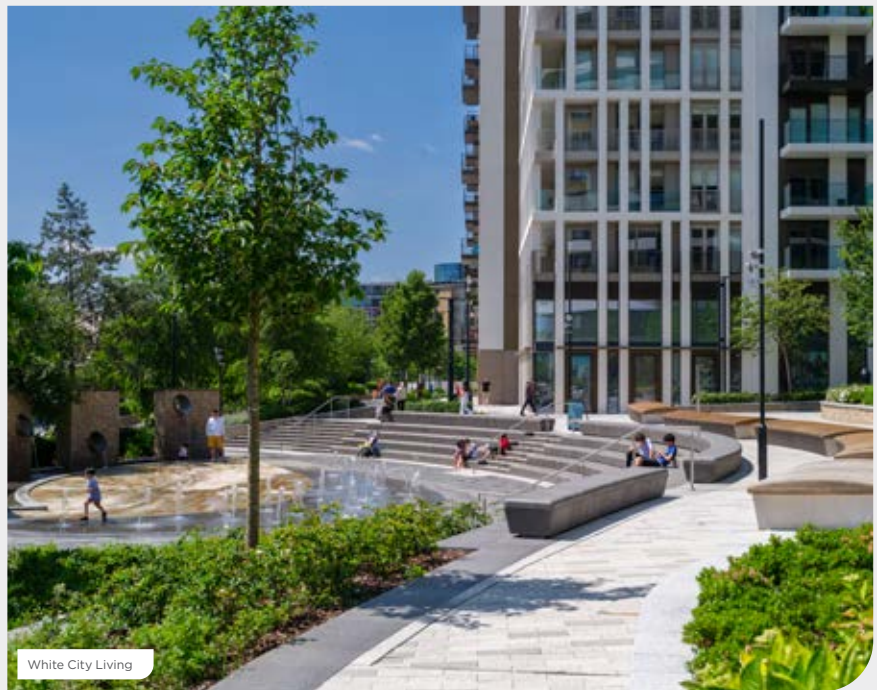
Cover images: The Green Quarter, Ealing

Green finance framework

In order for Berkeley to finance project developments and assets that will deliver environmental benefits in support of Our Vision 2030, the GFF supports the issuance of Bonds, Loans and other financing instruments.

This report is released in relation to the £400 million Green Bond and the £260 million Green Term Loan in issue as at 30 April 2024. This report is publicly available on Berkeley’s website and will be reissued annually. In this report, Berkeley is providing an update on the following:

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Further information about Our Vision:

Transforming Tomorrow and the positive impacts for stakeholders from Berkeley’s regeneration development activity can be found within Berkeley’s Annual Report, available on its website.

Use of proceeds

Berkeley utilises amounts equivalent to the proceeds (the “Proceeds”) raised from any GFI in accordance with the GFF, to finance or refinance its development of a pool of projects and assets which meet (or are expected to meet) the criteria below (“Eligible Green Assets”).





As a home builder, the Green Development Pool consists of Eligible Green Assets under development, covering all costs of such developments that remain on Berkeley’s balance sheet at the relevant point of measurement.

The table below outlines the eligibility criteria for these Eligible Green Assets and their alignment with the UN Sustainable Development Goals (“SDGs”).



Kidbrooke Village, Greenwich

Eligibility criteria for these Eligible Green Assets and their alignment with the UN Sustainable Development Goals (SDGs).

Type	IMCA Category	Eligibility criteria	UN SDGs	SDG Targets	Environmental targets
Green.	Green buildings	All of the development costs associated with delivering private and affordable homes which are: - EPC A or B rated and - Delivered on brownfield land	   	7.3 11.6 & 11.7 12.2 13.1	Climate change mitigation Biodiversity conservation

Process for asset evaluation and selection

Berkeley has established a Green Finance Committee (the “Committee”) that includes representatives from the following departments



Oval Village

Green Finance Committee

The Green Finance Committee is chaired by the Chief Financial Officer and convenes to:

- Review and approve Eligible Green Assets selected to be included within the Green Development Pool
- Monitor assets still included within the Green Development Pool to ensure ongoing compliance with the Green Finance Framework whilst any relevant Green Finance is outstanding
- Remove assets from the Green Development Pool, as the development costs are removed from Berkeley’s balance sheet as the properties are sold off, or no longer meet the Eligibility Criteria, and replace those with an equivalent eligible asset as soon as feasible
- Review annual allocation and impact reporting to facilitate reporting

Management of proceeds and reporting

As established within the GFF, Eligible Green Assets are those delivering private and affordable homes that are EPC A or B rated and on brownfield land.

Berkeley includes the costs associated with development of green buildings within inventories on its balance sheet. Given Berkeley's focus on the regeneration of inherently sustainable large, complex brownfield projects at scale the majority of inventory on its balance sheet consist of green buildings at various stages of development. As Berkeley completes the sale of green buildings (homes) under the GFF the associated development costs come off Berkeley's inventory on the balance sheet.

