

OUR VISION  
**2030**  
TRANSFORMING TOMORROW



**Berkeley**  
Group

# GREEN FINANCE FRAMEWORK

JANUARY 2022







*Berkeley’s passion and purpose is to build quality homes, strengthen communities and make a positive difference to people’s lives.*

Woodberry Down, Finsbury Park

# TABLE OF CONTENTS

1.0	INTRODUCTION	4
1.1	Berkeley – regeneration of complex, brownfield land is inherently sustainable	6
1.2	Berkeley’s sustainability, social and economic credentials	12
1.3	Berkeley’s long-standing commitment to sustainability	16
1.4	Sustainability Governance	30
1.5	Rationale for Framework	32
2.0	BERKELEY’S GREEN FINANCE FRAMEWORK	36
2.1	Use of Proceeds	37
2.2	Asset Evaluation and Selection Process	38
2.3	Management of Proceeds	39
2.4	Reporting	40
2.4.1	Allocation Reporting	40
2.4.2	Impact Reporting	41
3.0	EXTERNAL REVIEW	45
3.1	Second-Party Opinion	45
3.2	Post issuance external verification	45
4.0	AMENDMENTS TO THIS FRAMEWORK	46

Front cover: White City Living



## 1.0 INTRODUCTION

*Cator Park at Kidbrooke Village, Berkeley's flagship net biodiversity gain project in the Royal Borough of Greenwich, was awarded the prestigious 'Sir David Attenborough Award for Enhancing Biodiversity'.*



# 1.1 BERKELEY – REGENERATION OF COMPLEX, BROWNFIELD LAND IS INHERENTLY SUSTAINABLE

Berkeley’s passion and purpose is to build quality homes, strengthen communities and make a positive difference to people’s lives.

We specialise in large-scale regeneration projects in London and the South East of England, focusing on challenging and complex sites with great potential. We have built up the breadth of expertise, financial strength and holistic placemaking approach needed to transform these underused spaces over the long term, delivering the physical and social infrastructure which reconnects them with their surrounding communities and brings them to life.

We are holistic long-term placemakers, which means we work collaboratively with local communities to design completely unique, welcoming and inclusive neighbourhoods. For Berkeley, it means creating a place that works beautifully at a human level. Somewhere welcoming, friendly and safe, where people will really love to spend time and feel part of the community. The process of placemaking always starts with local consultation and engagement, and we work very hard to seek out a diverse range of local people to properly understand their views, ensuring our plans complement and support their vision and goals.

We then continue working with the community, putting in place community plans to invest in the neighbourhood’s social and cultural strength. These plans involve a mix of local events to get neighbours talking, and provide funding and support for residents to set up local clubs, groups and residents’ associations.

Berkeley is now bringing forward 30 of the most complex and challenging regeneration projects in the country, including vast neglected spaces, which have fragmented local communities and deterred investment.

We passionately believe that reviving sites like these is vital to reinvigorating our town centres and high streets. It takes many years of patient placemaking to stitch these vast spaces, once cut off from their local communities, back into the local fabric and to bring them to life with the right mix of homes, public amenities, parks and open spaces. This is inherently sustainable and Berkeley is the only developer doing it at scale.

86%

of the homes delivered (2,433 homes) were on brownfield land in the year ended 30 April 2021

83%

Proportion of developments under construction on brownfield land

30

Berkeley is bringing forward 30 of the most complex and challenging regeneration projects in the country



Hartland Village in Fleet, former derelict jet engine testing and development site



# 1.1 BERKELEY – REGENERATION OF COMPLEX, BROWNFIELD LAND IS INHERENTLY SUSTAINABLE (CONTINUED)

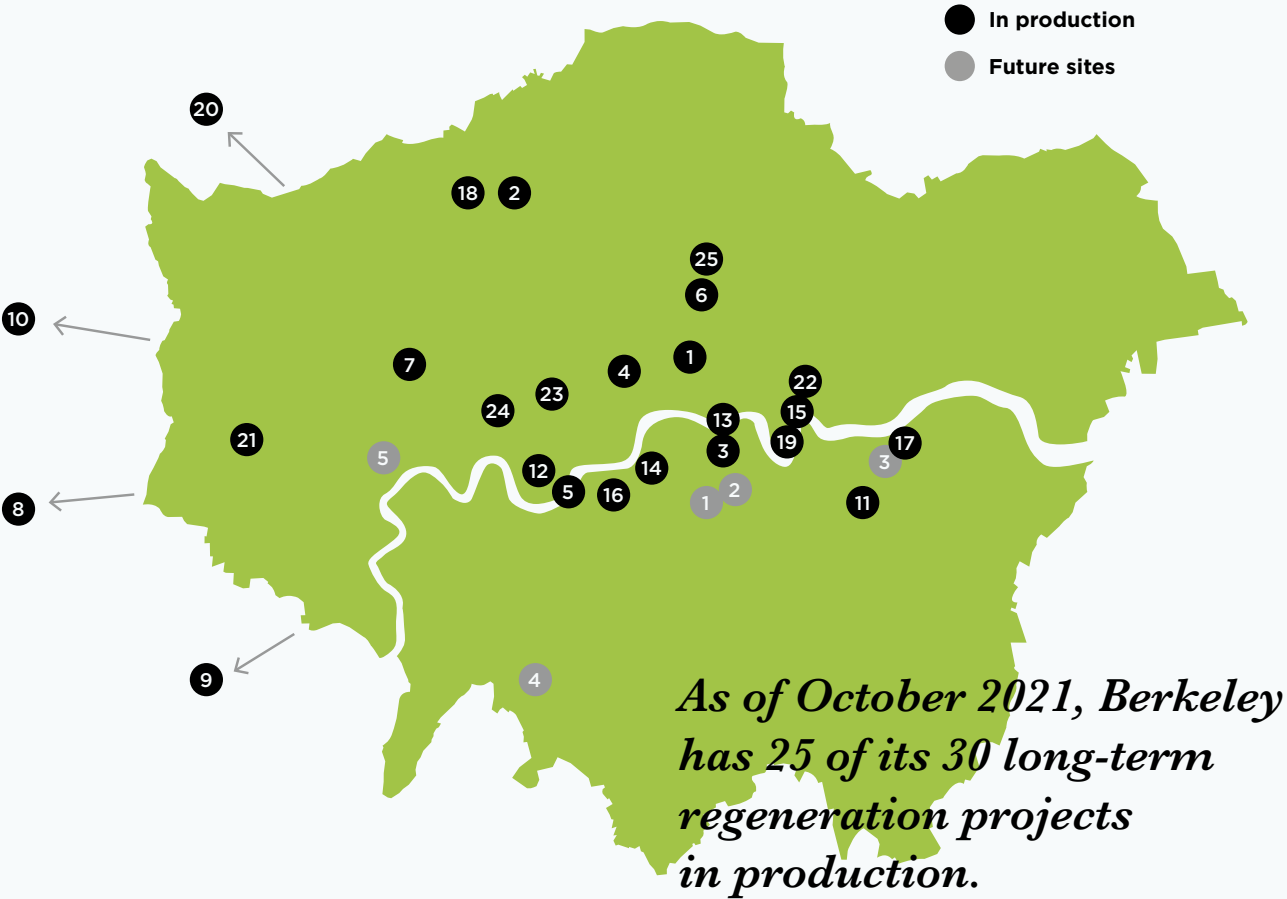
**In production**

- 1 250 City Road, Islington
- 2 Beaufort Park, Hendon
- 3 Bermondsey Place, Southwark
- 4 Camden Goods Yard
- 5 Chelsea Creek
- 6 Clarendon, Haringey
- 7 Grand Union Place, Brent
- 8 Green Park Village, Reading
- 9 Hartland Village, Fleet
- 10 Horlicks, Slough
- 11 Kidbrooke Village
- 12 King's Road Park, Fulham

