

Task Force on Climate-related Financial Disclosures

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/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 business strategy.

Berkeley continues to take actions to further implement the TCFD recommendations through the evolution of our processes and reporting mechanisms. The table below summarises the key areas where Berkeley has already made progress and where we have reported on these.

Governance

Disclose the organisation's governance around climate-related risks and opportunities.

The Board has ultimate responsibility for climate-related risks and opportunities. A nominated Executive Director, Karl Whiteman, has direct responsibility for climate change and wider sustainability topics.

To ensure climate-related actions are incorporated into Berkeley's daily activities, there is a Group Sustainability Team focused on identifying strategic risks and opportunities, performance monitoring and reporting. Dedicated sustainability practitioners are also in place within Berkeley's operating companies to support local management and project teams in meeting their responsibilities to implement Berkeley's Our Vision strategy, identify climate change risks and opportunities facing their business and to drive continual improvement in performance.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

Climate change mitigation and adaptation are key areas of focus for Berkeley, featuring prominently within the Our Vision business strategy.

A detailed climate change adaptation risk identification exercise was undertaken in 2014 to inform strategic commitments as part of Our Vision, facilitated by specialist consultants and involving key representatives from across the business. The key risks identified for the homes and places we develop include flooding, overheating and water shortage. These have remained the key risks and areas of focus in terms of the product we build since the risk assessment was first undertaken.

In addition to recognising the importance of adapting our homes and places to be resilient to future climate change risks, Berkeley is focused on taking action to reduce the emissions resulting from our direct activities and those resulting from the use of the homes and developments we create as evidenced by our carbon positive and net zero carbon homes commitments.

Berkeley will be undertaking more detailed climate-related scenario analysis to evolve our understanding of climate-related risks and opportunities.

Risk Management

Disclose how the organisation identifies, assesses and manages climate-related risks.

Climate change is considered a principal risk to Berkeley. The Group Sustainability Team identifies strategic climate change risks and opportunities facing Berkeley through the regular review of issues and trends. Active collaboration with external experts, and representation at conferences and events help to ensure up-to-date knowledge. Identified risks and opportunities are shared with the Board and included within the strategic risk register reviewed by the Audit Committee.

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate related risks and opportunities where such information is material.

Berkeley reports on greenhouse gas (GHG) emissions for which we are responsible on an annual basis. To minimise Berkeley's contribution to climate change, we have an operational carbon intensity reduction target under Our Vision that is reviewed every two years to ensure continual improvement. Berkeley has also committed to procuring 100% renewable electricity for its UK operations and offsetting our remaining emissions since 2017/18. Berkeley has broader targets for the homes and places we develop, including the provision of energy efficient lighting and appliances, as well as enabling homes to operate at net zero carbon by 2030.

We are currently working with an external consultant to develop longer-term science-based targets for our activities

Berkeley will continue to work with external experts to develop science-based targets, climate-related scenario analysis and related disclosures in line with the recommendations of the TCFD.