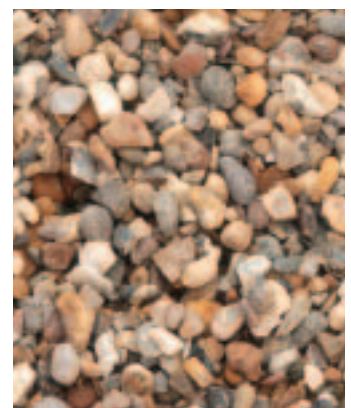


The Berkeley Group plc Sustainability Report 2004



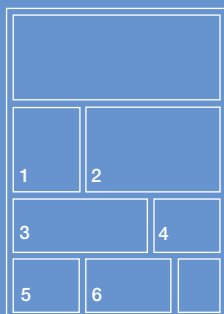
The Berkeley Group plc



The Berkeley Group is Britain's leading urban regenerator. For over a decade Berkeley has been transforming redundant urban land into vibrant and sustainable new communities.

Its exceptional management team has consistently demonstrated that it has the skills and vision to convert complex urban sites into critically acclaimed mixed-use developments which deliver the level of quality and variety expected by its customers.

The Group's financial strength combined with its pioneering approach to land development consistently delivers value to its investors.



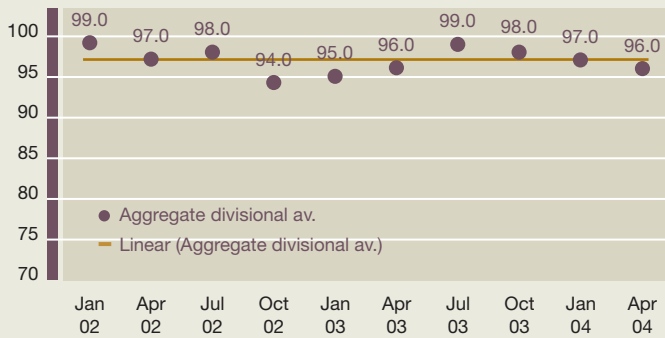
- 1 Royal Arsenal, Woolwich
- 2 Gunwharf Quays, Portsmouth
- 3 The Hamptons, Worcester Park, Surrey
- 4 Royal Arsenal, Woolwich
- 5 Gunwharf Quays, Portsmouth
- 6 Royal Clarence Yard, Gosport

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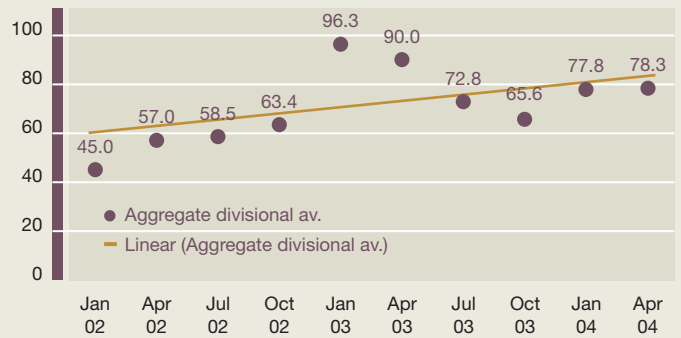
Sustainability Key Performance Indicators

No. of dwellings built on previously developed land – Brownfield utilisation per quarter (%)



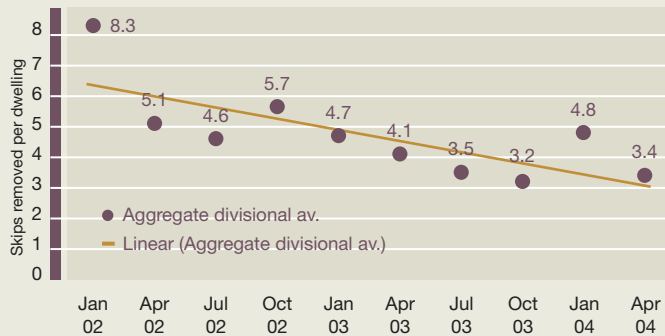
We continue to meet our commitment and focus on the regeneration of redundant land in major cities across the country.

Percentage of dwellings built fitted with dual flush toilets (%)



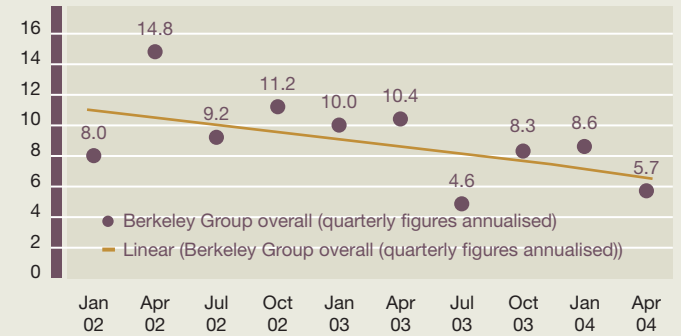
This SKPI was clarified at the beginning of the last financial year to record dual flush rather than low flush.

Average No.7 yard skips removed per dwelling per quarter



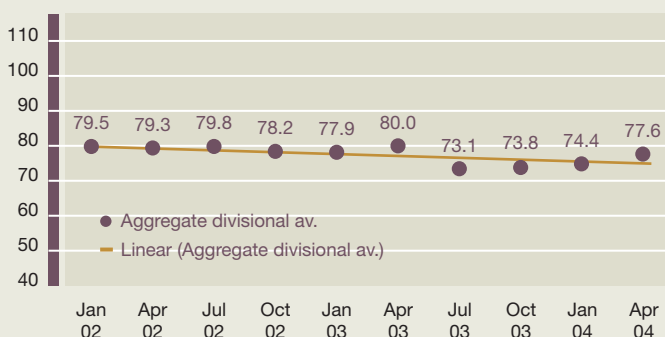
The Group continues to measure this important issue which has major cost implications. A further on-site waste awareness monitoring exercise will run in parallel during the coming year that involves collection of data for individual project.

