Climate-related disclosures

Berkeley aims to play an active role in tackling the global climate emergency.

Climate action is a strategic priority for the business and is embedded within Our Vision 2030, with our overarching target to be a net zero business by 2045. Our transition plan to achieve this is holistic and transformative, encompassing our direct business operations along with the design of the new homes and places we create in partnership with our supply chain.

Having already achieved a 77% reduction in our scopes 1 and 2 greenhouse gas (GHG) emissions since 2019, we are looking to push ourselves further. This year an action plan to target energy reduction was submitted to the Environment Agency in line with the requirements of the Energy Savings Opportunity Scheme (ESOS).

Our focus on the currently unregulated emissions associated with the materials used to build new homes will provide our greatest impact to overall emissions reductions. The embodied carbon assessments that we complete during the planning and design stages of our developments enable our teams to make more informed decisions in relation to design, specification and sourcing. Supply chain engagement is also key; we continue to engage with manufacturers to better understand and influence the decarbonisation pathways of high impact material groups.

Updated near-term and new net zero science-based targets (SBTs) across scopes 1, 2 and 3 have been submitted for validation this year to continue to drive action.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

In developing our climate-related disclosures, Berkeley has reviewed the TCFD report Recommendations of the Task Force on Climate-related Financial Disclosures, including the 2021 Annex detailing Guidance for All Sectors and Supplemental Guidance for Non-Financial Groups in relation to Materials and Buildings. We are pleased to confirm that our disclosures are consistent with these guidelines and align with the UK Listing Rules (as referred to in UK Listing Rule 6.6.6R (8)).

Our reporting covers many of the requirements detailed within IFRS S2 Climate-related Disclosures published in June 2023. IFRS S2 integrates and builds on the TCFD recommendations and incorporates industry-based disclosure requirements derived from SASB Standards. We will look to further align in future reporting years, with IFRS S2 set to form the basis of the awaited UK Sustainability Reporting Standards (SRS).

Supplementing the climate-related disclosures within this report, Berkeley responds to the climate change elements of CDP's corporate questionnaire on an annual basis.

Climate progress and roadmap

Ensuring that we take action in relation to climate change is not new to Berkeley, with key milestones as follows:

2010
Set our first scopes 1 and 2 reduction targets as part of the launch of Our Vision.

2014
Completed climate change adaptation risk exercise identifying flooding, overheating and water shortage as the key risks for the homes and places we develop.

2016
Designed all new homes from this date to incorporate climate change adaptation measures.

2018
Initiated backing 100% of our UK electricity consumption with Renewable Energy Guarantees of Origin (REGOs), with this continuing to date.

2019
Undertook research on designing low carbon homes and implemented outcomes.

2020
Achieved validation from the SBTi for our first SBTs, including a scope 3 reduction target.

2022
Undertook our first embodied carbon assessments and completed climate scenario analysis.

2024
Introduced a detailed supply chain engagement strategy for high impact material groups.

2025
Revised transitional risks and opportunities through updated climate scenario analysis.

Submitted new SBTs, including net zero targets, to the SBTi for validation.

Submitted energy reduction action plan under ESOS.

Assessed heat pump technologies to determine the most appropriate for use in our homes.

Theme	Page reference	Summary
Governance	59 to 60	— The Board is provided with climate action progress updates each quarter through Our Vision 2030 reporting. — CEO is the lead sponsor for climate action. — CEO, CFO and COO attend monthly Our Vision 2030 and Sustainability Board meetings covering key climate actions including targets and progress on our transition to net zero. — Executive Committee receives updates on climate action from the Responsible Business Executive. — Responsible Business Executive and Group Head of Sustainability meet with Group operational committees, divisional management teams and operational sustainability teams to review progress and plan next steps. — Climate-related matters are assessed at development level which informs strategic business planning activity.
Strategy	61 to 66	— Our net zero transition plan is defined across three areas of focus and involves engagement with stakeholders, in particular those across our industry, supply chain and Government. — Climate change is a key risk monitored as part of the Group's risk management process. — Climate scenario analysis has identified key transitional risks in the short-term (0-2 years) to medium-term (to 2030) and physical risks in the long-term (to 2050), based on financial impacts and probabilistic loss modelling where possible. — Consideration of climate change in preparing our Financial Statements is detailed in Note 1.3 on page 191.
Risk Management	67 to 71	— Climate change identified as a standalone principal risk to the business since 2018. — Climate scenario analysis completed in 2022, with transitional risks and opportunities reviewed and updated in 2025. — Main Board, Responsible Business Executive, Group sustainability team and operational teams all form part of the process to identify risks and assess their relative importance, combining a top-down and bottom-up approach. — Responsible Business Executive and Group sustainability teams manage strategic compliance with evolving requirements. — Divisional management teams embed risk management in our day-to-day operations, integrating mitigation measures for each development as required.
Metrics and Targets	72 to 75	— Science-based targets in place for scopes 1, 2 and 3 GHG emissions with performance against these monitored and disclosed. — Relevant key metrics identified and disclosed, including industry-based metrics in line with SASB.

Governance

Involvement of our CEO and other key senior management with responsibility for climate action across all levels and aspects of the business is key to the success of our governance structure.

To provide a governance framework for our approach, Berkeley has an overarching Climate Change Policy detailing guiding principles of action.

Delivery of these is driven through our Climate Action priority area of Our Vision 2030 incorporating the net zero transition plan and supported by Sustainability Standards. These set out Berkeley's minimum requirements for our developments, as well as our construction site and supply chain activities, for topics such as energy efficiency, risk mitigation measures and reporting. They ensure that we are aligned to deliver the strategic actions and milestones outlined within our transition plan (see pages 61 to 65).

Management tools are in place to monitor action and performance. For example, each development uses a Project Sustainability Strategy to track compliance with the Sustainability Standards from land purchase through to completion, whilst our online data management system allows for live reporting of GHG emissions from our site, office and sales activities to assess progress against our scopes 1 and 2 SBT. Our management tools enable the regular communication of performance across the business, enabling insights and areas for further action to be identified and discussed.

Climate-related disclosures continued

Berkeley's governance structure for monitoring climate-related risks and opportunities, implementing strategic actions to address these and monitoring performance is summarised below.

Main Board Level

Board of Directors (1) (2)

- Overall responsibility for oversight of our strategy and management of climate-related risks and opportunities.
- Monitor progress towards strategic climate targets, with the Board report for each meeting including action taken in the year to date and planned next steps.
- Review Group Risk Management Report presented at each Board meeting. Climate change considered as a principal operating risk.
- Restricted Share Plan awards include an ESG underpin whereby up to 20% will be forfeited in the event of unsatisfactory progress against strategic and ESG priorities.