- 13 London Dock, Wapping
- 14 Oval Village
- 15 Poplar Riverside
- 16 Prince of Wales Drive, Wandsworth
- 17 Royal Arsenal Riverside, Woolwich
- 18 Silk Park, Barnet
- 19 South Quay Plaza, Docklands
- 20 The Eight Gardens, Watford
- 21 The Green Quarter, Southall
- 22 TwelveTrees Park, Newham
- 23 West End Gate, Paddington
- 24 White City Living
- 25 Woodberry Down, Finsbury Park

**Future sites**

- 1 Aylesham Centre, Peckham\*
- 2 Borough Triangle
- 3 Lombard Square, Plumstead
- 4 Sutton
- 5 Syon Lane, Brentford



**CASE STUDY 1**

## THE GREEN QUARTER, EALING, LONDON

### THE GREEN QUARTER WEST LONDON

88  
acres of former  
gasworks and  
Heathrow parking site

3,750  
mixed-tenure  
homes adjacent to  
forthcoming Crossrail  
station (Elizabeth Line)

42  
acres of green open  
space, including 13  
acres of biodiverse  
parks and wetlands

Community hub,  
nursery, primary school,  
health centre, leisure  
and retail facilities

New road bridge,  
relief road and  
connection to A-road

New footbridge to  
neighbouring 90 acre  
Minet Country Park





CASE STUDY 2

# WHITE CITY, LONDON



11

acre former warehousing and logistics site

2,350

mixed-tenure homes, 100,000 sq ft shops, cafés, restaurants and community space

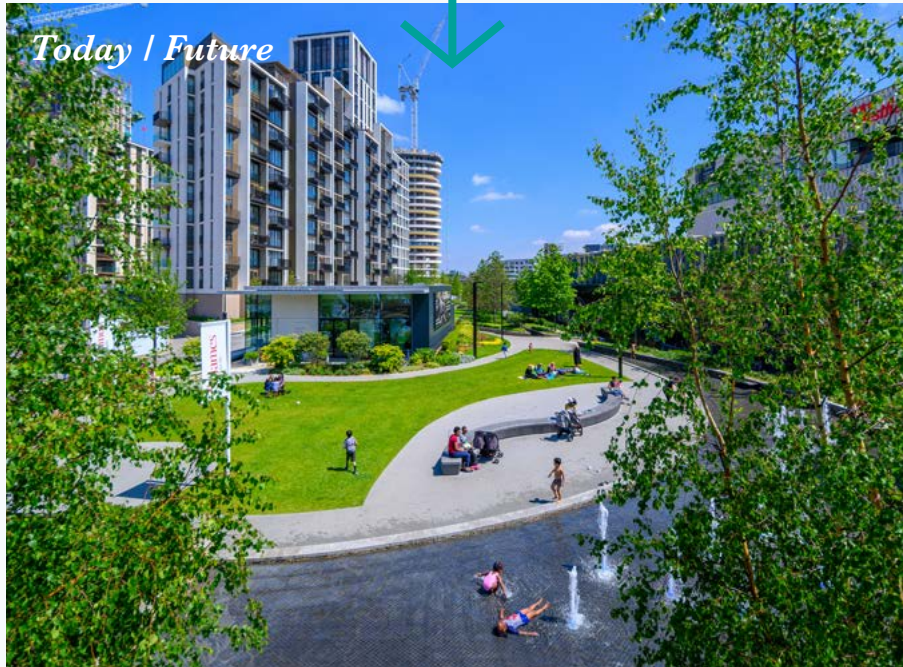
50%

public open space, including 5 acre park, 430 new trees, native planting, public squares

Bridge and pedestrian decks built over the Central Line

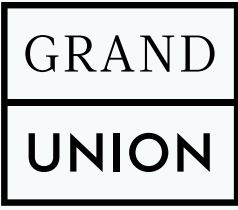
Pedestrian access routes created through railway arches

Energy efficient building fabric, community heat and power network



CASE STUDY 3

# GRAND UNION, BRENT, LONDON



22

acre derelict industrial site

3,350

mixed-tenure homes, 200,000 sq ft flexible working hub

35%

public open space, including waterside piazza and gardens

850m

of rejuvenated canal and riverside walkway

Rooftop photovoltaic panels, green and brown roofs, combined heat and power, rainwater harvesting, sustainable urban drainage systems



Computer generated image



# 1.2 BERKELEY’S SUSTAINABILITY, SOCIAL AND ECONOMIC CREDENTIALS

Returning brownfield sites to community use is inherently sustainable and is vital to meeting local housing needs. It energises local economies and relieves pressure on greenfield land.

Set out to the right is a selection of our sector leading-sustainability and social credentials which recognise the numerate benefits from our regeneration activities:



Berkeley's leading approach to climate action is reflected in a CDP Climate Action and Transparency Leadership level rating of A-.



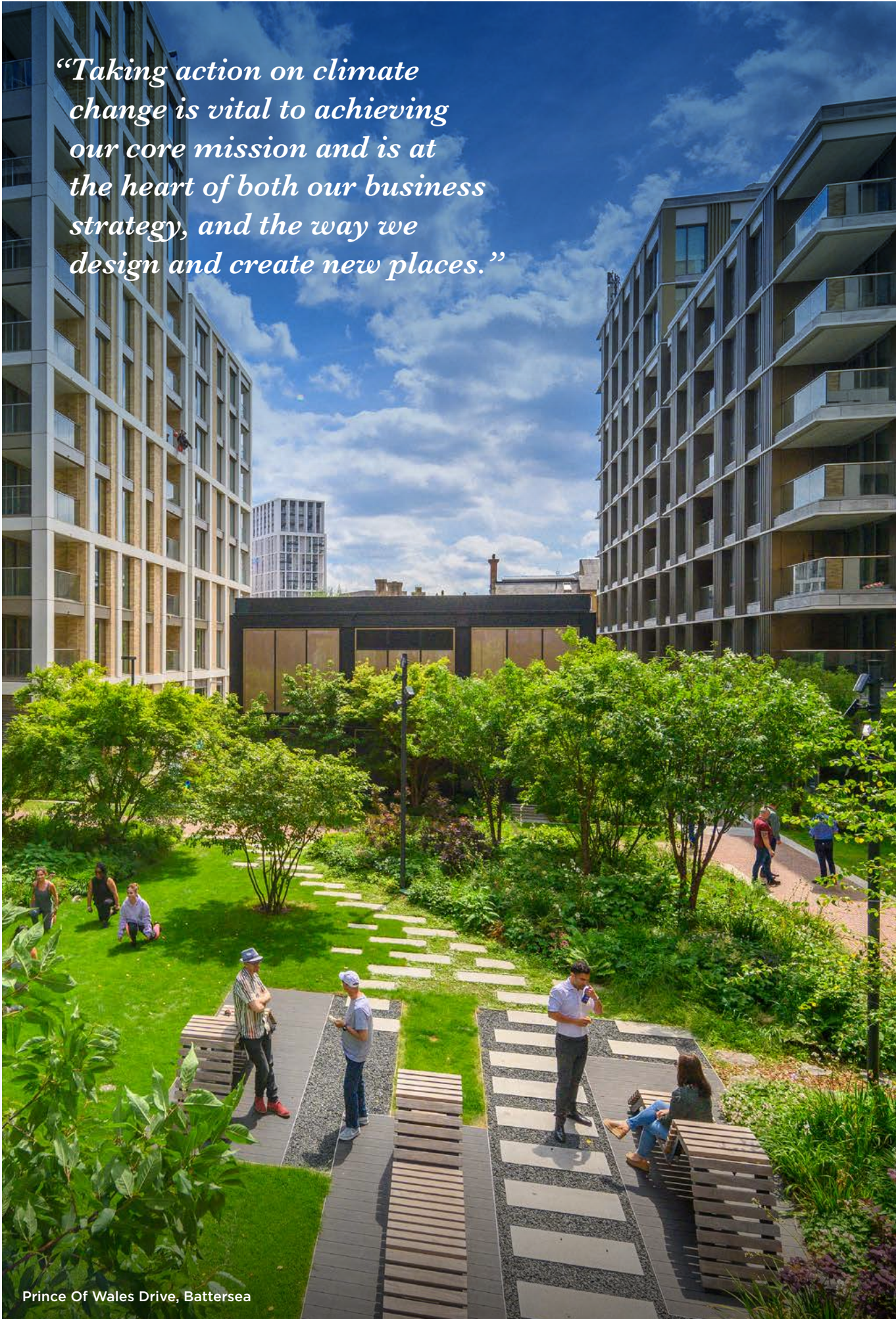
Berkeley has achieved a AAA MSCI rating for the past 5 years, ranking within the top 7% of the sector. This is based on our brownfield redevelopment and action on carbon, together with our commitment to net biodiversity gain.