The Berkeley Group PLC quarterly divisional RIDDOR incident rates per 1,000 employees on all sites (principal contractor and client/other site)



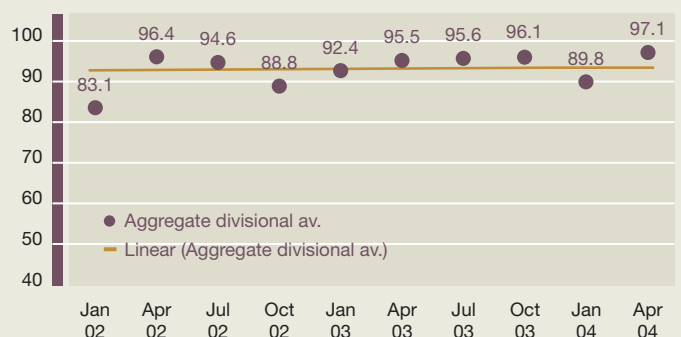
This data includes those sites where the company is the principal contractor and those where it does not have a primary management responsibility for health and safety. The Berkeley Group continues at the forefront of the national health and safety initiatives in its sector, and achieved its 10% incident rate reduction target set at the beginning of the year.

Average SAP rating for all dwellings built per quarter



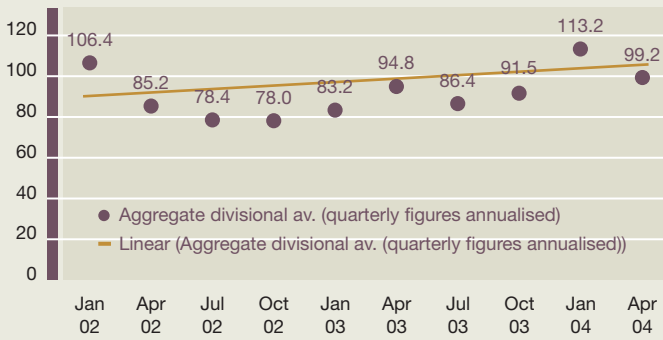
The Group has realised a further quarter of continued improvement. However, these last year results fall short of the best practice figure delivered for the January-April 2003 quarter. We continue to explore ways in which to address this long-term environmental impact.

Site managers safety training – % qualified of total site managers employed per quarter (%)



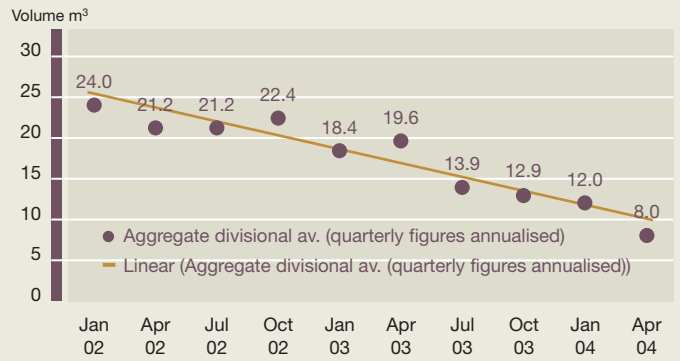
This SKPI refers to the five day CITB site managers safety training programme and exemplifies the Group's continued commitment to ensuring a trained workforce.

Total CO₂ emissions – kgs per m² office space per quarter



This data covers only those buildings where the Company has direct control over utilities purchasing. We continue to consider how to address this key environmental impact.

m³ water consumption per employee per quarter



This data covers only those buildings where the company has direct control over utilities purchasing. The Group has seen a consistent improvement in this measure.

Number of customers that would recommend buying a Berkeley Group home to their best friends

In the financial year 2003/4, the proportion of customers saying they would recommend buying a Berkeley Group home to their best friend was four out of five. This proportion has remained consistent over the past two years of reporting.

Number of employees participating in the Group's SAYE scheme

At 30 April 2004 there were 938 eligible employees of which 326 were participating in the scheme.

Charitable donations

In the financial year 2003/4, The Berkeley Group made cash donations of over £440,000. Approximately 94% of this was donated at Group level, with the remainder donated by the individual divisions.

The Chairman and Managing Director



‘For more than a decade we have been devoted to the regeneration of redundant land in major cities across the UK.’

The Berkeley Group’s commitment to sustainability is founded upon our fundamental responsibility to maximise shareholder value. Our Sustainability Strategy assists us to meet this key goal in two important ways. First, it reinforces our commitment to continuous improvement through the structured monitoring and review of all our procedures thereby giving the Company competitive advantage and so creating value. Second, it helps guide our focus on the regeneration of redundant land in major cities across the country. This has placed sustainable development at the heart of our business strategy and it’s a focus we will continue to pursue.

The sustainability agenda is a challenging one for the home-building sector – and Berkeley is no exception.

It is now four years since Berkeley’s Board of Directors adopted a strategy for sustainability. This was not a step taken lightly. We had first to ensure that our senior management team developed a genuine understanding of the essence of sustainability and how it could be applied in our business sector. And they had in turn to put in place both the mechanisms necessary to drive change across the Group and reporting systems to monitor progress.

This is our third Sustainability Report. The first report in 2002 described the economic, social and environmental goals to which the Group was committed and our approach to the wide range of issues covered by our Sustainability Strategy.

Last year, our second report introduced the benchmarks against which we measure our progress and related the theory of our strategy to case studies in each of our target areas. We were encouraged when this approach was commended by a landmark report commissioned by the World Wildlife Fund (now known as ‘WWF – the Global Environment Network’) and Insight Investment. The report assessed the UK’s leading housebuilders against a wide range of sustainability criteria and Berkeley scored over 70%, placing it second overall. Berkeley was commended for having ‘...a sound grasp of sustainability issues’ and for ‘achieving almost full disclosure’ on its approach to sustainability.

In this year’s report we have tried to go one stage further by looking much more comprehensively at a few of our major development sites and assessing how they measure up against our sustainability criteria.

Other important milestones for the Group this year include:

- Our continued participation in the Business in the Environment 8th Index of Corporate Environmental Engagement. Our score here improved for the third consecutive year
- The roll out across the Group of an Intranet, which is now the heart of our internal reporting systems for Berkeley’s Sustainability Strategy
- Maintaining a listing in the FTSE4Good and continued engagement with Socially Responsible Investors
- Initiation of a Sustainability Performance Management Tool
- Refinement of our key performance indicator relating to waste
- Significant progress in the development of the Divisional implementation strategies

While we have made substantial progress, there is still a great deal more to do in areas such as:

- Managing sustainability issues throughout the supply chain
- Sustainability training and skills development
- On-site renewable energy production and energy efficiency

We hope this report provides another useful guide to our Sustainability Strategy and its implementation. In the coming year we will work even harder to ensure sustainability continues to evolve throughout the Group and we remain enthusiastic about meeting the challenges ahead.