Audit Committee

- Oversight of Company-wide risk management process, including climate action alongside other principal risks.
- Undertake annual assessment of principal and emerging risks, along with the adequacy and effectiveness of internal control systems.
- Consider climate change impacts on the financial reporting judgements and estimates in the Financial Statements (see page 123).

Management Level

Chief Executive (1)

- Designated as accountable lead sponsor for the Climate Action strategic priority under Our Vision 2030.
- Review climate-related commitments and actions to ensure that they are ambitious and appropriate for the business.

Executive Committee (1) (2) (3) (4) (5)

- Review and sign off detailed plans and specifications of each development, from land purchase through all stages of development.
- Assess and manage strategic and operational risks.
- Routinely discuss progress under the Climate Action priority area and measures to be implemented to further drive improvement.

Our Vision 2030 and Sustainability Board (1) (2) (3) (4) (5) (6)

- Consists of CEO, CFO, COO, Executive Committee member with responsibility for sustainability, Responsible Business Executive and Group Head of Sustainability.
- Meet monthly with climate action a key topic on each agenda.
- Discuss progress against goals and targets to agree planned next steps.

Group Level

Group Risk Function (1) (2)

- CEO ensures the appropriateness of the Group's risk management strategy.
- CFO leads on strategic risk management, including oversight of climate scenario analysis.
- Risk Executive manages Group risk process and register, including climate change as a principal operating risk.

Group Responsible Business and Sustainability Teams (4) (5) (6)

- Identify strategic climate change risks and opportunities facing the Group and communicate these to the Group's Risk Executive.
- Develop targets and strategic climate action, including our transition to net zero.
- Integrate actions into day-to-day activities.
- Actively collaborate with external experts and industry working groups.

Group Committees and Working Groups (3) (5) (6)

- Operational committees (e.g. Technical Committee and Sustainability Committee) consisting of senior representatives from each of our businesses meet regularly, with climate action raised by the attending Responsible Business Executive and/or Group Head of Sustainability.
- Cross-disciplinary working groups take action in specific areas, such as embodied carbon and implementation of the Future Homes and Buildings Standards, guided by the Group Head of Sustainability.

Operational Level

Divisional Management Teams (1) (2) (3) (5) (6)

- Responsible for climate action in relation to the specific developments of their business.
- Nominate a management sponsor for the Climate Action strategic priority for their business.
- Maintain a risk register for their business, which includes sustainability and climate change risks.
- Communicate business performance to CEO and CFO at divisional board meetings.
- Meet with Responsible Business Executive and Group Head of Sustainability to identify improvement areas.

Operational Sustainability Teams (5) (6)

- Dedicated sustainability practitioners within each business.
- Support local management and development teams to implement Group Sustainability Standards and drive action to achieve continual improvement.
- Collaborate with the Group Responsible Business and Sustainability Teams.
- Monitor performance and present this to the divisional management and project teams.

Development Project Teams

- Ensure Environmental Risk Register in place throughout the lifespan of a project, to identify and control risks from land purchase through to design and construction.
- Manage day-to-day energy efficiency, implementation of new measures and achievement of targets.
- Report key data and actions to enable monitoring of Group-wide performance.

Key | Management roles with responsibility for climate action

(1) Chief Executive (2) Chief Financial Officer (3) Chief Operating Officer

(4) Executive Committee member with responsibility for sustainability (5) Responsible Business Executive (6) Group Head of Sustainability

Strategy

Taking action on climate has been a strategic priority for Berkeley since the launch of Our Vision in 2010 and our commitment to becoming net zero by 2045 reinforces this.

Overview of climate risks and opportunities

Berkeley uses the results of climate scenario analysis within our strategic planning processes. Transitional climate change risks and opportunities have been assessed in the short-term (0-2 years) and the medium-term (to 2030) to align with the time horizons of Berkeley's overarching responsible business strategy, Our Vision 2030. Present day exposure to physical risks has been assessed, with changes in the long-term (to 2050) considered in recognition that physical risks can manifest themselves over a longer period.

Climate scenario analysis indicates that as we navigate the implementation of the Future Homes and Buildings Standards in the short-term, Berkeley has higher exposure to transition risks linked to planning and design requirements and the substitution of existing technologies with lower emission options. In the medium-term, Berkeley may additionally be more exposed to higher raw material costs as a result of carbon pricing policies and the transition actions of our suppliers. A change in customer demands is a moderate opportunity in the medium-term should considerations such as energy efficiency become increasingly important to customers within their buying and rental decisions.

With low exposure to physical risks in the present day, climate scenario analysis shows that areas in which Berkeley's developments are located will see more heatwave days and a corresponding increase in the occurrence of prolonged drought stress by 2050 under a 4°C 'Hot House World' scenario. Changes in precipitation patterns with drier summers and wetter winters could augment the prevalence of subsidence conditions, whilst sites at risk of flooding could flood more often.

Transition planning

Responding to the key areas of transitional risk and opportunities for the business, and to achieve our net zero ambitions, our transition plan focuses on reducing embodied carbon, low carbon operations and delivering low carbon homes. An overview of our transition plan strategy can be found on pages 62 to 65, with details on key climate actions taken in the year on pages 48 and 49.

To help ensure the ongoing resilience of our strategy, actions are continually reviewed against evolving risks and opportunities by the Responsible Business Executive and Group Head of Sustainability, along with Group operational committees and working groups. Where necessary, key processes and controls such as our Sustainability Standards are updated.

As part of the development of our transition plan, Berkeley has been reviewing our future approach to carbon credits. We currently support the UK-based Retrofit Credits project developed by HACT and PNZ Carbon. This pioneering and unique project uses funds to retrofit social housing through the installation of energy efficient measures, reducing emissions of existing housing stock whilst also delivering social value. Our support in 2025 has an associated co-benefit of over £140,000 worth of social value impact for residents living in the retrofitted homes.

Berkeley recognises that whilst many organisations have plans in place to transition to a low carbon economy, climatic changes will occur and may affect the homes and places we develop. Key risks identified through climate scenario analysis, such as subsidence and flood risk, are assessed prior to land acquisition, with mitigation measures implemented as necessary. Our Sustainability Standards additionally set minimum requirements, including the provision of sustainable drainage systems (SuDS) and targeting internal water efficiency levels below building regulations, delivered through the integration of water efficient fixtures and fittings. Measures such as these help to ensure the resilience of our homes and communities in a changing climate.

Acknowledging the intrinsic link between nature and climate, Berkeley pioneered biodiversity net gain (BNG) in our industry from 2017 and follows an integrated water management approach whereby rainwater is stored and released into natural features to help manage surface water, also reducing the urban heat island effect.