In December 2020, the Berkeley Group was named Sustainable Housebuilder of the Year for the second consecutive year at the Housebuilder Awards 2020.



In December 2020, Cator Park at Kidbrooke Village, Berkeley's flagship net biodiversity gain project in the Royal Borough of Greenwich, was awarded the prestigious 'Sir David Attenborough Award for Enhancing Biodiversity' and the 'Overall President's Award' at the Landscape Institute Awards.



*“Taking action on climate change is vital to achieving our core mission and is at the heart of both our business strategy, and the way we design and create new places.”*

Prince Of Wales Drive, Battersea





# 1.2 BERKELEY’S SUSTAINABILITY, SOCIAL AND ECONOMIC CREDENTIALS (CONTINUED)

Each year EY completes an Economic Impact Assessment based on Berkeley’s financial data as well as publicly available statistics. The results for the last five years are presented below.

**HOMES**  
**18,481**

Berkeley built 3,254 homes in 2020/21 and a total of 18,481 over the last five years (including joint ventures).

**COMMUNITIES**  
**£2.0 billion**

Berkeley has contributed £1.4 billion as a subsidy for affordable housing and committed to additional payments of £0.6 billion to help pay for a wide range of facilities and services for local communities over the last five years.

**ECONOMY**  
**£13.8 billion**

Berkeley’s contribution to UK GDP was over £2.5 billion in 2020/21 and £13.8 billion for the last five years.

**JOBS**  
**28,000**

Berkeley has supported, on average, 28,000 jobs per annum directly and indirectly through its supply chain over the last five years.

**TAX**  
**£3.7 billion**

Total UK tax contribution of £0.6 billion in 2020/21 and £3.7 billion during the last five years. This includes taxes paid directly by Berkeley and the taxes paid by its customers and suppliers as a result of Berkeley’s activities.



# 1.3 BERKELEY'S LONG-STANDING COMMITMENT TO SUSTAINABILITY

## Our Vision 2030: Transforming Tomorrow

In 2010 Berkeley created a long-term strategy called “Our Vision”. Over the last decade it has pushed us forward and has helped us to lead the homebuilding industry in important sustainability areas such as tackling biodiversity loss and climate change, but also in other key business areas such as customer satisfaction and embracing advanced manufacturing.

Our Vision 2030: Transforming Tomorrow is our new ambitious strategy for the business launched in early 2021. It encapsulates a new vision statement for the business:

*“Our Vision is to be a world-class business, trusted to transform the most challenging sites into exceptional places and to maximise our positive impact on society, the economy and the natural world.”*

It centres on ten strategic priorities that Berkeley will focus on for the coming decade. The ten strategic priorities are shown in the diagram opposite. Each priority has a long-term goal and is supported by an underlying action plan with short, medium and long-term targets and a refreshed set of core KPIs which we will use to measure outcomes and impacts.

## PLACES THAT STAND THE TEST OF TIME

- CUSTOMERS**  
Put our customers at the heart of our decisions and provide an industry-leading home buying experience.
- QUALITY**  
Lead the industry in producing high quality, safe homes for all.
- COMMUNITIES**  
Transform underused land into unique, well-connected and welcoming places where people and communities can thrive for the long-term.
- CLIMATE ACTION**  
Play an active role in tackling the global climate emergency by creating low carbon, resilient homes.
- NATURE**  
Create a net biodiversity gain and make a measurable contribution to the natural environment on every development.

## EXCEPTIONAL PEOPLE AND RESOURCES

- EMPLOYEE EXPERIENCE**  
Create a positive working environment for our people; one that fosters respect, support, wellbeing, safety and inclusivity.
- MODERNISED PRODUCTION**  
Harness advanced manufacturing and digital technology to build more homes and to achieve higher standards of quality, safety and sustainability.
- FUTURE SKILLS**  
Equip our people with the skills they need both now and for the future, enhancing social mobility and inspiring new talent to join the industry.
- SUPPLY CHAIN**  
Build a responsible and constructive supply chain; one that is productive, practical and profitable, sustainable, ethical and dependable.
- SHARED VALUE**  
Allocate capital to deliver sustainable returns to our shareholders whilst creating value for our other stakeholders including through the work of the Berkeley Foundation.

*“Our Vision is to be a world-class business, trusted to transform the most challenging sites into exceptional places and to maximise our positive impact on society, the economy and the natural world.”*



Three of the 10 strategic priorities within the business strategy are key sustainability topics; **nature**, **climate action** and **communities**. Our track record and future approach in these three areas sets the tone for Berkeley’s sustainability approach. More detail on each of these key focus areas is contained on the following pages.



# 1.3 BERKELEY’S LONG-STANDING COMMITMENT TO SUSTAINABILITY (CONTINUED)

## CONNECTING PEOPLE AND NATURE

Living close to nature is good for our wellbeing and is central to the way Berkeley designs, builds and looks after new neighbourhoods.

In 2016, Berkeley made a commitment to create a ‘net biodiversity gain’ on every new site, which means we measure the land’s established natural habitats before work starts, then create long-term plans to increase its natural value and create a more beautiful, connected and sustainable living landscape.