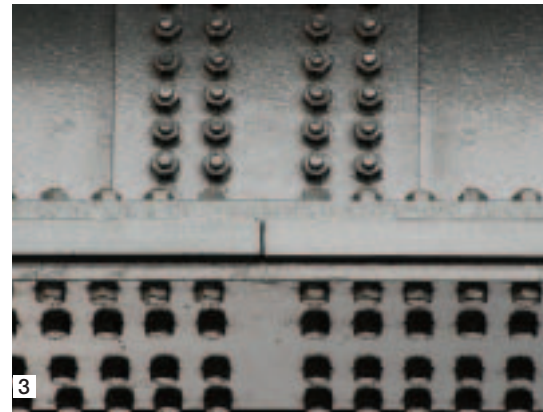
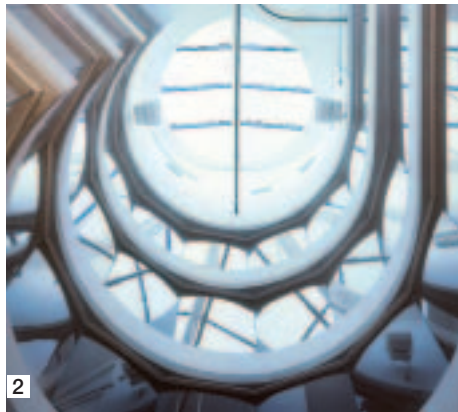
The views of our investors, customers and other stakeholders are always welcome and we look forward to hearing your views on our progress and resolve for the future.

We would like to take this opportunity to thank you for reading our Sustainability Report 2004.

Roger Lewis
Chairman

Tony Pidgley
Managing Director

Who we are



Berkeley is a leader in the business of urban regeneration in Britain.

Over 95% of Berkeley's developments take place on brownfield land.

Jim Farrer and Tony Pidgley, the Group's Managing Director, founded Berkeley over a quarter of a century ago.

Berkeley has been one of the outstanding successes of the land development industry.

Berkeley's unrivalled understanding of the land development and home building markets is built on a matrix of key factors:

- Pioneering Vision
- Management Expertise
- Superb Land Holdings
- Product Quality and Diversity
- Marketing Flair
- Financial Strength

Underpinning the success of Berkeley is a powerful combination of its willingness to innovate and take on projects most others shy away from. Allied to this is a confidence that flows from the experience and financial strength Berkeley has built up over the past decade and more. No other company has such a breadth and depth of management experience, gained at the cutting edge of the home building industry.

Berkeley:

- Encourages innovation
- Rewards entrepreneurial flair
- Nurtures its strong brands
- Never forgets the demands of a cyclical industry
- Has built a sound capital base
- Invests in new opportunities

Berkeley's vision is delivered through a number of strongly branded divisions. These are managed in an autonomous manner, but each is able to draw on the financial strength and management experience at the heart of the Group.

1,2,5 Grosvenor Riverside, Grosvenor Dock, London

3,4 Royal Clarence Dock, Leeds



4



5



One of the most respected property developers in London and the South-East of England. With 25 years of experience, its portfolio includes contemporary apartments, traditional townhouses, conversions of period buildings and a range of mixed-use developments.

Gunwharf Quays, one of Berkeley Homes' key regeneration sites, recently beat 180 other entries to win English Partnerships' coveted Partnership in Regeneration Award alongside a BURA (British Urban Regeneration Association) Best Practice Award.



Crosby takes a leading role in the renaissance of cities outside of the South-East with major developments across the Midlands and the North of England.



This is a company established by the Group to create new sustainable settlements and help meet agreed housing needs in the countryside.



This is the Group's dedicated commercial property developer and investor, with successes to its name such as the award winning redevelopment of Gunwharf Quays in Portsmouth.



This is the Group's dedicated developer of key worker and student accommodation. It delivers well designed and conveniently located affordable homes that key workers and students can feel proud of.



London's leading mixed-use developer.

Last year, St George became the first property developer to be awarded the prestigious Queen's Award for Enterprise.



This is a joint venture company founded in 1997, between the Berkeley Group and Thames Water. It has gained a formidable reputation for introducing a new level of innovation to home building in London and the South-East.



St John Homes operates exclusively in the outer north London boroughs and surrounding counties. St John Homes will be focusing on large-scale regeneration projects.

Sustainability Strategy



Governance

Ultimate responsibility for all sustainability issues lies with The Berkeley Group Board of Directors. There is a named Director with specific responsibility for sustainability issues.

Our Sustainability Working Group (SWG) has been established for three years and meets on a quarterly basis to review policies, progress and implementation issues. The SWG is made up of senior executives from each of the main divisions and the minutes are presented to the Main Board. In order to provide leadership, direction and co-ordination, the Group provides a central resource for the management of sustainability issues and is also assisted by an external adviser.

The Board of each division is responsible for all matters relating to sustainability within that division and for the implementation of the Group Sustainability Policy. Each division is required to set sustainability objectives and to report to the Group quarterly on their progress, including their performance against the Group's Sustainability Key Performance Indicators or SKPIs. Each division is also responsible for ensuring that sustainability issues are integrated into their own management systems.

The governance and management of sustainability issues within the Group is designed to encourage a continuous improvement as illustrated overleaf:

Principles

Our Sustainability Strategy is based upon four key principles:

- **Managing Risk:** Our Sustainability Strategy is based upon an understanding of the key financial and non-financial risks that we face. At its inception each project is required to undertake a risk appraisal which includes sustainability. This year we will be developing a sustainability checklist to ensure that our approach to sustainability when acquiring land is consistent across the divisions. We also review our corporate financial and non-financial risks on a regular basis at our Sustainability Working Group meetings, taking into account the advice of our external sustainability advisers.
- **Operating Efficiently:** We work hard to ensure that the construction process is managed as efficiently as possible and this is a key challenge for the sector. Our work to monitor and manage our waste more effectively is just one example of how we



are taking this challenge seriously in order to reduce our costs and the impacts on the environment.

- **Creating New Opportunities:** The sustainability agenda is constantly evolving and our track record of innovation means that we can be at the forefront of change. One example of this is our work at the Hamptons to integrate photovoltaic tiles (solar panels) into the community centre. We will be analysing the results of this initiative carefully to understand the future potential for the widespread commercial application of photovoltaics.
- **Engaging with Stakeholders:** Stakeholder engagement is at the heart of our Sustainability Strategy. We do not impose ideas, we help plans evolve by engaging with those involved in the different aspects of our work. At a local level, engagement with the communities that will be affected by our projects is considered to be a prerequisite. There are many other stakeholders that we seek to engage with concerning our Sustainability Strategy and these are detailed in the section entitled 'Key Issues'.