Trent Park, Enfield

Key climate actions of our transition plan

Embodied carbon

Link to Our Vision 2030

Why is this a focus?

Just over half of our scope 3 emissions relate to embodied carbon arising from the activities of our supply chain, from the energy used to extract raw materials, processing these into construction products and transporting to site.

Reductions are targeted as part of our scope 3 SBT in relation to category 1: purchased goods and services.

Link to business model

Designing and planning new homes and places

Building new homes and places

Link to climate risks

Planning and design requirements

Raw material costs

Existing strategic actions for continued implementation

- Undertaking embodied carbon assessments for each new development during planning and design stages, enabling our project teams to make more informed design, specification and sourcing decisions and to take tangible action to reduce carbon impacts.
- Engaging with manufacturers and suppliers, including through our detailed supply chain engagement strategy for high impact material groups.
- Playing an active role within several industry groups to share knowledge and lessons learnt. This includes the UKGBC and the Future Homes Hub.

Planned strategic actions

- Embed efficient design principles across our developments.
- Assess suppliers of key impact materials on their performance, including carbon reduction targets and availability of product-specific carbon data.
- Work with suppliers and manufacturers delivering low carbon solutions.
- Procure lower carbon materials as standard where there is limited cost impact.
- Encourage and support suppliers in setting SBTs.

Low carbon operations

Link to Our Vision 2030

Why is this a focus?

Emissions related to the energy used during our construction, sales, office and vehicle fleet activities are under the direct control of Berkeley and we have the greatest ability to reduce these.

Reductions are targeted as part of our scopes 1 and 2 SBT.

Link to business model

Building new homes and places

Link to climate risks

Pricing of GHG emissions

Existing strategic actions for continued implementation

- Ensuring 100% of UK electricity has been backed by Renewable Energy Guarantees of Origin (REGOs) from solar, wind or hydro sources.
- Implementing energy efficiency requirements for our construction sites, offices and sales suites in line with our ESOS Action Plan.
- Setting annual energy consumption budgets for each division that are actively monitored through live reporting in our online data management system.
- Levying an internal carbon fee on each division, incentivising low carbon alternatives which may have a greater capital cost but that deliver reduced operational costs.
- Sharing of best practice initiatives and lessons learnt through Group committees, working groups, engagement events and via the intranet.

Planned strategic actions

- Replace traditionally fuelled company vehicles with hybrid or electric alternatives.
- Enhance focus on out of hours consumption.
- Collaborate with the supply chain to increase the use of electric or low carbon plant and machinery.
- Increase the use of on-site renewable technology on long-term construction sites.
- Transition offices and sales suites away from natural gas use.

Low carbon homes

Link to Our Vision 2030

Why is this a focus?

Almost half of our scope 3 emissions relate to the regulated energy use (such as heating, hot water and lighting) of the homes that we are creating for our customers.

Reductions are targeted as part of our scope 3 SBT in relation to category 11: use of sold products.

Link to business model

Designing and planning new homes and places

Building new homes and places

Marketing and selling new homes

Link to climate risks

Planning and design requirements

Substitution of existing technologies

Change in customer demands

Existing strategic actions for continued implementation

- Applying a fabric-first design approach, in combination with the most appropriate technology and infrastructure solution for each individual development.
- Delivering electric-led heating and hot water systems.
- Engaging with our designers and wider industry through the UKGBC, Future Homes Hub and the Chartered Institution of Building Services Engineers (CIBSE) to understand how to reduce the impact of our buildings.
- Communicating sustainable features to customers through the sales process, providing accessible and home-specific information.

Planned strategic actions

- Increase the use of low carbon heating solutions, such as heat pump technology.
- Analyse as-built performance, monitoring in-use energy consumption and emissions.
- Improve energy demand management in homes.

Key | Our Vision 2030 priorities

Customers	Quality	Communities	Climate action	Nature
Employee experience	Modernised production	Future skills	Supply chain	Shared value

Dependencies and challenges

The strategic actions of our transition plan are based on our current understanding of the decarbonisation routes of our industry. With capabilities across our value chain continually evolving, we will be regularly updating our planned actions.

Our transition is dependent on:

- The willingness, ability and speed of our supply chain to decarbonise and reduce the embodied carbon of materials.
- Reforms to the power system including increased renewable energy capacity, in line with Government's recently launched Clean Power 2030 Action Plan.
- The rate at which connected industries (e.g. utilities, transport, education and skills) set out detailed transition plans.
- Customer acceptance of low carbon alternatives for heating and powering homes.
- An industry-wide shift to low carbon alternatives and new technologies.
- Workforce behaviour change to reduce avoidable emissions.

Our transition is challenged by:

- A low number of suppliers and contractors that measure their emissions or have SBTs.
- The changing policy and regulatory landscape for housing.
- Lack of capacity in the electricity grid to connect new homes.
- Customer concern over increased costs for electric homes, and behavioural change required to operate non-traditional heating solutions.

This is an extract from the full 2025 Annual Report

Our transition plan

Net Zero

Key actions to date

Procuring biodiesel HVO and implementing energy efficiency measures

Applying a fabric-first design approach, incorporating renewable technologies and delivering homes using electric-led heating and hot water systems

Undertaking design stage embodied carbon assessments to implement low carbon design measures and engaging with suppliers

Key actions to reach net zero

- Improve energy efficiency with a focus on reducing out of hours usage
- Cease use of natural gas across our offices and sales suites
- Increase the use of electric plant and company vehicles
- Transition district heating to be net zero ready
- Improve energy demand management in homes
- Expand the use of low carbon heating technologies
- Design to lower embodied carbon
- Work in partnership with our supply chain to reduce emissions
- Ensure that all suppliers provide product-specific carbon data
- Explore nature-based solutions for carbon capture and storage

All completed homes 'zero carbon ready' (excluding homes connected to existing district heating systems) by 2030