Our approach is helping nature to recover across dozens of current

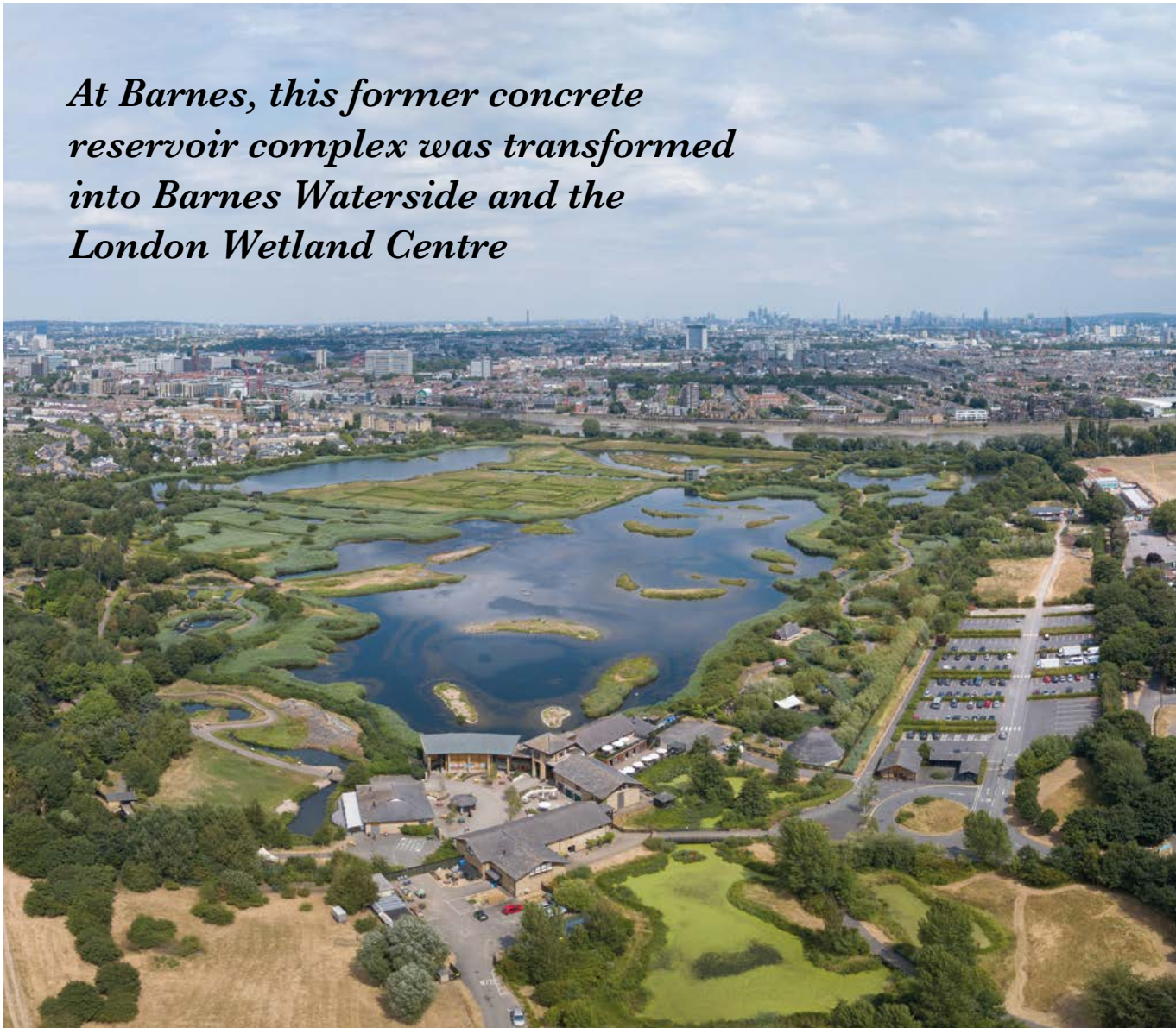
and future developments, and giving thousands of people the chance to reconnect with a greener, wider landscape close to their homes.

We are very proud to have led the industry on net biodiversity gain and laid the path for it to become a national legal requirement for all developments.

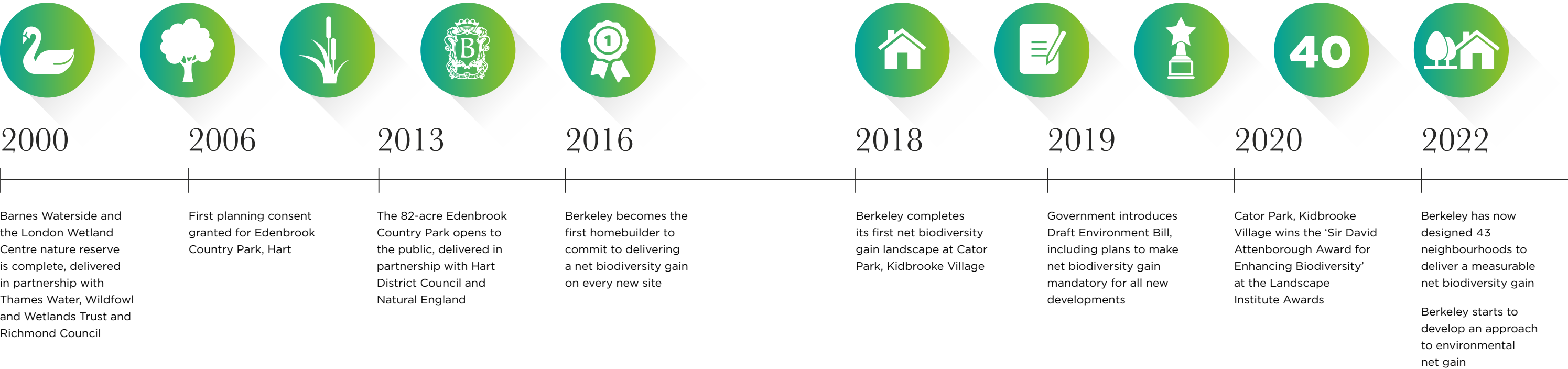
We have built up a pipeline of over 43 developments which together will create around 500 acres of new or measurably improved natural habitat; an area the size of London’s Hyde Park.

*“We recognise the Berkeley Group’s commitment to achieving a measurable net gain in biodiversity and welcome their positive contribution and continued support for an industry-wide approach.”*

Emma Howard Boyd,  
Chair, Environment Agency



*At Barnes, this former concrete reservoir complex was transformed into Barnes Waterside and the London Wetland Centre*