- 1 & 3 The Sustainability Working Group meets on a quarterly basis to review policies and progress
- 2 Building a sustainable future



The Berkeley Group Strategic Sustainability Model

All of these key elements of our Sustainability Strategy have two underlying principles – a commitment to continuous improvement, and communication with stakeholders



Key Issues

The overall aim of our Sustainability Strategy is to make a long-term contribution to the environmental, social and economic fabric of the communities in which we work and to secure the advantages that this offers to us. The Group has a Sustainability Policy (which is reviewed on an annual basis) together with a number of subsidiary policies covering specific issues such as environment, health and safety and equal opportunities.

In our first Sustainability Report in 2002, we outlined our approach to our key sustainability impacts. In subsequent reports we have focused on specific case studies and, therefore, we recognise that all of our impact areas may not be covered in detail. The figure overleaf shows the four key objectives of our strategy together with a summary of the key issues that these cover.

For more detailed information about specific impact areas, please refer to our previous Sustainability Reports which can be found on our web site (www.berkeleygroup.co.uk) or contact us at sustainability@berkeleygroup.co.uk.

Sustainability Strategy

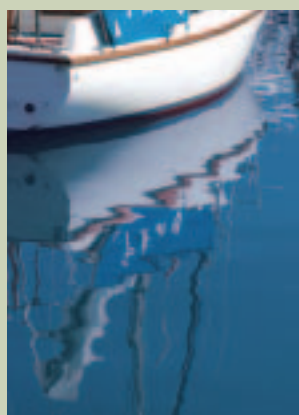
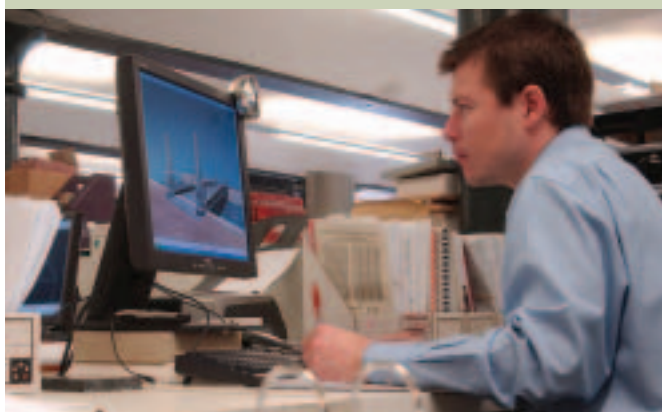
1,2 Planning and creating sustainable developments



Key Sustainability Impacts

Communities Making a long-term contribution	Environment Protecting and enhancing	Stakeholders Developing partnerships	Workforce Safe, healthy and fulfilled
Local Economy Community Investment Housing Choice Employment Accessibility Housing Quality Historic Conservation Safety and Security Stakeholder Engagement	Pollution Land Energy Ecology Waste Materials Transport Water	Customers Investors Business Partners Local Communities Contractors and Suppliers Government and Regulatory Bodies Industry Bodies Research Organisations Special Interest Groups	Health and Safety Equal Opportunities Recruitment Training and Development Employee Well-being Recognition and Reward Communication Discipline Appraisals

Introduction to case studies



This is the third year for which The Berkeley Group has published an annual Sustainability Report. With each report it has sought to evolve its approach to reporting on sustainability issues to ensure that it gives the clearest picture of how our Sustainability Strategy and policies are put into practice throughout the Group.

This year, Berkeley's Sustainability Report focuses in detail on a number of the Group's major projects. The intention of this approach is to provide readers with a more comprehensive assessment of the processes involved in bringing a site to development and the way in which The Berkeley Group's sustainability policies are applied.

The five case studies covered in the report are:

- Berkeley Homes' regeneration of Portsmouth Harbour through its developments at Gunwharf Quays and Royal Clarence Yard
- St George's mixed-use riverside scheme at Imperial Wharf in Central London
- St James' development at the Hamptons in South-West London
- Crosby Homes' regeneration of Clarence Dock in Leeds

These case studies illustrate the wide range of schemes undertaken by the Group's divisions and reflect the sustainability principles applied throughout the business. The overall performance of the Group against Sustainability Key Performance Indicators is monitored through the collection of data from each division and this data is published at the end of the report, alongside the Group's targets for the coming year.

01 Portsmouth Harbour

The Berkeley Group is playing a leading role in the regeneration of Portsmouth Harbour through its ground-breaking mixed-use developments at Gunwharf Quays, Portsmouth and Royal Clarence Yard, Gosport.



1

At Portsmouth Harbour, The Berkeley Group is currently creating two ground-breaking mixed-use developments which are revitalising disused Royal Naval facilities. The two developments – at Gunwharf Quays, about a mile from the centre of Portsmouth, and Royal Clarence Yard across the water in Gosport – are at differing stages of development. Both illustrate The Berkeley Group's approach to sustainable development.

Gunwharf Quays

Gunwharf Quays is located at the western side of Portsea Island. Created as a naval base in the 1500s, it thrived for many hundreds of years before being closed by the Royal Navy in the late 1980s. The Berkeley Group purchased the derelict site in 1997 and has since invested heavily to make Gunwharf Quays an exemplar of its skills as an urban regenerator. The new, mixed-use development contains a new shopping area, leisure facilities and a range of residential accommodation. The landmark nature of Gunwharf Quays was recently recognised when it was chosen out of 180 schemes to win English Partnerships' coveted Partnership in Regeneration Award. Gunwharf Quays also picked up a prestigious 2003 BURA (British Urban Regeneration Association) Best Practice Award as an example of outstanding regeneration.

The next phase of development at Gunwharf Quays has recently been approved by Portsmouth City Council and will provide residential accommodation, retail space and a children's nursery.

Royal Clarence Yard, Gosport

In its busy heyday as one of only three naval victualling yards in Britain in the 18th and 19th centuries, Royal Clarence Yard fed and watered the Royal Navy, supplying all the fresh water, salt meat, ships' biscuits and rum ration for the Portsmouth Fleet. In the 1990s the site became surplus to naval requirements and was sold to



2



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'The Gunwharf Quays development has had a major impact on the economy and profile of the City of Portsmouth. The quality and variety of the development has been widely praised, and its popularity has attracted many new visitors here. It has also helped raise investor confidence in the City as a whole.'