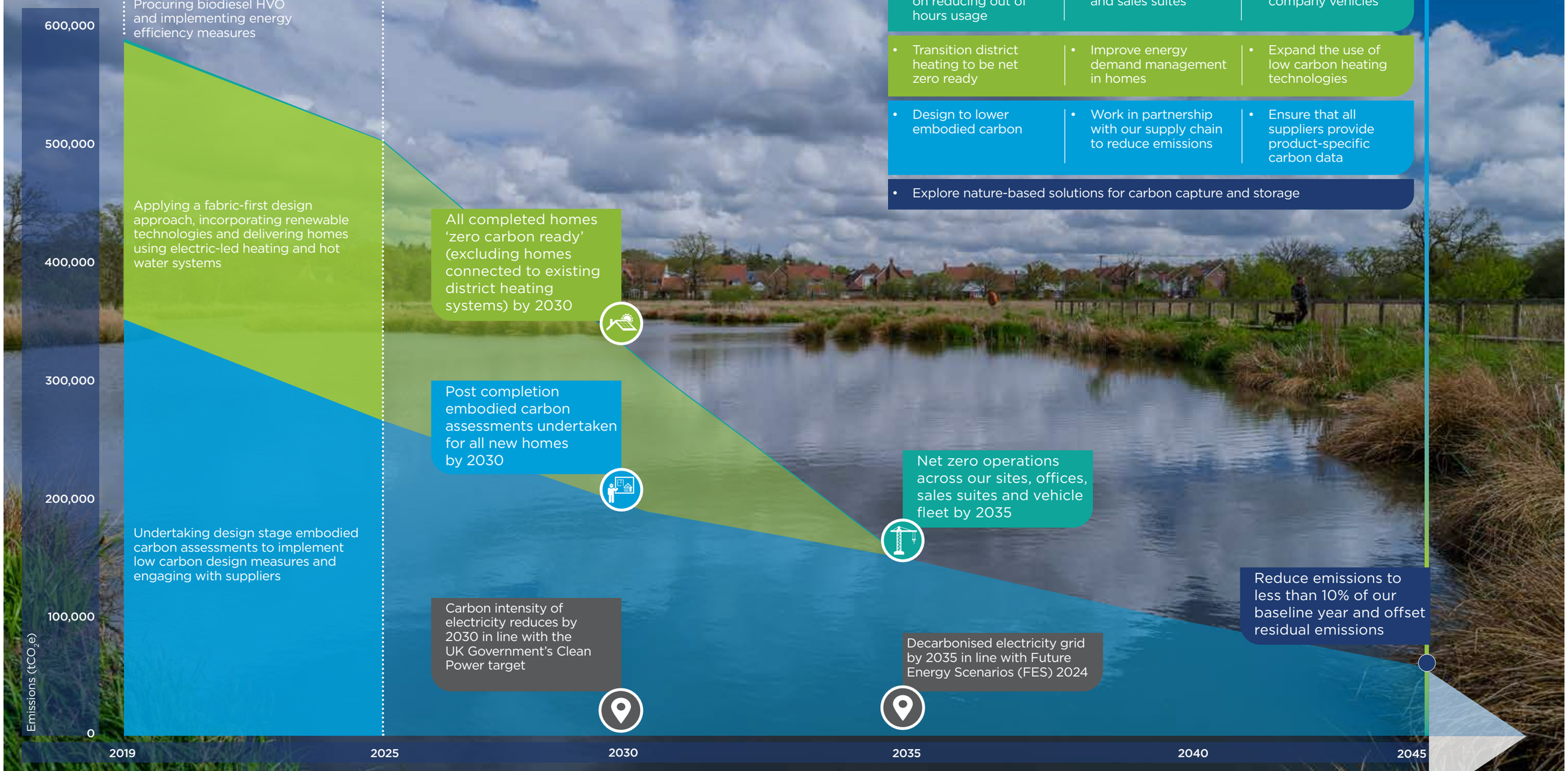
Post completion embodied carbon assessments undertaken for all new homes by 2030

Carbon intensity of electricity reduces by 2030 in line with the UK Government's Clean Power target

Net zero operations across our sites, offices, sales suites and vehicle fleet by 2035

Decarbonised electricity grid by 2035 in line with Future Energy Scenarios (FES) 2024

Reduce emissions to less than 10% of our baseline year and offset residual emissions



Note: Emissions to date depicted on a linear basis.

Key to milestones: Embodied carbon | Low carbon homes | Low carbon operations | External dependency

Climate-related disclosures continued

Engagement
Berkeley aims to ensure that our decarbonisation efforts include a fair and equitable 'just transition' that identifies potential effects on our stakeholders.

Collaboration is key to ensuring a just transition and delivering our transition plan, with key activities as follows:

Stakeholder impacts	Key engagement activities	Link to climate risks and opportunities
Supply chain Taking action to reduce emissions will be a challenge for our supply chain, requiring the adaptation of operations and skills, whilst minimising social impacts such as inequalities or job losses.	— Our Common Materials Strategy for key material groups includes embodied carbon and other sustainability requirements alongside technical compliance and quality. — Detailed supply chain engagement for high impact materials (concrete, steel, aluminium, glass and bricks) to assess the maturity of key suppliers in their decarbonisation journey. — Sustainability Standard for on-site contractors includes requirements in relation to energy and carbon reporting, as well as minimum energy efficiency measures. — Partner of the Supply Chain Sustainability School, including a collaboration project to deliver training to the supply chain and SMEs on net zero (see page 48).	Raw material costs Substitution of existing technologies Skills availability to deliver low carbon homes
Government, regulators and industry We acknowledge the need for a coordinated industry approach and that regulation can help to drive this. Inconsistencies can lead to a lack of trust and investment, delaying progress.	— Actively respond to Government consultations to share our insights and experience on topics such as efficient design standards and energy strategies. — Meet with local and national Government representatives and host visits to our development sites to directly engage and demonstrate challenges and progress. — Active participants in industry working groups including the UKGBC, Future Homes Hub and CIBSE.	Planning and design requirements Substitution of existing technologies
Customers and communities Solutions to address climate change should not come at an unaffordable price to our customers or negatively impact the communities we help to create.	— Development-specific information provided, including climate change mitigation and adaptation measures. — Home demonstration given at handover to ensure that customers are aware of technologies integrated into their home and efficiency measures to reduce costs. — Customer feedback used to provide insight into technologies such as heat pumps.	Change in customer demands Substitution of existing technologies
Employees The transition to a low emissions economy will impact our workers due to the rapid change in required skills. We will invest in training and competency to manage our transition.	— Sustainability training provided to all employees, with subject specific training (e.g. embodied carbon, Future Homes and Buildings Standards requirements) provided to relevant departments. — Awareness campaigns including 'lunch and learn' sessions and internal intranet to share best practice.	Skills availability to deliver low carbon homes

Risk management

Berkeley has recognised climate change as one of its principal operating risks since 2018.

Our regular process to identify and assess climate-related risk is incorporated within the Group's risk management framework, combining a top-down strategic review and a bottom-up review (see page 79).

The Responsible Business Executive and Group Head of Sustainability identify and monitor strategic climate-related risks and opportunities facing Berkeley through the evaluation of: evolving legislation, regulation and policy; customer feedback; and industry and global trends.

Risks and opportunities are identified for the short to medium-term (e.g. evolving planning and design requirements) and long-term (e.g. transition to net zero carbon).

The risks and opportunities cover our upstream value chain (such as material costs), our direct operations, and the impact on our customers of a changing climate.

