

Carbon Neutral Overview

May 2022 - April 2023

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A key goal of Our Vision 2030 is to play an active role in tackling the global climate emergency. We have validated science-based targets (SBTs) for greenhouse gas (GHG) emissions reductions by 2030 and are committed to being a net zero business by 2040.

In addition to targeting emissions reductions, we are proud to have been carbon neutral in our direct operations (scopes 1 and 2) since May 2017. This document sets out our approach to carbon neutrality for the period 1 May 2022 to 30 April 2023.

Background

The development of new homes and places involves highly carbon-intensive site activities. This is particularly true for the large-scale regeneration schemes undertaken by the Berkeley Group; transforming brownfield sites requires heavy plant and machinery to demolish existing structures that are no longer fit for purpose and to extensively remediate and move soils, especially on our sites which historically housed gas works.

Under our business strategy, Our Vision 2030, we have identified Climate Action as one of 10 strategic priorities for the business and have set short, medium and long-term goals in this area. Our first priority is to reduce our emissions, but until we complete this transition we will continue to balance our impacts by investing in projects and partnerships that actively remove carbon from the atmosphere. We will maintain carbon neutral direct business operations (scopes 1 and 2) through purchasing verified carbon offsets, as well as investigating opportunities to deliver or support nature-based carbon capture and renewable energy initiatives.

Reducing emissions

The Berkeley Group's scopes 1 and 2 GHG emissions are as follows:

	Unit	2023	2022
Scope 1	tCO ₂ e	713	1,974
Scope 2 (location-based)	tCO ₂ e	4,510	5,858
Scope 2 (market-based)	tCO ₂ e	250	237

These figures are based on our operational boundary and include 100% of emissions from our joint venture activities. For details on the methodology adopted to calculate emissions please refer to the 2023 Greenhouse Gas (GHG) Emissions and Energy Consumption Reporting Criteria document available at: www.berkeleygroup.co.uk/sustainability/reports-and-case-studies.

We acknowledge that the cyclical nature of our business, along with the need to significantly change behaviours, procedures, technology and equipment, mean that fundamentally reducing carbon emissions is an ongoing process. Our science-based targets (SBTs) have helped to provide the structure in which to do this and as a result of our actions, in 2023 we achieved our scopes 1 and 2 SBT seven years early.

The reduction seen in 2022/23 has been due to the implementation of a range of energy efficiency measures, as well as a transition to the use of biodiesel HVO (Hydrotreated Vegetable Oil) on our sites; in 2023, 89% of construction sites directly procuring fuels utilised biodiesel HVO. The use of this alternative fuel has reduced scope 1 emissions by 1,328 tCO₂e compared to an equivalent use of white diesel.

Procurement of renewable electricity

The Berkeley Group's scope 2 (market-based) emissions take into account our purchase of Renewable Energy Guarantees of Origin (REGOs) to certify that 100% of UK electricity (22,027 MWh) is from a renewable source (i.e. solar, wind or hydro power).

Procurement of carbon offsets

We are committed to voluntarily supporting verified projects in realising carbon emissions reductions elsewhere to account for our remaining scopes 1 and 2 (market-based) emissions. Note that a 5% contingency is added when purchasing carbon credits in case of any subsequent minor data changes to emissions reported.

We are investigating an approach and opportunities to support schemes in the future to account for our material scope 3 emissions from purchased goods and services (category 1) and use of sold products (category 11), as part of the development of our evolving Net Zero Transition Plan.

Emissions offset in 2023

Scope 1	713 tCO ₂ e
Scope 2 (market-based)	250 tCO ₂ e
5% contingency	48 tCO ₂ e
Total offset	1,011 tCO ₂ e

This year we have supported two projects to offset our emissions which are both certified by the Verified Carbon Standard (VCS), the world's most widely used greenhouse gas (GHG) crediting program.

RetrofitCredits, United Kingdom

(250 tCO₂e)

The United Kingdom (UK) has the oldest housing stock in Europe, which means that the UK needs to do more than many other countries to eliminate emissions from its housing stock. The RetrofitCredits programme, developed by HACT and Arctica Partners, is a carbon credits scheme that unlocks additional funding into housing retrofit for single-family dwellings by verifying the emission reductions and social value of retrofit projects. This is currently the only project in the world originating carbon credits for the decarbonisation of housing stock.

The measures implemented by the scheme include:

- Adding insulation that increases the resistance to conductive heat loss within the building envelope (e.g. loft insulation, cavity wall insulation, external wall insulation, draught-proofing, floor insulation, replacement of window glazing);
- Improving the efficiency of, or replacing, central heating components (e.g. cylinder insulation, thermostat or other controls, boiler upgrade or replacement with a heat pump);
- Reducing fossil fuel consumption of appliances (e.g. replacement of ventilation units).



By applying these measures, the energy consumption (natural gas and/or electricity) for heating and cooling purposes will be reduced as compared to the baseline consumption, which will ultimately result in a saving of energy and reduction of carbon emissions.

The project incorporates social value, measuring the positive impact retrofit measures have on residents' lives. Access to affordable heat has a profound impact on the health, comfort, wellbeing, and productivity, of people in their homes.

Neema Forestry Project, Kenya

(761 tCO₂e)



Kenya's forest area has been suffering from deforestation, driven by the growing population and the conversion of forestland to cropland. The Neema Forestry Programme in Kenya has the main objective of preserving biodiversity whilst developing a local sustainable economy. The various activities within the scope of the project promote the creation of sustainable companies and support the extension of sustainable agriculture.

This project protects forest area and plants new trees, with many new jojoba trees planted. The Neema Forestry Programme has developed a company selling soap made with jojoba oil. Therefore, local biodiversity is preserved while ensuring economic development.

As well as creating over 300 locally hired jobs, renovating 22 classrooms and providing 5,518 school scholarships, this project has planted 55,000 indigenous trees, preserved 200,000 of forest and protected over 370 species including endangered species listed in the IUCN Red List.