CASE STUDY 4

# EDENBROOK VILLAGE, FLEET

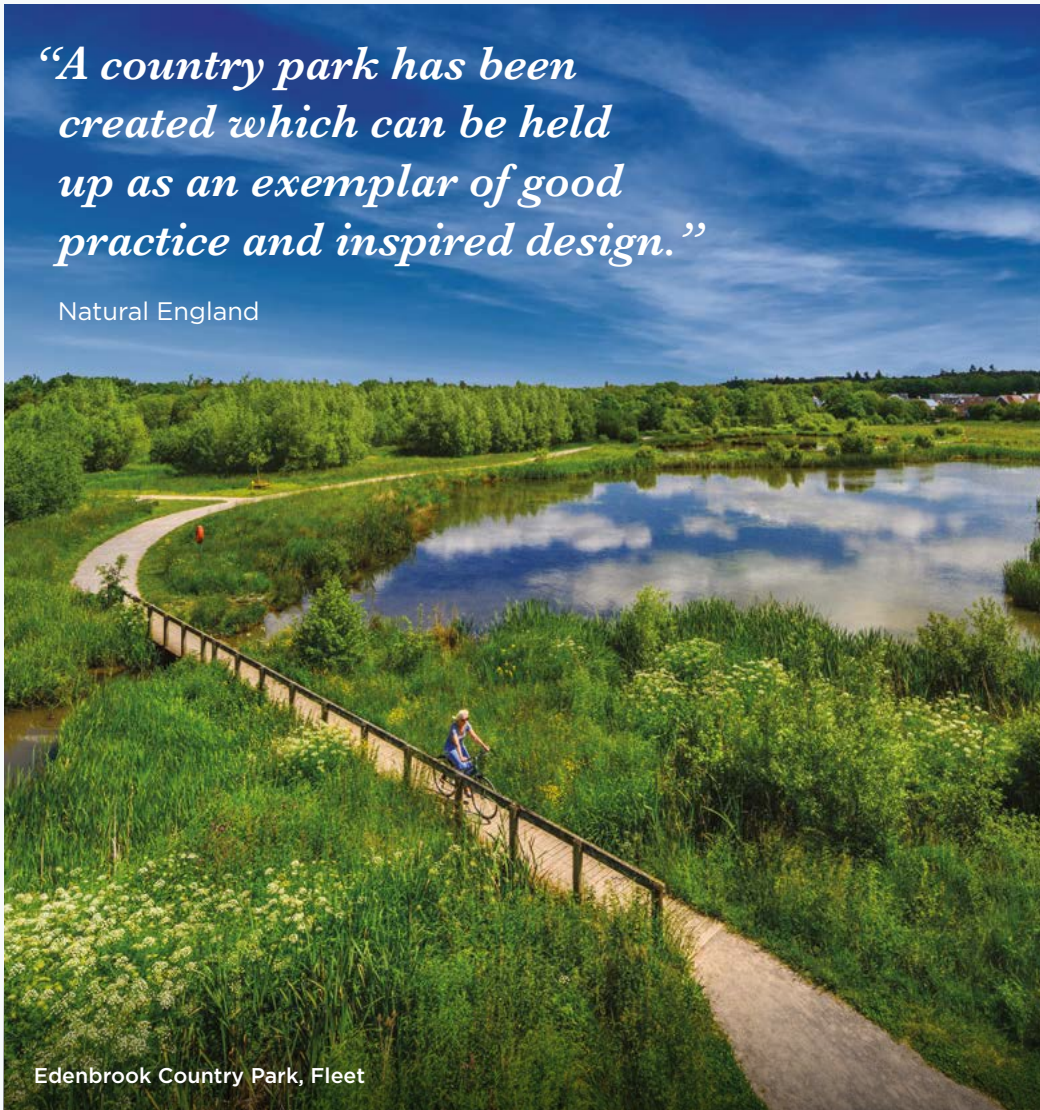


146  
acres of private farmland

600  
mixed-tenure homes

82  
acre Country Park including wetland habitats, meadows and woodland. Electricity pylons replaced with underground cables to facilitate the development of the country park and to restore views

Berkeley is working in partnership with Hart District Council and Natural England to deliver the 82-acre Edenbrook Country Park, which includes a mix of biodiverse meadows, ponds, wetlands and woodlands, all connected by a network of footpaths, boardwalks and cycle paths. The park's waterways serve as both a sustainable drainage network and a valuable habitat for a range of bird and invertebrate species.



# 1.3 BERKELEY'S LONG-STANDING COMMITMENT TO SUSTAINABILITY (CONTINUED)

## Broadening our approach to Environmental Net Gain

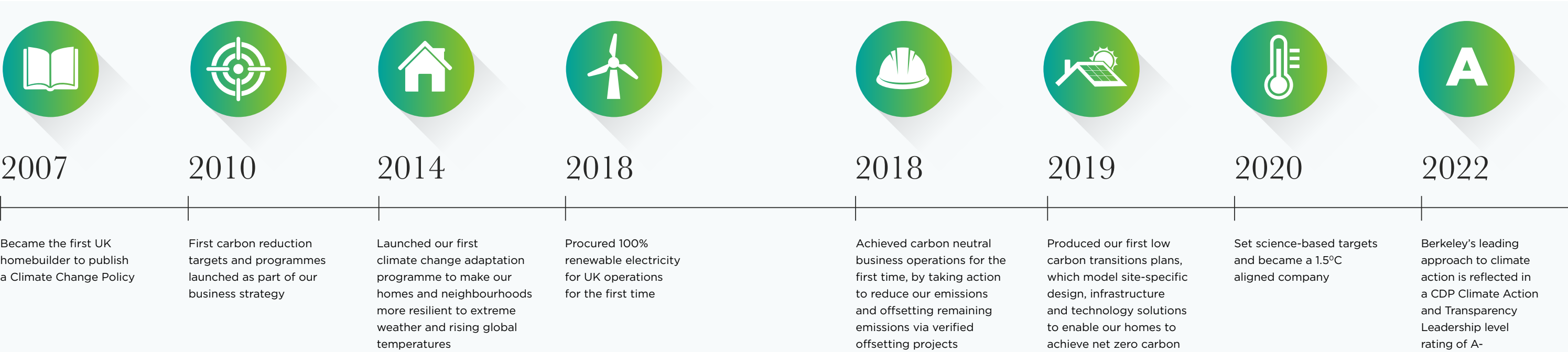
We want to go further and are now developing a more challenging approach which will deliver a more valuable and holistic 'environmental net gain' on every development; covering flood protection, recreation and improved air and water quality.

Read more about our approach at [www.berkeleygroup.co.uk/about-us/sustainability/nature](http://www.berkeleygroup.co.uk/about-us/sustainability/nature)





# 1.3 BERKELEY’S LONG-STANDING COMMITMENT TO SUSTAINABILITY (CONTINUED)



## CLIMATE ACTION

Tackling climate change has long been a priority for Berkeley, and we successfully reduced the carbon impacts of our sites, offices and sales venues by 73% between 2016 and 2019 through adopting more efficient practices and procuring 100% renewable electricity.

We were the first homebuilder to deliver carbon neutral direct operations through voluntarily offsetting our remaining emissions, which we have done for four successive years, and Berkeley's leading approach to climate action is reflected in a CDP Climate

Action and Transparency Leadership level rating of A-.