Identified risks and opportunities are shared with the Group's Risk Executive and reported on at each Board meeting, with feedback provided back down the business to operating companies.

A fundamental principle of the operating structure of Berkeley is that the prime responsibility for assessing, managing and monitoring the majority of operational risks rests with divisional management teams, ensuring that risk management is embedded in our day-to-day operations. At a development level, the site-specific Environmental Risk Register and Project Sustainability Strategy tracker identify risks and monitor action taken to mitigate these from land purchase through to completion.

Abbey Barn Park, High Wycombe

Climate scenario analysis
Supplementing our regular approach to risk management, Berkeley undertakes climate scenario analysis to assess risks and opportunities relating to the transition to a lower carbon economy and the physical impacts of climate change. Climate scenario analysis is overseen by the CFO, the Responsible Business Executive and the Group Head of Sustainability.

Selected climate scenarios draw from widely used publicly available and peer reviewed sources, including the Intergovernmental Panel on Climate Change (IPCC) sixth assessment report (AR6) and projections by the International Energy Agency (IEA) as summarised below.

The scenarios selected are not intended to be forecasts for the future, but provide mechanisms to assess plausible outcomes against which Berkeley can assess its risks and opportunities.

The results of climate scenario analysis are periodically updated to ensure continued relevance.

Scan the code to read more about our climate scenario analysis methodology

Summary of scenarios

1.5°C scenario – IEA Net Zero Emissions by 2050 and IPCC RCP 2.6

— Actions are taken to reduce emissions in the short-term and consequently high transition risk is experienced.
— Physical risks are less severe than under the 4°C scenario and broadly similar to the 2°C scenario.

Below 2°C scenario – IEA Sustainable Development Scenario (SDS)

— Actions are taken to reduce emissions in the short-term, albeit slightly less aggressive than the 1.5°C scenario, and consequently high transition risk is experienced.
— Physical risks less severe than under the 4°C scenario and broadly similar to the 1.5°C scenario.

4°C scenario – IPCC RCP 8.5

— Increased level of warming associated with greater levels of acute and chronic weather events.
— Geographic climatic shift in the South East of the UK.

Transition risks and opportunities

This year, climate scenario analysis for transitional risks and opportunities (originally completed in 2022) has been reviewed with the support of Aon in recognition of the changes that our industry has seen in recent years and is expected to be exposed to in the near-term (e.g. the Future Homes and Buildings Standards). The aim was to revisit and validate key risks and opportunities based on a below 2°C orderly transition.

Transition risks and opportunities have been assessed in relation to aggressive climate mitigation measures in both the short-term (to 2027) and medium-term (to 2030). Berkeley is considered to have higher exposure to the transition risks and opportunities detailed in the table below, albeit none of these are considered individually material in the context of the Group's current year financial statements.

Berkeley has been assessed as having lower exposure to the following:

- **Risks:** Pricing of GHG emissions; Climate-related reporting obligations; Change in customer demands; Electric vehicle use; Investor perceptions; Cost of capital; Climate change litigation; Skills availability to deliver low carbon homes.
- **Opportunities:** Electric vehicle use; Cost of capital; Investor perceptions; Employee perceptions; Other stakeholder perceptions.

Details on the above can be found in our climate scenario analysis methodology online.

Scan the code to read more about our transitional risks and opportunities

Transition risks

Key | Exposure Low Moderate High

Transitional risk description	Risk exposure and potential impact	Mitigation strategy
Planning and design requirements become increasingly stringent as part of the UK's efforts to reach net zero and broader sustainability-related targets.	Short-term ● Medium-term ● As part of efforts to meet its net zero target, the UK is introducing increasingly stringent requirements related to sustainability through policy and legislation, such as the Future Homes and Buildings Standards. Due to the long-term nature and scale of Berkeley's developments often requiring the use of masterplan led energy strategies, we could be particularly affected by proposed changes. In the short to medium-term, homes on future phases of developments that are under construction may require a different heating solution from those currently planned. For example, switching to the installation of air source heat pumps. Cost impacts could be incurred through the substitution of existing technologies, as described below.	Operational committees of relevant functions (Land and Planning, Technical and Sustainability) monitor and discuss the evolving regulatory landscape and impacts on the business, taking action as required. To negate potential additional cost impacts, emerging requirements form part of development appraisals at the land purchase stage. Berkeley actively engages with government to help shape the direction of future regulation. Further to our submission to the Future Homes and Buildings Standards consultation in 2024, this year we responded to the Government survey on solar provision under the Future Homes Standard, including recommendations on the amount that can feasibly be provided on homes. We also participate in industry initiatives such as the Future Homes Hub, established to facilitate the collaboration needed within and beyond the new homes sector to help meet the climate and environmental challenges ahead.
Substitution of existing technologies with lower emission options will be required across our developments to comply with regulations.	Short-term ● Medium-term ● Electrification of residential heating is fundamental to the Future Homes Standard. The need to increase the capacity of the UK's electricity infrastructure may lead to constraints or additional costs. In addition, the principle of 'sleeving' heat networks may particularly impact Berkeley, requiring us to upgrade existing energy centres on our major regeneration sites with heat pump technologies. There is the risk that technologies selected at the outset of a planning process could become outdated and obsolete through the development process and upon building completion. Should the technology selected for our developments not perform as expected, there is the risk of customer dissatisfaction and reputational damage. The potential financial impact of this risk could be £1 million to £10 million in the short to medium-term.	Berkeley continually assesses nascent technologies and is incorporating heat pumps and photovoltaics within its designs. Following comprehensive analysis of suitable options using 'live-in' trials at our Heron Wharf development, we have identified the most appropriate exhaust air heat pumps for use within our homes. At the same time, Berkeley is increasing customer engagement on the adoption of new technologies and sharing feedback across the business to inform sales and customer service processes. We are engaging with relevant parties to ensure that necessary localised infrastructure upgrades are in place to support additional electrical loads ahead of the implementation of the Future Homes and Buildings Standards, whilst noting that there is also a dependency on the national grid to decarbonise.
Raw material costs could increase if suppliers pass through the impact of carbon pricing for high embodied carbon building materials, or if demand for low carbon alternatives outstrips availability.	Short-term ● Medium-term ● Key materials such as steel, concrete, cement and glass have energy intensive production processes which could require increased energy input costs or be subject to carbon tax regimes under low carbon emission scenarios. The cost of suppliers implementing mitigation measures as part of their own transition plans may also be passed on to customers. Demand for lower carbon or sustainable alternatives may increase and outstrip supply, potentially leading to increased costs and issues with lead-in times. The potential financial impact of this risk could be less than £1 million in the short-term and £1 million to £10 million in the medium-term.	Berkeley has a diverse supply chain drawing material from a wide range of suppliers and we regularly assess material costs as part of development appraisals. We have more than 80 manufacturer design and service level agreements to maintain high standards and continuity of supply regardless of changing and unpredictable market conditions. To help inform the efficient design of our buildings, embodied carbon assessments are undertaken. We also use our supply chain engagement strategy to understand and drive down embodied carbon, forming Group-wide agreements that enable us to access lower carbon alternatives at no or limited impact on costs and programme.