Bernie Topham,

Head of Economic Development and Tourism, Portsmouth City Council

1 Clocktower, Gunwharf Quays

2,3 & 5 Historic buildings are restored to new life at Gunwharf Quays and Royal Clarence Yard, two disused naval facilities in Portsmouth Harbour

4 The marina, Royal Clarence Yard, Gosport

Berkeley for regeneration. A mixed-use scheme gained planning permission in 2001 for residential, retail, bars and restaurants, workshops, a cinema, hotel, leisure and community uses. 304 residential units, including 81 affordable homes, are already under development or completed, alongside commercial and retail units. Berkeley Homes has also created a new marina at Royal Clarence Yard which is already operational. A further planning application is due to be submitted which will complete the regeneration of the Royal Clarence Yard, providing a further 409 homes alongside the four-screen cinema and retail and commercial space. A significant number of the retained buildings have been restored and converted to provide a variety of office, workshop, retail and residential use.

Engaging with Stakeholders Gunwharf Quays

The original Gunwharf Quays outline application was subject to widespread public consultation prior to approval. Since then, throughout the ongoing planning, design and development process for each phase, stakeholders have been kept informed of the project's progress and given the opportunity to contribute to and comment upon the development design. Specific initiatives include:

- Extensive pre-submission consultations on design issues with English Heritage, the Commission for Architecture and the Built Environment (CABE), and the Portsmouth, Fareham and Gosport Architects' Panel together with meetings with local interest groups, such as The Portsmouth Society.
- Newsletters and regular updates detailing the project's progress are provided to commercial tenants, new residents in the development and in the surrounding community.
- Details of the next phase of development were distributed to over 75,000 people across the city in a newsletter accompanying the Portsmouth News.



01 Portsmouth Harbour

1-3 Creating sustainable new communities at Gunwharf Quays

- Two public exhibitions were held to explain the proposals and gain feedback from the public.
- A 'hotline' to enable members of the public to raise any specific queries.
- Prior to the factory outlets opening, a dedicated website for the community with information about current activities on the site, offering information on employment opportunities including construction.
- Links have actively been encouraged with Portsmouth University in carrying out studies on the site, and educational visits are actively encouraged from other organisations engaged in regeneration.

Royal Clarence Yard

At Royal Clarence Yard, a wide ranging and innovative consultation process was undertaken prior to commencement of the first phase of development. Open planning days and workshops attracted the involvement of over 900 people and allowed Berkeley Homes to gain an insight into the issues which were important for the local community. In addition, consultation was undertaken with a wide range of statutory and non-statutory bodies. Berkeley Homes also engages with local stakeholder groups on an ongoing basis, working with them to maximise the benefits of the new development. These include Portsmouth Harbour Events, Gosport Historical Society, TS Hornet Sea Cadets, and Portsmouth Harbour Millennium Commission. As Royal Clarence Yard had been closed to the public for many years there was considerable public interest in the site and consequently Berkeley Homes held an open day on the site which attracted over 2000 people. Heritage Open Days are now held on an annual basis to allow the public to view the development and learn more of the site's important heritage.

Berkeley Homes' planning application for the next phase of development at Royal Clarence Yard will again be subject to an extensive public consultation process including the distribution of a newsletter to all residents in Gosport, explaining the proposals and inviting feedback, a number of public exhibitions and consultation

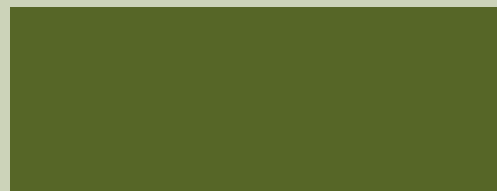
with local stakeholders and a range of statutory and non-statutory bodies.

Building Communities Gunwharf Quays

Gunwharf Quays has already provided important economic benefits to the local economy and with the final phase of development they are set to increase. Research commissioned by the British Property Federation indicates that when completed the development is expected to generate in excess of 3,500 direct, indirect and construction jobs – 460 jobs have already been taken up by previously unemployed people in the area. The number of visitors to Portsmouth is also anticipated to rise by 1.6 million a year providing the potential for an additional £50m to be invested in the local economy on a regular basis. Additional community facilities will also provide an important new resource for Portsmouth.

Gunwharf Quays consists of retail outlets, leisure, including restaurants, bars, bowling complex, casino and a cinema, offices, a hotel, and berths. The retail units are predominantly designer/factory outlets, which were specifically selected to complement rather than compete with other local shopping areas, creating a variety of economic and employment opportunities. Working in partnership with the Portsmouth Harbour Job Shop, a local labour scheme was established and the majority of the tenants signed up to the scheme. There is also a job page on the GWQ web site so that people can see what positions are available on the site. The web site receives 28,000 visitors per month. This combined with the ongoing construction opportunities will provide a wide range of jobs for all skill levels, to the benefit of the local area.

The development has engaged with the maritime heritage of Portsmouth, and the introduction of public art and landscaping has helped to create and sustain the outdoor spaces at Gunwharf Quays. The next phase of the development will allow the completion of the Gunwharf Quays Plaza space, which will provide an attractive location for a range of events including concerts, children's theatre, and





In October 2003, Gunwharf Quays was selected out of 180 entries for a British Urban Regeneration Association (BURA) Award for outstanding regeneration.

Gunwharf Quays went on to be chosen from the four BURA winners for English Partnerships' coveted 'Partnership in Regeneration' award which was presented to Berkeley and Portsmouth City Council by the Deputy Prime Minister.

fashion and food shows, complementary to the existing programme of events at Gunwharf Quays. The residential accommodation in the recently approved phase of development includes 126 affordable units for key workers representing more than a quarter of the total new residential development.

Royal Clarence Yard

Across the water at Royal Clarence Yard, Berkeley Homes' development will bring life back to a previously inaccessible waterfront location. It will include retail, residential, leisure, marina and other commercial activities, creating a new destination and attraction for Gosport and playing a vital role in the physical and economic regeneration of the Gosport Peninsular.

A major part of the project has been the restoration of the harbour, which is now operated as a commercial marina. This will form a significant new hub of economic activity within the area and when development is completed will bring life and employment back to a previously inaccessible and forgotten waterfront location. The site has already played a part in the 2001 International Festival of the Sea and the 2002 Cutty Sark Tall Ships Race. Berkeley Homes currently provide sponsorship and free office space at Royal Clarence Yard for the Portsmouth Harbour Events organisation which brings a large number of events to the Portsmouth Harbour area and Berkeley has also made a significant financial contribution to the Explosion Museum at Gosport.