To identify assets eligible for allocation within the Green Development Pool, Berkeley has considered Eligible Green Assets currently under development and held on its balance sheet that have had completions (home sales) since the financial year in which the GFIs were issued to the year ended 30 April 2024 and have an EPC certificate rated A or B. Therefore, the allocation does not consider other Eligible Green Assets which have inventory balance on Berkeley's balance sheet at 30 April 2024 but which do not yet have completions. Once completions occur on those additional Eligible Green Assets, supported by the issuance of EPC certificates rated A or B, they will be considered to be available to be allocated to the Green Development Pool.

The amount of inventory on the sites allocated to the Green Development Pool at 30 April 2024 totals £2.7 billion and therefore exceeds the Proceeds from GFI. The table to the right sets out the main brownfield developments included within the Green Development Pool:

Green Development Pool Sites in Green Development Pool with over £50m of inventory as at 30 April 2024

King's Road Park, Fulham
White City Living
Oval Village, Lambeth
The Green Quarter, Ealing
Grand Union, Brent
South Quay Plaza, Canary Wharf
Poplar Riverside
London Dock, Wapping
Prince of Wales Drive, Battersea
Clarendon, Haringey
West End Gate, Marylebone
250 City Road, Islington
Chelsea Creek
Kidbrooke Village
Huntley Wharf, Reading
Oakhill, Hildenborough

Amount allocated to Green Development	£2,724m
Pool Proceeds	£660m
Total completions¹	9,089
Proportion EPC A or B	91%

Full Allocation of Proceeds

Prior to the implementation of the GFF during the year ended 30 April 2022, the balance sheet value of Eligible Green Assets at 30 April 2021 was in excess of Proceeds raised through the GFI, therefore Proceeds have been used to wholly refinance development activity.

Inventory for Eligible Green Assets has been allocated to the Green Development Pool in proportion to the percentage of completed EPC certificates rated A or B rated against total inventory for each Eligible Green Asset. Each Eligible Green Asset has then

been allocated to Proceeds of £660m on a weighted basis against total inventory within the Green Development Pool.

£660m Total proceeds raised under the Green Finance Framework

£660m Total proceeds allocated against refinanced Eligible Green Assets^Δ

£nil Balance of unallocated proceeds

1. Includes Eligible Green Assets that completed since the financial year in which the GFIs were issued to the year ended 30 April 2024

Δ KPMG, our independent assurance provider, has provided limited assurance over the selected information in this table denoted by the symbol (Δ) using the assurance standard ISAE (UK) 3000. See KPMG Limited Assurance Report to The Berkeley Group on its Allocation and Impact Report under its GFF for the year ended 30 April 2024

Appendix: Impact Reporting

Reviving under-used spaces, which include redundant gasworks and industrial estates, is vital to re-energising our cities and town centres. It creates an increasingly sustainable, socially inclusive, lower carbon model of modern living, with land, energy, resources and infrastructure used more efficiently and responsibly.

Environmental			2024	2023	2022
Indicator	Metric	Unit			
Environmentally responsible operations	Number of environmental prosecutions	#	0	0	0
	Monetary cost of environmental fines and penalties	£	0	0	0
	Scopes 1 and 2 (location-based) emissions	tCO ₂ e	5,245	5,223	7,832
	Scopes 1 and 2 (market-based) emissions	tCO ₂ e	917	963	2,211
	Water consumption	m ³	182,285	201,979	236,234
	Total waste generated (including construction, demolition and excavation wastes)	tonnes	388,765	596,921	734,320
	Total waste reused or recycled	%	95	97	90
	Total waste classified as hazardous	tonnes	4,082	4,799	5,669
	Construction waste generated	tonnes	111,957	106,466	126,765
	Construction waste reused or recycled	%	94	95	95
Construction waste classified as hazardous	tonnes	224	225	606	
Sustainable homes	Completed homes with an EPC rating of at least a B	%	93	93	89
	Average EPC score	#	84	84	83
	Completed homes with an Environmental Impact Rating (EIR) of at least a B	%	96	98	-
	Average internal water efficiency of completed homes	lpppd	101.2	102.6	104.2
	Completed homes constructed on brownfield land	%	87	86	86
	Completed homes with internal recycling facilities	%	100	100	100
Sustainable places	Developments newly committed to deliver biodiversity net gain	#	2	8	6
	Developments newly committed to deliver biodiversity net gain on site	%	100	100	100
	Developments newly committed to deliver biodiversity net gain greater than 10%	%	100	100	100
	Live development sites regenerating brownfield land	%	75	76	80
	Live development sites with SuDS	%	100	100	92
	Live development sites with cycle storage being provided	%	100	100	100
	Live development sites with electric car charging infrastructure being provided	%	98	98	93

Berkeley monitors a range of environmental and social metrics to measure its performance. A summary of these, which derive from all developments across the Group, is set out on this page; alongside a summary of Berkeley's approach to unlocking brownfield sites and 'Our Vision 2030' strategy in action at The Green Quarter.