Transition opportunity

Transitional opportunity description	Opportunity exposure and potential impact	Realisation strategy
Change in customer demands may lead to an opportunity whereby homes and buildings with strong sustainability-related credentials are preferable.	Short-term ● Medium-term ● Whilst in the short-term the scale of opportunity for higher demand is not necessarily significant, as climate awareness and energy prices increase, customers (including purchasers and those within the rental market under our BTR platform) are expected to favour homes and buildings with greater energy operational efficiency. In addition, customer preference for new buildings with the latest technologies could further support demand. The potential financial impact of this opportunity could be less than £1 million in the short-term and between £1 million to £10 million in the medium-term.	Berkeley's focus on urban, brownfield regeneration is inherently more sustainable. Through our climate actions and delivery of Sustainability Standards we look to positively influence customer demands. For example, in 2023 we set a requirement for all new homes (excluding refurbishments) to meet a minimum Energy Performance Certificate (EPC) rating of B, aligning to the requirements of many of the green mortgages being offered by lenders. We actively communicate sustainable features to customers throughout our sales process and plan to extend this approach to our future rental customers, providing accessible and home-specific information.

Climate-related disclosures continued

Physical risks

Berkeley undertook climate scenario analysis for physical risks with the support of WTW (formerly Willis Towers Watson) in 2022. The results of this analysis are still considered to be relevant as we continue to develop across London, Birmingham and the South of England.

Physical risks have been assessed from present day over the long-term to 2050, with the latter being when the most significant impacts are likely to manifest. The below table summarises the predominant physical risks for the IPCC 1.5°C (RCP 2.6) and 4°C (RCP 8.5) scenarios. Risk exposure details are for 2050 and beyond under a 4°C scenario.

Probabilistic loss modelling was used to analyse the financial impact of acute risks (windstorm and flood) before any mitigation or adaptation measures, and irrespective of insurance or other recovery or consideration of financial responsibility for any such losses.

As Berkeley already insures against potential losses from catastrophic events, the primary cost exposure for Berkeley under a 4°C scenario could be an increase to insurance premiums for assets under construction.

Chronic risks

Physical risk description	Risk exposure and potential impact	Mitigation strategy
Heat stress set to increase with more frequent heatwave days annually.	Present day heat stress is very low throughout the UK (less than five heatwave days a year). The majority of England (in particular South East, South West and the Midlands) could be exposed to more material heat stress by mid-century with the potential for more than 20 heatwave days annually. Correspondingly, 84% of Berkeley's homes could be exposed to heat stress in the decades beyond 2050. There is the potential for overheating in our homes due to heatwave days, exacerbated by the urban heat island effect.	Berkeley introduced a bespoke internal overheating risk assessment in 2016 to ensure that all project teams assessed and mitigated this risk. Overheating risk is now incorporated within the 2021 Building Regulations and where homes are deemed to be at a higher risk detailed dynamic thermal modelling is undertaken. Mitigation measures are site-specific and can include thicker insulation to external walls, smaller windows with thermally efficient glass, incorporating shading through the design, enhanced ventilation and the incorporation of soft landscaping to help mitigate the heat island effect.
Drought stress expected to increase with extended periods of water scarcity.	There is low exposure to drought (less than two months a year) at present with the majority of England (in particular South East, South West and the Midlands) being exposed to more material drought conditions by mid-century. Correspondingly, 92% of Berkeley's homes could be exposed to drought conditions for three to four months annually in the decades beyond 2050. A significantly smaller proportion (5%) of homes could see drought conditions for six months of the year. The main implications are issues with water availability within our homes and impacts on the green spaces of our developments.	Our teams integrate blue and green infrastructure into our developments using a Code of Practice developed in conjunction with the Wildfowl and Wetlands Trust (WWT). We follow an integrated water management approach whereby rainwater is stored and released into natural features to help manage surface water. Attenuation offers significant opportunities to hold water for reuse. We reduce water usage by designing homes with water efficient fixtures and fittings and incorporate drought resilient planting in our green spaces.
Subsidence conditions and susceptibility could increase due to warmer and drier summers as well as wetter winters.	Present day ground conditions mean that building design addresses the risk of subsidence, with current regulations for high-rise buildings catering for design tolerance. Large areas in the South East and Eastern England could be exposed to increasing subsidence conditions in 2050 and beyond, including Greater London and the Thames Estuary due to the clay soils. The soil conditions for 90% of Berkeley's homes could potentially be impacted beyond 2050.	The risk of subsidence is assessed at a project level prior to land acquisition and analysed further by external experts during detailed design to ensure appropriate measures are incorporated to mitigate risk. Our developments in London have piled foundations which are engineered with additional factors of safety margins to ensure the buildings are anchored deep into the ground. For our housing developments outside of London, foundation design is agreed with specialist consultants to ensure it is appropriate for the underlying geology and risk of subsidence.

Acute risks

Physical risk description	Risk exposure and potential impact	Mitigation strategy
Flood risk likely to increase due to the potential for coastal flooding from sea level rise, as well as surface and groundwater flooding from heavy rainfall.	By 2050 there are no further sites exposed beyond the 6% of sites already at risk in the present day, given the predominance of Berkeley's portfolio in London and the flood defences in place in the area. However, these sites could flood more often. The main implication from flood is physical damage to completed property and construction assets. Probabilistic loss modelling estimates that by 2050 the physical damage from flooding under a 4°C scenario could exceed £27 million in a severe year (i.e. 1 in 200-year return period) and £60 million in an extreme year (i.e. a 1 in 1,000-year return period).	Risk is assessed pre-acquisition for all sites and subsequently during development planning and design if the area falls within a flood zone. Flood risk assessments vary in extent based on potential risk and include allowances for the effects of climate change. Our homes are designed to the flood risk identified with mitigation measures including raising lower floor levels and designing sustainable drainage systems (SuDS) to hold and store water in times of extreme rainfall.
Windstorm risk already exists for all of Berkeley's sites and there is no current scientific consensus that the UK will see an increase in windstorm intensity.	The typical windstorm hazard could pose a moderate risk for 100% of Berkeley's sites. This does not reflect a change to the present day levels of exposure, probability or potential losses of such risk. The main impact of windstorms is physical damage to completed property and construction assets.	Our developments are designed by specialist teams that select appropriate materials and fixing details which can withstand local conditions. In respect of mid- to high-rise buildings, wind engineering is undertaken at the pre-planning stage with designs incorporating features to resist high winds. Wind alerts are communicated to residents with instructions such as to close windows and secure loose objects from high level amenity spaces. Site safety guidance is sent to site teams ahead of storms and our tower cranes are fitted with anemometers, alerting and preventing operation during high winds.