Economic opportunities created within the development will include long-term job creation arising through the maritime industry and other commercial activities such as the refurbished cooperage units, the waterside bars and restaurants and the management of the infrastructure associated with the completed development. There will also be many construction opportunities throughout the development of the project. These will provide a wide range of jobs at various skill levels to the benefit of both the local area and the construction industry more widely. It is estimated that, should the next phase of development be given the go-ahead, it will create an additional



'In its capacity as the national regeneration agency, English Partnerships has a duty to promote best practice. It is part of our vital role to promote the idea that effective partnership-working is key to successful regeneration. The BURA winners are the best of the best and we welcome the opportunity to present this award to the most outstanding project.'

Margaret Ford,

Chairman of English Partnerships, on presentation of English Partnerships' award to Gunwharf Quays

1-4 Historic buildings are being restored at Royal Clarence Yard and the waterfront opened up for the local community for the first time



1



2



3



4

The Royal Clarence Yard development will bring life back to a previously inaccessible waterfront site.

01 Portsmouth Harbour

380 permanent jobs in the Gosport area once the development is complete

Protecting and Enhancing the Natural Environment Gunwharf Quays

The Gunwharf Quays development involved the remediation of a major brownfield site, which included soil treatment up to a depth of two metres, and the reclamation of a stretch of foreshore encompassing approximately seven acres. In addition, some of the site immediately adjacent to the harbour was relatively low lying and suffered flooding during extreme weather conditions. The development saw the overall site raised by a metre, greatly reducing the future flood risk and seeking to address the future threats posed by climate change.

Before any work could commence on site an extensive Environmental Impact Assessment was prepared. As a result of the assessment, a number of opportunities for positive enhancements to the site were adopted, such as the use of various native species of trees, shrubs and grasses to encourage habitat and species diversity.

The selection of materials was made with specific regard to sustainability issues:

Demolition material that could be salvaged was crushed and re-used as hard core within the site.

Construction products and services were sourced locally, benefiting the local economy and the environment. As an example, local bricks from Sussex, Michelmersh and the New Forest were used ensuring that the development integrated into the local environment and minimising transportation costs and the environmental consequences of moving material over large distances.

Several of the original buildings on the site have been retained and refurbished, thereby reducing the need to procure raw materials.

These principles will continue to be utilised in the future development of the site.

The buildings which will complete the development of Gunwharf Quays will make use of energy efficient design, encompassing low energy lighting and heat insulation as well as orientating façades to take account of passive solar gain and natural ventilation. The buildings will facilitate a reduction in water use through the use of dual flush WCs and spray taps. The residential units will embody noise insulation measures and encourage on-site recycling of waste products.

The site is at an excellent public transport interchange with rail, bus and ferry links providing opportunities to use modes of transport other than the private car. For a major mixed-use development the proportion of those travelling to Gunwharf Quays by public transport is very high at 50%. A car share club is proposed as part of the ongoing development and contribution towards initial start-up costs is being offered and parking spaces for the vehicles are to be made available.

Within the recently approved phases for Gunwharf Quays it is proposed to accommodate dwellings for key workers to EcoHome Standards. This will be over and above the high standards for energy conservation applied by Berkeley Homes.

Royal Clarence Yard

Prior to development a major decontamination process was undertaken through a bio-remediation strategy. Soil samples were taken across the site to ascertain the level of pollution and contaminants and a strategy was agreed with the Environment Agency and Gosport Borough Council. During archaeological excavations and the construction process, many historical artefacts were discovered including evidence of habitation dating back to the Bronze Age.

An Ecological Management Plan is in place for those areas within the site that are ecologically sensitive. Mitigation measures to protect protected species such as badgers and bats have been agreed and implemented under the existing scheme. These will be adopted under the Construction and

Environment Management Plan for the proposed next phase of development and include the following:

- Construction activities timed to avoid disturbance of protected species.
- In buildings with a 'high probability of bat interest', the area of interest will be identified with the contractor to ensure the bat roost is not affected and the Species Officer for English Nature will be consulted.
- Repainting in areas of bat interest will be avoided between May-September.
- Buffer zones will be maintained around possible areas of badger setts.
- Positive enhancement of possible badger habitat areas, such as planting of fruit and nut bearing trees, will be incorporated into the design.
- English Nature guidance will be followed in determining what construction work can be undertaken near to badger setts.

The Landscaping Master Plan for the completed development retains a number of historically important trees including a rare Chinese Strawberry tree and Chinese Privet dating back to 1730. Berkeley Homes are also contributing to an initiative developed in consultation with the Royal Navy and local authorities, to sink two decommissioned frigates out at sea to create an artificial reef.

The construction approach adopted for this development seeks to design out waste. A Waste Management Strategy has significantly reduced the amount of surplus materials taken to landfill. Many of the materials removed during the refurbishment of existing buildings will be re-used, including, for example, sash windows, timber, roof slate and bricks. Other materials arising from demolition were sorted into individual types, including concrete and brick waste which was retained, crushed and reused on site. Waste continues to be segregated on site with the aim of reducing the amount of waste sent to landfill and optimising the opportunities for recycling.

02 Imperial Wharf

St George's transformation of 32 acres of formerly derelict land at Imperial Wharf is a powerful example of sustainable development.



Pioneering Sustainable Development

It requires imagination and commitment to make redundant – and often forgotten – areas of cities attractive for customers.

The land involved is generally derelict, contaminated or inaccessible. Existing local communities and stakeholders have to be consulted in bringing such complex schemes to fruition. The protection and enhancement of the natural environment in such projects is essential – both to safeguard the environment for future generations and to provide surroundings for our projects which make them attractive places for people to live, work or play.

Imperial Wharf in London represents the very best of Berkeley in these various areas.

A development by St George, it is a mixed-use, mixed tenure development of 2 million square feet, providing 1,665 houses that comprise 850 private residential units and 815 affordable residential units. The project is a Housing Forum demonstration project (now part of the Government's Constructing Excellence Programme). Work started on the development in May 2000.

Last year's report described in some detail how St George had succeeded in not just pioneering affordable housing in such a major private development but also how it was reflecting different housing needs throughout the scheme.

This year's report for Imperial Wharf concentrates on Berkeley's performance here in terms of stakeholder engagement and environmental issues.

Engaging with Stakeholders

Imperial Wharf is a very large project. Accordingly, a wide variety of stakeholders have been involved throughout its development. This engagement with external groups and individuals is something that St George has embraced with vigour – and also thereby hopes to have helped establish a future community network.