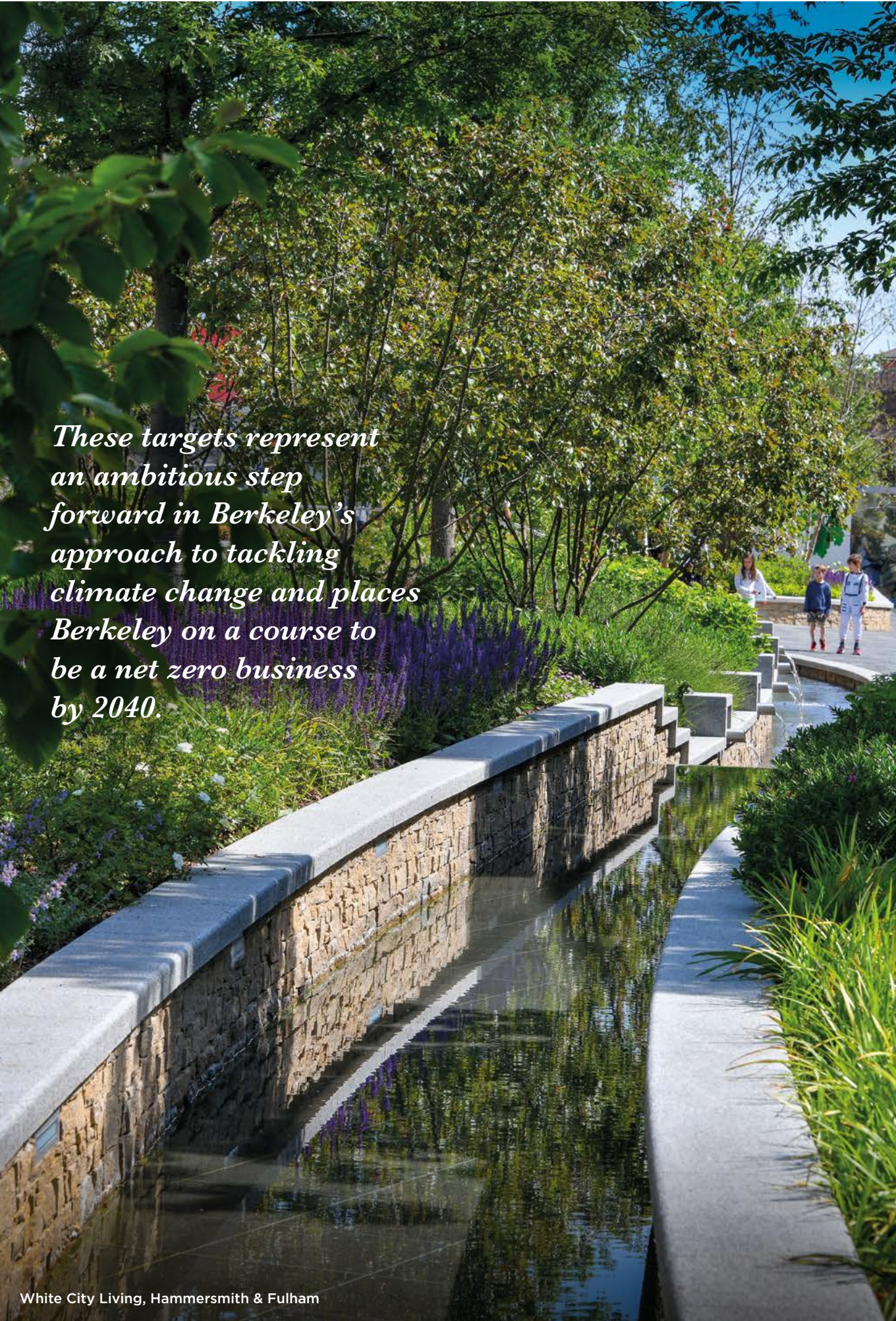
We are now pushing the boundaries even further, having become one of the first 350 companies in the world to commit to limiting global warming to 1.5°C through adopting ambitious, independently verified science-based greenhouse gas reduction targets.

As part of our commitments we are designing more energy efficient homes and places, which include highly efficient building fabric and low carbon energy infrastructure and technology solutions.

## MEMBERSHIPS, AWARDS, ACCREDITATIONS







*These targets represent an ambitious step forward in Berkeley's approach to tackling climate change and places Berkeley on a course to be a net zero business by 2040.*

White City Living, Hammersmith & Fulham

# 1.3 BERKELEY'S LONG-STANDING COMMITMENT TO SUSTAINABILITY (CONTINUED)

## Science Based Targets to Reduce Greenhouse Gas Emissions<sup>1</sup>

In December 2020, Berkeley received approval from the Science Based Targets initiative (SBTi) for its science-based targets (SBTs) to reduce greenhouse gas (GHG) emissions:

- Berkeley commits to reduce absolute scope 1 and 2 GHG emissions from its direct operations by 50% between 2019 and 2030
- Berkeley commits to reduce scope 3 GHG emissions from its purchased materials and services by 40% per square foot of legally completed floor area between 2019 and 2030
- Berkeley commits to reduce scope 3 GHG emissions from the use of the homes we build by 40% per square foot of legally completed floor area between 2019 and 2030

These targets represent an ambitious step forward in Berkeley's approach to tackling climate change and have been calculated to ensure that we play our part in limiting global warming to 1.5°C above pre-industrial levels.

They will place Berkeley on a course to be a net zero business by 2040.

50%↓

reduction in absolute scope 1 and 2 GHG emissions from its direct operations between 2019 and 2030

40%↓

reduction in scope 3 GHG emissions from its purchased materials and services between 2019 and 2030

40%↓

reduction in scope 3 GHG emissions from the use of the homes we build between 2019 and 2030



<sup>1</sup> Berkeley science-based targets: [www.berkeleygroup.co.uk/our-vision/climate-action](http://www.berkeleygroup.co.uk/our-vision/climate-action)



# 1.3 BERKELEY'S LONG-STANDING COMMITMENT TO SUSTAINABILITY (CONTINUED)

## COMMUNITIES AND SUSTAINABLE LIVING

We engage the local community in the design of our developments and continue to use our toolkit, Creating Successful Places, on new developments as a framework for applying the ideas that can lead to future residents experiencing a great quality of life.

Read more on our toolkit, Creating Successful Places, at [www.berkeleygroup.co.uk/about-us/sustainability/communities-and-sustainable-living](http://www.berkeleygroup.co.uk/about-us/sustainability/communities-and-sustainable-living)

As customers move in, we build relationships to understand what initiatives and activities we can help facilitate to deliver thriving communities. A key mechanism for this is the production of community plans, which we have on a variety of developments to explore structured ways to build a community, foster community governance and encourage placekeeping.

To help homeowners live sustainably we incorporate a range of features into developments, from water efficient and energy efficient fittings and fixtures, to recycling facilities, cycle storage and electric car charging points. We also include information in all our Living Guides that enables occupants to understand and operate their home efficiently and make the best use of local facilities.

## CASE STUDY 5



**ROYAL ARSENAL RIVERSIDE**  
Royal Borough of Greenwich, London

Royal Arsenal Riverside is an exemplar of our approach to strengthening communities:

### Royal Arsenal Riverside, Woolwich

This is a community steeped in military, royal and industrial history. It has been an integral part of London's development from Roman and Tudor times.

At the turn of the twentieth century, the Royal Arsenal buzzed with heavy industry. Thousands of workers made the guns that armed Allied forces on the Western Front. Today, it has been transformed again. Twenty years of painstaking renovation and sustained investment has created a beautiful Thames-side neighbourhood.

It already has a very strong sense of identity and community. The RARE brand (Royal Arsenal Riverside Explore) is used and owned by dozens of local operators to promote the Farmers' Markets, Woolwich Carnival, a Free Film Festival, the Swing Dance Festival, a Contemporary Print Fair and Christmas Fêtes.

The residents at Royal Arsenal report high level of happiness, belonging, and trust in their neighbours. They feel that where they live makes a positive contribution to their sense of identity and intend to live in the neighbourhood for many years.



Royal Arsenal Riverside

## Community life at Royal Arsenal Riverside

89

acres of derelict munitions manufacturing site

5,106

mixed-tenure homes including discount market sale

£48.3m

contribution to services and infrastructure

Dial Arch Square, Wellington Park, the four acre Maribor Park and a new stretch of Thames riverside

A Heritage Centre, the Academy of Performing Arts, pubs, cafés, a brewery, restaurants, health facilities, offices, shops and a crèche

A new Crossrail station and a river bus pier



# 1.3 BERKELEY’S LONG-STANDING COMMITMENT TO SUSTAINABILITY (CONTINUED)

## Sustainability is embedded in Berkeley

Whilst we focus on nature, climate action and communities as the cornerstones of our approach, our sustainability strategy encompasses a broader set of objectives including high environmental standards applied to our construction activity and targets for reducing our resource use.

In addition to the three key focus areas, our approach also covers:

### ENVIRONMENTAL MANAGEMENT

Our goal is to identify and manage environmental risks on our sites, to avoid incidents and reduce the impact of our construction site activities on the environment and local communities.

### RESOURCES

Our goal is to reduce our impact on key resources including water and materials, to design to the principles of circular economy and collaborate with our supply chain to work towards zero waste construction sites.