This is an extract from the full 2025 Annual Report

Metrics and targets

To assess and manage performance in relation to climate action, Berkeley monitors and reports on a range of metrics in line with its operational boundary (including joint venture activities).

Scopes 1 and 2 emissions target
Berkeley has a validated SBT to achieve a 50% reduction in absolute scopes 1 and 2 (market-based) GHG emissions by 2030. Having already achieved a 77% reduction, updated targets have been submitted to the Science Based Targets initiative (SBTi) for validation. These would commit us to further reductions in the near-term and at least a 90% reduction by 2045 to achieve net zero emissions.

To reduce our scope 2 emissions, 100% of our UK electricity consumption continues to be backed by Renewable Energy Guarantees of Origin (REGOs) from solar, wind or hydro power.

Further information on our scopes 1 and 2 emissions is contained within the Directors' Report on pages 164 and 165.

Scope 3 emissions target
Berkeley's most significant impacts occur across our value chain (scope 3), including the embodied carbon of our homes resulting from the activities of our supply chain (category 1: purchased goods and services) and the energy use by our customers in homes once sold (category 11: use of sold products). These material categories accounted for 91% of our total scope 3 emissions in our 2019 baseline year.

Recognising the importance of taking action to reduce scope 3 emissions, we have a validated SBT to reduce scope 3 purchased goods and services and use of sold products GHG emissions by 40% per square metre of legally completed floor area by 2030.

As part of our SBT resubmission to the SBTi, we are newly targeting absolute scope 3 emissions reductions both in the near-term and by 2045 to achieve net zero.

Reductions in scope 3 emissions from dedicated action taken at a project level can take time to be realised, due to there often being several years between the planning and design phase of a project through to legal completions occurring. Berkeley is also highly dependent on supply chain action to reduce emissions, with our priority being to complete embodied carbon assessments to guide design and material specifications, at the same time as engaging with key contractors and suppliers.

Embodied carbon (category 1 – purchased goods and services)
Berkeley currently uses a methodology based upon spend data to estimate the embodied carbon of materials and services used in the development of our homes and places, in addition to gathering data on contractor purchased fuels.

The limitations of reporting using a spend-based methodology are recognised by Berkeley. We continue to take action to move away from this approach towards more robust data calculations, obtaining more detailed and material-specific data through the completion of embodied carbon assessments, the Group-wide introduction of a material delivery data capture system and supply chain engagement.

Low carbon homes (category 11 – use of sold products)
To estimate the lifetime carbon impact of our completed homes, we apply the calculated Dwelling Emission Rate (DER) across a 60-year period, in line with industry guidance. We do not take into account the anticipated decarbonisation of the UK electricity grid due to the variables involved.

Significant reductions in this area are anticipated in the coming years through the implementation of more stringent Building Regulations. The new Home Energy Model (HEM) calculation methodology will evolve emissions reporting in this area. We continue to work with industry and ensure our reporting reflects the prevailing and accepted methodology.

Industry-based metrics
Berkeley discloses industry-based metrics in line with the SASB Home Builders Sustainability Accounting Standard and has been an active member of the Future Homes Hub's working group established to develop a shared set of metrics for the industry in relation to sustainability performance.

To recognise climate-related risks and opportunities, we have additional targets to our SBTs with associated metrics in place. For example, we monitor measures implemented to manage the physical risks to our homes and places such as heat stress, drought stress and flood through the reporting of overheating risk assessments, water efficiency and SuDS.


Grand Union, Brent

Metric	Unit	2025	2024	Baseline 2019	Link to transition plan	Link to climate risks and opportunities
Reduce scopes 1 and 2 GHG emissions						
Absolute scopes 1 and 2 (market-based) emissions	tCO_2e	**896** (A)	**917**	3,980		Pricing of GHG emissions Climate-related reporting obligations
Percentage change in emissions compared to FY2019 (SBT baseline year)	%	**-77**	**-77**	–		
Energy consumption associated with scopes 1 and 2 emissions	MWh	**25,745** (A)	**27,505**	35,681		
Energy consumption from renewable sources	%	**87**	**88**	60		
Purchased electricity backed by REGOs	%	**98.2**	**98.3**	99.1		
Purchased electricity in the UK backed by REGOs	%	**100**	**100**	100		
Reduce scope 3 purchased goods and services and use of sold products GHG emissions						
Absolute scope 3 emissions (categories 1 and 11)	tCO_2e	**501,825** (A)	519,040	585,690		Planning and design requirements Substitution of existing technologies Raw material costs Change in customer demands Skills availability to deliver low carbon homes
Percentage change in absolute emissions (categories 1 and 11) compared to FY2019	%	**-14**	-11	–		
Scope 3 (categories 1 and 11) emissions intensity	tCO_2e/ 100 sqm	**157**	169	171		
Percentage change in emissions intensity compared to FY2019 (SBT baseline year)	%	**-8**	-1	–		
Absolute emissions for category 1: purchased goods and services	tCO_2e	**265,769** (A)	304,476	352,087		
Emissions intensity for category 1: purchased goods and services	tCO_2e/ 100 sqm	**83**	99	103		
Absolute emissions for category 11: use of sold products	tCO_2e	**236,056** (A)	214,564	233,603		
Emissions intensity for category 11: use of sold products	tCO_2e/ 100 sqm	**74**	70	68		
Completed homes with an Energy Performance Certificate (EPC) rated A or B	%	**95**	93	93		
Completed homes with an Environmental Impact Rating (EIR) of A or B	%	**96**	96	–		
Average Dwelling Emission Rate (DER) of completed homes	$kgCO_2$/ m2/yr	**12.45**	12.08	11.72		
Average percentage improvement in DER over Target Emission Rate (TER) for completed homes	%	**30**	32	34		
Implement measures to manage climate risks for our developments and business						
Average water efficiency of homes completed	lpppd	**102.2**	101.2	102.6	n/a	Drought stress Flood Heat stress Change in customer demands
Live development sites that have sustainable drainage systems (SuDS)	%	**100**	100	98		
Live development sites that have assessed overheating risk	%	**90**	82	–		

(A) 2025 information has been separately subject to limited assurance by KPMG LLP. Further details of the assurance provided in 2025, including the independent assurance report and our methodology for reporting emissions, can be found at www.berkeleygroup.co.uk/sustainabilitydisclosures