In the planning and design stage a range of individuals and organisations were invited to contribute to and comment upon the development design. Key initiatives included:

- Consultation with over 4000 households concerning the initial proposals.
- The distribution of newsletters throughout the area which included opportunities for stakeholders to receive the information in a variety of languages and freepost record cards for comments.
- Local exhibitions with opportunities for feedback.
- A programme of consultation with local schools and residents' groups seeking views on the layout of the new park.
- An on site information centre with plans and models of the scheme.
- The appointment of a Neighbourhood Liaison Officer to answer residents' queries.
- A regular community newsletter and programme of events.

The site has received over 200 national, regional and local government visitors.

Building Communities

Imperial Wharf will contain a variety of offices, shops, bars and cafes – stimulating the local economy and bringing employment.

The development will also provide community facilities, upgrade local transport infrastructure and deliver affordable housing.

Imperial Wharf will create more than 1,000 permanent jobs and St George has ensured that the opportunities for local people to gain employment are maximised. This strategy includes an 'opportunities portfolio' developed with the Housing Associations to identify the type of jobs that will be available and to provide training through local agencies. One example of this is the training scheme run in conjunction with Hammersmith & West London College

'The St George Imperial Wharf Scheme... is a significant step forward for the provision of all types and tenures in the Capital. With the significant shortage of affordable housing we have in the Capital, St George is leading the way in addressing this problem.'

Chris Holmes,
(former) Director, Shelter

1,2 Imperial Wharf, London, where a wide-ranging consultation programme was undertaken with the local community



2

02 Imperial Wharf

'They had superb site conditions. Their approach is people focused. They showed recognition of the real human issues.'

Judges of the Quality in Construction Awards commenting on Imperial Wharf



which seeks to find local people work at Jury's Inn (the hotel operator at Imperial Wharf).

St George also received an Education Business Partnership Award for establishing a workplace opportunity programme. This was developed with local schools to provide work placements and curriculum-related projects.

With over 1,600 new homes, the development is designed to provide appropriate community facilities. These include a health club, nursery, community centre and pre-school facilities.

A sustainable neighbourhood must also ensure the safety of residents – whether in or outside their homes. St George have been involved with Crime Prevention Officers from the outset of the project to build safety and security into the scheme.

St George also worked with the Centre for Accessible Environments and Joint Mobility Unit to ensure that public spaces were accessible to all.

Protecting and Enhancing the Natural Environment

Imperial Wharf brings back into use 32 acres of derelict land. In addition to protecting existing species and habitats, the Ecological Design and Management Strategy agreed with the Borough and the Environment Agency enhances the

ecological value of the site. Over 10 acres of public parkland is being provided and the project will also provide a major stretch of new river walkway.

Transport improvements were critical and there was a wish from stakeholders to reduce car dependency. As a result, the following initiatives have been undertaken:

- Improvements to existing road infrastructure, modification to traffic signals and junctions and enhanced local bus services.
- Designing a publicly permeable site which separates pedestrians and vehicles whenever possible.
- Incorporating cycle routes and cycle storage within the development design.
- A railway station, funded through the development, is expected to open in 2005.

Eco-homes assessments will be undertaken for all of the residential units and the homes in block J1 have recently been assessed and achieved a 'good' rating. Enhanced recycling facilities for residents and commercial operators will be provided.



1-6 Building communities: New homes, offices, shops, bars and restaurants alongside ten acres of parkland will create a sense of community and deliver 1,000 permanent jobs when Imperial Wharf is completed



'I am extremely impressed by the way in which St George has wholeheartedly embraced the philosophy of creating a sustainable community on the site at Imperial Wharf. Not only will they be providing essential infrastructure in terms of transport, a park and leisure facilities, but they have also adopted imaginative approaches to the provision and financing of affordable housing.'

Dennis Lenard, Chief Executive of Constructing Excellence



03 The Hamptons

St James' development at The Hamptons has been designed to foster a sense of community, and is located close to local schools, high street shops and public transport.

A former Thames Water Sewage Treatment Works (STW) which lay redundant for seven years, The Hamptons is located in Worcester Park, Surrey, and is a project by St James Group. St James Group is a joint venture company between Berkeley and Thames Water plc and has developed a reputation as an innovative developer where skills from across Berkeley meet to the benefit of all its stakeholders. The area of sustainability is no exception to that – as The Hamptons project demonstrates.

The development will have a total of 480 dwellings, comprising a range of different tenures and housing types surrounding a new 31-acre park and nature conservation area. The development will also include a new community building and pedestrian and cycle routes.

Engaging with Stakeholders

In keeping with the Berkeley approach, St James is committed to informing, involving and meeting the aspirations of local people and believes that including them in the development process enables issues to be discussed and resolved at an early stage. At Worcester Park, an extensive programme of engagement has been developed including:

- A series of community planning events held over three evenings at the project's inception in 2001. More than 250 people attended and contributed ideas. The events included a coach trip around the site, open forum discussions and participative planning sessions and were facilitated by a specialist in community engagement and master planning.
- The installation of an on-site Planning Information Centre which contained information relating to the various planning consents and detailed proposals for the site. The Centre also provided a community liaison post for complaints, comments and other issues that may arise as a result of the development process.

- Ongoing engagement with a variety of local community groups including the Worcester Park Forum (which meets on a quarterly basis and includes representatives from various local stakeholder groups) and liaison with the Worcester Park Residents' Association.
- The publication of a quarterly newsletter providing updates on the project's progress.
- Regular inspection under the Considerate Constructors' Scheme, a voluntary initiative that seeks to minimise the impact of the construction process on the surrounding area and community.

Building Communities

St James is committed to ensuring the communities created by its developments are diverse and successful. Achieving this goal is always a key priority.

At Worcester Park 30% of the residential units will be provided as affordable housing and have been designed in association with Thames Valley Housing Association (TVHA). TVHA have played a key part in the delivery of the affordable housing and worked with St James to achieve £13 million funding from the Challenge Fund. Worcester Park has been visited by representatives from the Housing Corporation, English Partnerships and the Housing Partnership who have been impressed with the design and delivery of the development's affordable housing.

The Hamptons will be a community itself, but it will also make an important contribution to the wider community in Worcester Park. The development has been designed to foster a close-knit sense of community by providing homes that surround natural meeting spaces such as town squares and gardens. It is located in close proximity to nearby local schools, high street shops and the train station. A programme of improvements is under way including infrastructure works, upgrading of the local bus



1-8 The Hamptons, Worcester Park: An exciting new development which will integrate homes into a new 31-acre parkland and nature conservation area



'The London Wildlife Trust endorses the proposals for Mayflower Park and their potential to preserve and enhance existing wildlife habitats and to create new ones. The long-term proposals for its management are also commended for their environmentally friendly approach.'