Social

Indicator	Metric	Unit	2024	2023	2022
Charitable giving and the Berkeley Foundation	Employees involved with GAYE	%	29	30	29
	Employees involved with the Berkeley Foundation	%	61	59	55
Considerate construction	Average Considerate Constructors Scheme (CCS) score	#/50	44.2	44.1	43.4
Customer experience	Six month rolling average NPS (to March 2023)	#	80.2	79.2	77.2
	Customers who would recommend us to a friend (to March 2023)	%	97.7	97.5	98.0
Health and safety	AIRR per 100,000 people - direct employees and on-site contractors	#	52	79	72
	AIRR per 100,000 people - direct employees only	#	36	0	33
	AIRR per 100,000 people - on-site contractors only	#	57	106	85
	Work-related fatalities - direct employees and on-site contractors	#	0	0	0
	Accident Frequency Rate (AFR) per 100,000 hours - direct employees and on-site contractors	#	0.02	0.04	0.03
Skills and training	Average monthly percentage of direct workforce who are graduates, direct apprentices or sponsored students undertaking formal training	%	9.5	10.0	8.9
	Graduates joining the business via Berkeley's Graduate Scheme programme	#	21	43	38
	Average monthly number of directly employed apprentices	#	151	162	121
Society and community contributions	Contribution to UK GDP, including through direct activities by Berkeley, indirectly through supply chain spend and the induced effect of household spend	£bn	2.5	2.6	3.2
	Contribution to UK tax, including taxes paid directly by Berkeley and the taxes paid by customers and suppliers as a result of Berkeley activities	£m	800	837	774
	Contribution to facilities and services for local communities, including affordable housing subsidies	£m	370	560	556
	UK jobs supported annually directly and indirectly through the supply chain	#,000	24	29	29
Supply chain	Average number of days taken to pay suppliers	#	29	30	30
	Average monthly number of on-site contractors	#	8,825	9,473	9,415
Quality	Homes with fewer than five defects reported by customers on completion	%	91	91	94

Unlocking brownfield sites

Berkeley is currently the only UK homebuilder with the skills and resources to deliver urban brownfield regeneration at scale.

What are the challenges?

- **Building trust;** with local communities and councils
- **Planning and regulatory regimes;** which are highly complex and uncertain
- **Capital;** high up-front investment
- **Land assembly;** with multiple land ownerships
- **Design challenges;** to address unique site-specific constraints
- **Infrastructure delivery;** such as new roads, bridges and stations
- **Operations;** building in complex urban environments

How do we solve them?

- **Partnership working;** based on strong relationships with local stakeholders
- **Diverse inhouse expertise;** to work through complex challenges
- **Design-led solutions;** to unlock sites and create high quality neighbourhoods
- **Patient placemaking;** to help shape strong and engaged communities
- **Strong capital base;** to deliver multiple capital intensive programmes
- **Long term sustainable operating model;** to create value through market cycles



Before regeneration: Battersea gasworks



After regeneration: Prince of Wales Drive

Our Vision 2030 strategy in action

Strategy in action

The Green Quarter – a place for people, communities and nature

The 88-acre former Southall Gasworks is being transformed into a nature-rich neighbourhood of 3,750 homes, characterised by 13 acres of beautiful parks, meadows and wetlands, designed in partnership with the London Wildlife Trust. Close to half of the site will be public space, including a mix of natural habitats, fitness trails, public squares, outdoor event space and children's play and recreation areas. The new neighbourhood also brings a wide range of public amenities to Southall, including a health centre, primary school, community centre and a mix of shops, cafés and office space.

Scan the code

to read the 2024 Community Social Impact report for The Green Quarter



This year we have been delighted to have worked in partnership to deliver the following at The Green Quarter:

- More than 65 community activities and events, engaging more than 8,000 local people and bringing together the local community.
- Supported more than 35 apprentices, hosted 12 work experience placements and 28 site tours. There have also been nearly 30 engagement sessions with local schools to showcase the range of careers available within the built environment sector.
- A new electric bike hire scheme has been launched, helping residents and the local community travel sustainably between the station and all areas of the development.
- A new tree nursery, consisting of 600 air-potted trees of six different species grown in the UK. These will remain on site for at least 15 years before being planted for permanent use across future St George developments.
- A 14-week youth leadership programme with Groundwork London, one of the Berkeley Foundation's Strategic Partners, alongside Southall Community College.
- A 'Go Green' event in October 2023 which brought the community together in celebration of sustainability and the great outdoors, including workshops led by the London Wildlife Trust.
- A Meanwhile use community hub, Parkside Yards, with retail opportunities and creative activities for all.

Third party assurance

KPMG has been engaged to provide an independent limited assurance opinion over certain information (as indicated by the symbol Δ) in accordance with ISAE (UK) 3000.



The limited assurance report is available on Berkeley's website at the following link, and we recommend that it is read in full.

www.berkeleygroup.co.uk/about-us/investors/debt-investors



The Berkeley Group Holdings plc

Berkeley House
19 Portsmouth Road
Cobham
Surrey KT11 1JG

www.berkeleygroup.co.uk

Registered number: 5172586