Read more on each of these areas on our website at [www.berkeleygroup.co.uk/about-us/sustainability/resources](http://www.berkeleygroup.co.uk/about-us/sustainability/resources)

Read more on our current performance metrics in our 2021 Annual Report at

[www.berkeleygroup.co.uk/about-us/investor-information/annual-report](http://www.berkeleygroup.co.uk/about-us/investor-information/annual-report)

2 Berkeley Sustainable Development Goals: [www.berkeleygroup.co.uk/about-us/sustainability](http://www.berkeleygroup.co.uk/about-us/sustainability)

## Supporting the United Nations’ Sustainable<sup>2</sup> Development Goals

We recognise that although all the SDGs and the targets that underpin these are important and interconnected, it is imperative to focus our efforts on those that are most material to our business, where we have the greatest ability to deliver meaningful positive impact.

In 2019, we further reviewed the SDGs and underlying targets, identifying four that are most relevant to our business activities and that we have the greatest opportunity to contribute to the achievement of, particularly through the Our Vision business strategy.



## The Berkeley Foundation<sup>3</sup>

The Berkeley Foundation is the independent grant-making Foundation established by Berkeley in 2011. It works in partnership with the voluntary sector and others to help young people in London, Birmingham and the South of England overcome barriers, improve their lives and build a fairer society. It does this primarily by funding high-quality frontline support for marginalised young people.

Since its launch, the Foundation has committed over £23 million to more than 100 charities and worthy causes. These range from in-depth Strategic Partnerships with programmes like Street Elite and charities like Crisis and The Lord’s Taverners, to smaller-scale partnerships with the local Designated Charities chosen by staff in our offices and on our sites.

Berkeley provides the majority of the funding for the Foundation, partnering with staff to raise money through fundraising events, Give As You Earn and match funding pound for pound.

*Since its launch in 2011, the Foundation has committed over £23 million to more than 100 charities and worthy causes, supporting work with more than 33,000 people; helping them to move out of homelessness, build their skills, move into work or access new opportunities.*

3 Berkeley Foundation: [www.berkeleygroup.co.uk/about-us/the-berkeley-foundation](http://www.berkeleygroup.co.uk/about-us/the-berkeley-foundation)





# 1.4 SUSTAINABILITY GOVERNANCE

## Governance<sup>4</sup>

Ultimate responsibility for sustainability lies with the Board of Directors. At each meeting the Board is provided with a report on Sustainability, including progress against our priorities and targets. Karl Whiteman is the Main Board Director allocated with specific responsibility for Sustainability.

The responsibility for the Strategy and the Group-wide Standards sits with the Group Head of Sustainability. We have a dedicated sustainability team of more than 20 professionals across the business who work with our project teams to enhance our approach.

We also rely on a network of champions throughout the business to help us achieve our goals and every employee has a duty to integrate the relevant elements of this sustainability strategy into their role and working practices. Bi-monthly sustainability committee meetings are held at a Group level, and these are supplemented by operational sustainability forums.

4 Berkeley Sustainability Governance and Management: [www.berkeleygroup.co.uk/about-us/sustainability/governance-and-management](http://www.berkeleygroup.co.uk/about-us/sustainability/governance-and-management)

5 [www.berkeleygroup.co.uk/about-us/investor-information/annual-report](http://www.berkeleygroup.co.uk/about-us/investor-information/annual-report)

## Management

Policies and standards are set at a Group level and these are supported by a sustainability management system in place across all of our divisions. Our sustainability management system includes procedures to manage sustainability at each stage of the development process, from land purchase, through design, procurement and construction, all the way to marketing, sales and handover.

It is the responsibility of the local Divisional Management team, supported by the sustainability resource within each division to ensure that the Group-wide Strategy and Standards are met.

The sustainability team is responsible for ensuring implementation of the procedures, providing any necessary training and undertaking progress reviews and audits. It is the responsibility of the wider business to ensure compliance against the requirements.

## Reporting<sup>5</sup>

Berkeley welcomes the recommendations of the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD). Berkeley reports on climate-related governance, strategy, risk management, and metrics and targets in a stand-alone report as found on our website ([www.berkeleygroup.co.uk/about-us/sustainability/governance-and-management/reports-and-case-studies](http://www.berkeleygroup.co.uk/about-us/sustainability/governance-and-management/reports-and-case-studies)) and within our annual response to CDP's Climate Change Programme.

Both climate change mitigation and adaptation are key areas of focus for Berkeley, featuring prominently within the Our Vision 2030 business strategy. Berkeley continues to take actions to further implement the TCFD recommendations through the evolution of our processes and reporting mechanisms. Our scope 1, 2 & 3 emissions are reported annually via our annual report and website, typically receiving limited assurance from an external third party auditor.

We have also chosen to disclose sustainability topics and accounting methods in line with the Home Builders Sustainability Accounting Standard issued by the Sustainability Accounting Standards Board (SASB). This information is to assist investors in understanding the governance and management of the Group's environmental and social impacts arising from its activities as well as the ability of the Group to create value over the long-term.





# 1.5 RATIONALE FOR FRAMEWORK

The establishment of this Green Finance Framework allows Berkeley to fund its investment in its developments with environmentally and socially impactful and transparent debt instruments, underpinning its commitment to align its financing strategy with its broader environmental and social commitments.

This approach to financing is fully reflective and complementary in nature to our responsible management and development ethos.

In doing so, Berkeley is supporting the growth of the green debt market, which we see as a critical tool for driving the decarbonisation and sustainability agenda as well as meeting the commitments of the Paris Agreement on global climate action.



The Green Quarter, Ealing



## 2.0 BERKELEY'S GREEN FINANCE FRAMEWORK



# 2.0 BERKELEY’S GREEN FINANCE FRAMEWORK

In order to meet Berkeley’s commitments described in this document, and to finance project developments and assets that will deliver environmental benefits in support of Our Vision 2030, we have elected to create a Green Finance Framework (the “Framework”), supporting the issuance of Bonds, Loans (including Term Loans and Revolving Credit Facilities) and other financing instruments, collectively “Green Finance Instruments (GFI)”. This Framework is prepared in accordance with the ICMA Green Bond Principles (GBP) 2021 and LMA Green Loan Principles (GLP) 2021 or as they may be subsequently amended, collectively Green Finance Principles (GFP).

Berkeley asserts that it will adopt the following, as set out in this Framework:

- 1) **Use of Proceeds**
- 2) **Process for Asset Evaluation and Selection**
- 3) **Management of Proceeds**
- 4) **Reporting**

Berkeley will aim to, where possible, adhere to best practices in the market and will review the Framework’s alignment to updated versions of the GFP over time.

As such, this Framework may be updated and amended in the manner described in Section 4 (“Amendments to this Framework”). Any such amended Framework and corresponding review by an External Reviewer, will be published on Berkeley’s website and will replace this Framework in respect of subsequent issuance.



# 2.1 USE OF PROCEEDS

Given Berkeley’s focus on regeneration of urban brownfield land and restoring it to sustainable community use, Berkeley has developed a Framework to fit its unique development business model.

Under this Framework, Berkeley will utilise amounts equivalent to the net proceeds (the “Net Proceeds”) raised from any Green Finance Instrument in accordance with this Green Finance Framework, 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”) following completion of the relevant developments.