Climate-related disclosures continued

SASB metrics (climate-related)

Metric	2025	Detail
Number of controlled lots *(IF-HB-000.A)*	**52,714**	Lots on owned or unconditionally contracted sites as of the last day of the reporting period.
Number of homes delivered *(IF-HB-000.B)*	**4,329**	The number of homes that completed within the reporting period.
Number of active selling communities *(IF-HB-000.C)*	**50**	Includes sites that have an implementable planning consent and that are in production.
Land use and ecological impacts		
Number of (1) lots and (2) homes delivered on redevelopment sites *(IF-HB-160a.1)*	**(1) 46,612 (88%)** **(2) 4,001 (92%)**	Redevelopment sites are those that have been previously developed, including the replacement or refurbishment of existing structures, i.e. those sites considered to be brownfield land.
Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress (*IF-HB-160a.2*)	**(1) 47,411 (90%)** **(2) 4,202 (97%)**	London and large areas of the South of England are identified as having High Baseline Water Stress within the World Resources Institute's (WRI) Water Risk Atlas Tool. We recognise the need to balance providing new homes in these areas with reducing their impact on existing resources through the incorporation of water efficient fittings and sustainable drainage systems (SuDS).
Total amount of monetary losses as a result of legal proceedings associated with environmental regulations (*IF-HB-160a.3*)	**£nil**	The Group had no environmental prosecutions in the reporting period and subsequently no monetary losses.
Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction (*IF-HB-160a.4*)	**n/a**	Our Vision 2030 is supported by our Sustainability Standards and procedures detailing Berkeley's minimum requirements for our day-to-day operations and our new developments. These ensure that we have processes in place to integrate environmental considerations throughout the development process. For example: • Site selection: Berkeley focuses on urban brownfield regeneration, which is inherently sustainable. Prior to land purchase, Berkeley completes an assessment which seeks to identify all types of risks, including those related to environmental factors, such as climate change (e.g. flood risk), land contamination and ecology. These assessments are site-specific, taking into account the unique characteristics of each development. • Site design: Our Sustainability Standards detail minimum requirements for new developments including achieving an internal water use of less than 105 litres per person per day and designing for climate change adaptation. • Site development and construction: Berkeley has dedicated sustainability professionals within each of our operating companies, who support project teams by providing advice and driving environmental improvements (e.g. energy and water efficiency). Each site has an Environmental Risk Register and a site sustainability assessment is undertaken by our internal sustainability team at least quarterly to monitor performance.
Design for resource efficiency		
(1) Number of homes that obtained a certified residential energy efficiency rating and (2) average rating (*IF-HB-410a.1*)	**(1) 4,329 (100%)** **(2) 84 (B)**	All homes legally completed by Berkeley in the year had an Energy Performance Certificate (EPC) with an average energy efficiency rating of 84 (B). In the year, 95% legally completed homes were rated B or above. Note that homes across the industry are rated on a scale ranging from A (very efficient) to G (inefficient).
Percentage of installed water fixtures certified to a water efficiency standard *(IF-HB-410a.2)*	**n/a**	The UK does not currently have water efficiency standards for fixtures. The internal water efficiency of our legally completed homes in the year is provided as an alternative. Target: 105 litres per person per day; Achieved average: 102.2 litres per person per day.

Metric	2025	Detail
Design for resource efficiency continued		
Number of homes delivered certified to a third-party multi-attribute green building standard *(IF-HB-410a.3)*	**n/a**	There was no established multi-attribute green building standard specifically for homes in the UK that could be applied in the reporting year. All Berkeley homes are subject to UK building regulations.
Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers *(IF-HB-410a.4)*	**n/a**	We design to high fabric efficiency to reduce energy demand and install water saving fixtures and fittings. A key risk associated with the design of energy efficient homes is the unintended consequence of overheating and therefore we consider overall building design and performance. We have Sustainability Standards to communicate sustainability with customers at all stages in the purchasing process, from initial marketing brochures to detailed information upon completion and handover of the home.
Climate change adaptation		
Number of lots located in 100-year flood zones *(IF-HB-420a.1)*	**11,902 (23%)**	This figure includes lots in areas assigned as Flood Zone 3. We undertake flood risk assessments on every site as part of the planning process and take measures to ensure that the development design takes into account and mitigates flood risk. Design measures include raising lower floor levels and designing SuDS to manage rainwater by storing it and releasing it into well-designed natural features to help manage surface water and reduce the impacts of flooding.
Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks *(IF-HB-420a.2)*	**n/a**	Berkeley routinely evaluates climate-related risks and opportunities as part of our ongoing risk assessment process. Detailed climate scenario analysis in relation to physical risks was completed in 2022 with this still considered to be relevant to our operations as we continue to develop across London, Birmingham and the South of England. Read more on pages 70 and 71.

SASB metrics (other)

In addition to the climate-related metrics of SASB, Berkeley has chosen to disclose the additional sustainability topics and accounting metrics below in line with the Home Builders Sustainability Accounting Standard.

Metric	2025	Detail
Workplace health and safety		
(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees *(IF-HB-320a.1)*	**(1a) 39** **(1b) 124** **(2a; 2b) 0**	Annual Injury Incidence Rate (AIIR) per 100,000 people reported in line with UK Health and Safety Executive (HSE) methodology. Our combined rate for direct and contract employees is 102 which outperforms the construction sector average of 306 (HSE, November 2024). There have been no work-related fatalities in the year.
Community impacts of new developments		
Description of how proximity and access to infrastructure, services, and economic centres affect site selection and development decisions *(IF-HB-410b.1)*	**n/a**	At Berkeley, proximity to key infrastructure and amenities is a factor in the selection of land. As a specialist in brownfield regeneration, many of our sites are located within towns and cities with existing transport networks and economic centres. We look to provide public amenities and sustainable transport options across our developments. Of our live development sites, 92% are incorporating community facilities ranging from supermarkets to nurseries, with 96% within 1 km (a 10-minute walk) of a public transport node.
Number of (1) lots and (2) homes delivered on infill sites *(IF-HB-410b.2)*	**(1) 43,448 (82%)** **(2) 3,169 (73%)**	Infill sites are defined as vacant or underutilised lots of land, served by existing physical installations such as roads, power lines, sewer and water, and other infrastructure. In line with the SASB definition, our redevelopment sites are only considered infill if they additionally meet this criteria.
(1) Number of homes delivered in compact developments and (2) average density *(IF-HB-410b.3)*	**(1) 4,234 (98%)** **(2) Unknown**	The main types of compact developments delivered by Berkeley are mixed use developments and neighbourhood developments with community facilities.