As a home builder, the Green Development Pool will consist 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.<sup>7</sup>

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

TYPE	IMCA CATEGORY	ELIGIBILITY CRITERIA	UN SDGs	SDGs TARGETS	ENVIRONMENTAL OBJECTIVE
Green	Green Buildings	All of the development costs associated with delivering private and affordable homes which are: <ul style="list-style-type: none"><li>• EPC A or B rated, and</li><li>• Delivered on brownfield land</li></ul>	<div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13 CLIMATE ACTION</div>	<div>7.3</div> <div>11.6 &amp; 11.7</div> <div>12.2</div> <div>13.1</div>	<div>Climate change mitigation</div> <div>Biodiversity conservation</div>

6 Green Bond Principles (GBP) 2021 - [www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/](https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/)

7 As Berkeley completes the sale of the green buildings (homes) under this framework, the associated development costs come off Berkeley’s balance sheet and go through the profit and loss account. Berkeley will continuously monitor the Green Development Pool and replace assets that are sold, in accordance with this framework, to ensure proceeds remain fully allocated to Eligible Green Assets throughout the lifetime of any Green Finance Instruments



## 2.2 ASSET EVALUATION AND SELECTION PROCESS

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

- Group Finance
- Group Sustainability
- Other representatives from the Group’s Planning, Technical, Procurement and Construction Committees on an invitational basis, as appropriate

The Green Finance Committee is chaired by the Chief Financial Officer and meets at least semi-annually 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 that with an equivalent eligible asset as soon as feasible
- Review annual allocation and impact reporting to facilitate reporting (as described in Section 2.4)

Eligible Green Assets will be aligned with Berkeley’s internal guidelines, policies and risk management procedures, in addition to applicable social and environmental standards and regulations.

## 2.3 MANAGEMENT OF PROCEEDS

The Net Proceeds of each Berkeley Green Finance Instrument will be earmarked towards funding Eligible Green Assets as stated in section 2.1, and included within the Green Development Pool. Berkeley has established a Green Development Register for the purpose of recording assets in the Green Development Pool.

On a ‘best efforts’ basis, Berkeley intends to maintain an aggregate amount of assets in the Green Development Pool that are at least equal to the outstanding Net Proceeds of any Green Finance Instrument. Berkeley aims to allocate the Net Proceeds to assets rapidly after the issuance of any Green Finance Instrument. Allocation levels over

time will be subject to prevailing market conditions and ongoing development activity. The Net Proceeds will be managed according to Berkeley’s internal systems to ensure appropriate project tracking. The monitoring of Eligible Green Assets will take place regularly. As Berkeley completes the sale of a property, the Green Finance Committee will remove the associated development cost from the Green Development Pool and replace that with an equivalent eligible asset as soon as feasible. In the event that funds cannot be rapidly allocated in full, or in the event of any anticipated early repayment, unallocated proceeds will be held in line with Berkeley’s general liquidity policy until either allocation to Eligible Green Assets or repayment.



Beaufort Park, Barnet



2.4 REPORTING

Within one year from issuance of any Green Finance Instrument, and annually until full allocation of the Net Proceeds thereof, Berkeley will publish an Allocation Report and an Impact Report on its website providing information on the allocation of the Net Proceeds within the Green Development Pool.

Whilst any Green Finance Instruments are outstanding, Berkeley may, from time to time, provide qualitative and quantitative information relating to the nature and/or identity of assets within the Green Development Pool.

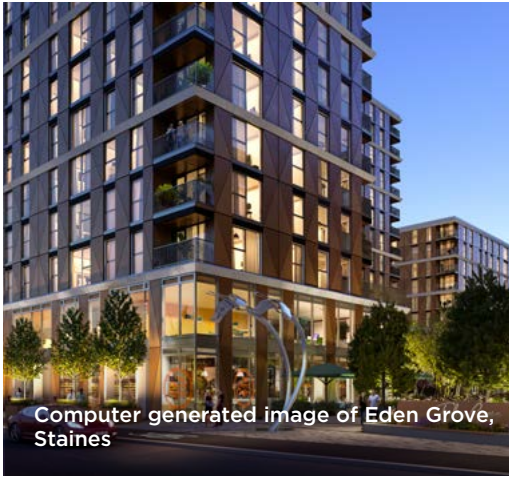


Computer generated image of the Horlicks Quarter, Slough

2.4.1 Allocation Reporting

The information will contain at least the following details:

- I. The net proceeds outstanding from each Green Finance Instrument on issue
- II. The total amount of proceeds allocated to the Eligible Green Assets
- III. The share of refinancing (development costs incurred prior to the date of issuance) versus new financing
- IV. The split of EPCs expected (or achieved) by assets financed within the Green Development Pool
- V. The balance of unallocated proceeds and any further relevant information on how unallocated proceeds are being held



Computer generated image of Eden Grove, Staines



Woodhurst Park, Warfield

2.4.2 Impact Reporting

Where feasible, Berkeley will share the progress and positive impact delivered and will provide reporting on relevant impact metrics for Eligible Green Assets where available. Case studies or project summaries may also be provided.

Berkeley intends to align, on a best effort basis, the reporting with the portfolio approach described in the ICMA Framework for Impact Reporting. Examples of the relevant metrics could include:

TYPE	IMCA CATEGORY	EXAMPLE IMPACT INDICATORS (ALL METRICS EXCLUDE JOINT VENTURES)	SASB ALIGNMENT
Green	Green Buildings	• Number of completed homes with an EPC rating of A or B	• IF-HB-410a.1
		• Number of completed homes delivered on brownfield land	• IF-HB-160a.1 • IF-HB-410b.2
		• Number of completed homes to be supplied with low carbon or renewable energy	• IF-HB-160a.4
		• Average water efficiency of completed homes (in litres per day)	• IF-HB-160a.4 • IF-HB-410a.2
		• Proportion of completed homes provided with recycling facilities	• IF-HB-160a.4
		• Proportion of developments under construction with sustainable urban drainage systems	• IF-HB-160a.4
		• Proportion of developments under construction with cycle storage facilities	• IF-HB-410b.1
		• Proportion of developments under construction including electric car charging points	• IF-HB-410b.1
		• Proportion of construction waste during the year that has been recycled or reused	• IF-HB-160a.4
		• The value of subsidies provided to deliver affordable housing and committed to wider community and infrastructure benefits in the year	• N/A





**3.0 EXTERNAL REVIEW  
&  
4.0 AMENDMENTS TO  
THIS FRAMEWORK**

Royal Arsenal Riverside





## 3.0 EXTERNAL REVIEW

### 3.1 Second-Party Opinion

Berkeley has appointed DNV to provide an external review on the Berkeley Green Finance Framework, and confirm its alignment with the GFP. This Second-Party Opinion document will be made available on Berkeley’s website.

### 3.2 Post issuance external verification

Berkeley’s annual allocation reporting will also be subject to external verification. As relevant, the external reviewer will verify or comment upon:

- The compliance of assets financed by the Green Finance Instrument proceeds with eligibility criteria defined in the use of proceeds section in this Framework
- Allocated amount related to the Eligible Green Assets financed by the Green Finance Instrument proceeds
- The management of proceeds and unallocated proceeds amount
- The level of assurance provided

The external verification report will be published on Berkeley’s website.



## 4.0 AMENDMENTS TO THIS FRAMEWORK

The Green Finance Committee will review this Framework on a regular basis, including its alignment to updated versions of the GFP over time, with the aim of adhering to best practices in the market. Such review may result in this Framework being updated and amended. The updates, if not minor in nature, will be subject to the prior approval of Berkeley and an appropriate external reviewer. The updated Framework and corresponding review by a competent external reviewer, if any, will be published on Berkeley's website and will replace this Framework.

*Berkeley's passion and purpose is to build quality homes, strengthen communities and make a positive difference to people's lives.*



Computer generated image of TwelveTrees Park in Newham, a 26 acre former Parcellforce depot site





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