The London Wildlife Trust

03 The Hamptons



5

service and enhancements to local education provision. The new 31-acre parkland will provide an important focus for many activities and will include a play and sculpture trail, tennis courts, cycle routes, a natural amphitheatre and four acres of lakes. The London Wildlife Trust (LWT) will be taking over the long-term management of the park. LWT will encourage the local residents (both new and existing) to get involved with the management of the parkland through a programme of community events and will employ full-time staff to be present on site seven days a week.

The formation of The Hamptons Residents' Trust will provide a platform for community involvement and encourage a sense of neighbourhood.

Protecting and Enhancing the Natural Environment

This project involved the remediation of a major brownfield site. The development of the new 31-acre parkland will provide a significant new recreation area for the local community and make a vital contribution to enhancing ecological value.

During the construction process measures have been taken to ensure that, as well as protecting any existing ecology, the site minimises its effects on the environment and on the local community. Material has been recycled to minimise transportation off-site, buildings and structures have been demolished and the material re-used under roadways, paths and buildings. A waste management strategy has been implemented to control, segregate and recycle construction waste.

The development has a number of features that were incorporated at an early design stage to make a positive contribution to reducing the long-term environmental impacts of the development.



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These include:

- The drainage strategy adopts the principles of a Sustainable Urban Drainage System (SUDS), by capturing rainfall and surface water run off and using it to top up the four acres of lakes. This approach recycles rainwater and minimises outflow into the local watercourse.
 - Car free frontages have been created and there are no through roads thus providing a safer, quieter pedestrian environment.
 - Walking and cycling have been prioritised through the design of a network of footpaths and cycle ways.
 - It is hoped that car dependency will be reduced through the provision of a Car Club, run and managed by Urbigo (AVIS). The Car Club will offer short-term car rental to provide a way of enjoying the flexibility of using a car without having to own one.
 - The remediated material from the site has been re-profiled as part of the landscaping and arts strategy for the site. The parkland will accommodate a range of landscape types ranging from formal landscaping adjacent to the housing, informal parkland for recreation and a nature conservation area.
- In the design of the dwellings care has been taken to ensure that residents will have the opportunity to minimise their own impact on the wider environment:
- Homes have been orientated to ensure maximum daylight and sunlight into the most commonly used rooms.
 - Homes are provided with both green and brown bins to enable the collection of household waste and recyclables, helping London Borough of Sutton reach its recycling targets.
 - The toilets that have been installed use on average 40% less water than conventional toilets.

- Balconies and verandas have also been included on the majority of homes.
- All apartments are provided with secure cycle storage.

A key feature of The Hamptons will be Maple Lodge, a community centre which will include a function room, a business suite to enable residents to work from the development and a gym. Maple Lodge will be supplied with electricity from photovoltaic tiles located on its roof. This initiative is part funded by the Department of Trade & Industry (DTI), and works towards reducing CO₂ emissions from the site.

With the increasing pressure to incorporate on-site renewable energy on all major schemes, this project will provide invaluable information to St James. It will enable the company to assess the efficiency and reliability of the technology, establish clear costs associated with its installation and to provide a test bed for other developments in the Group to learn from. In the future it will also enable research to be carried out on customer perception and cost to the consumer.



04 Clarence Dock

Crosby Homes' regeneration of Clarence Dock is creating a vibrant new quarter of Leeds and making a major contribution to transport infrastructure in the city.

Located in Leeds City Centre alongside the River Aire and Royal Armouries Museum, this project covers one million square feet and involves the development of a partially derelict former industrial site. It is a classic large-scale and complex mixed-use regeneration scheme – of the sort The Berkeley Group has been pioneering for a decade. The scheme will contain a mix of private and affordable residential units, offices, leisure facilities, car parking and retail outlets. Work commenced on site in April 2002 and is due to be completed in 2007.

By developing Clarence Dock, Berkeley's Crosby division is playing an important role in the regeneration of Leeds.

Engaging with Stakeholders

Throughout the planning and design stages, full consultation was undertaken with Leeds City Council. The Civic Trust was also consulted during the planning process. Over 35 members have been back to visit the scheme and responded very positively to its 'well co-ordinated' design. As land-owners, British Waterways were clearly keen to ensure that the scheme met their commercial objectives, but they were also encouraged by the contribution that the project would make to the regeneration of a disused waterway.

A new pedestrian bridge will link Clarence Dock to the East Bank Regeneration Area, open up access to the scheme for local people and create an important link between the two communities. Crosby Group has been working with those involved in the East Bank regeneration to explore opportunities for collaboration, which would contribute to the wider regeneration of the area and attract further inward investment.

As part of the Public Arts strategy for the site, Crosby Group is working with a local artist and the Royal Armouries Museum to secure matched funding for an Education Trail

throughout the site. In order to ensure that it integrates with local educational programmes and with the site's long history, the development of the education trail has already involved interaction with local schools and the local community.

During the course of the development further community consultation exercises will be undertaken.

Building Communities

Clarence Dock will play a key role in the regeneration of the Aire Valley area of Leeds, creating a vibrant new quarter in the city including large areas of new public open space and facilities. It will contribute not only to the social and economic infrastructure in and around the scheme, but will help to raise the profile of the city as a commercial centre and as a tourist and visitor destination.

The development will incorporate over 900 dwellings, 500,000 square feet of leisure space and 70,000 square feet of commercial space all wrapped around the existing Clarence Dock and Royal Armouries museum. The residential scheme provides a mix of quality city centre apartments with an element of affordable housing for rent.

In addition to the long-term employment opportunities that the development is creating (see below), Leeds City Council has an initiative known as the Aire Valley Construction Partnership, which provides construction training and local labour information. The development at Clarence Dock will support this initiative by encouraging its contractors to liaise with the organisation in relation to employment of local labour.

Economic Regeneration

An employment generation study carried out by Leeds Metropolitan University in 1999 estimated that the scheme at Clarence Dock will directly result in 2,410 new jobs for the Leeds area, and a further 399 new jobs per annum during the



1-4 Clarence Dock, Leeds: A jewel in the crown of the revitalisation of the former docks



'Leeds has seen a number of prestigious developments in recent years, all of which are a tremendous boost to the city's business and trading prospects. Clarence Dock is perhaps the jewel in the crown of these latest developments and we are delighted that this important development will revitalise the docklands area of Leeds.'

Richard Mansell, Chief Executive,
Leeds Chamber of Commerce



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04 Clarence Dock



four-year construction phase of the development. Of these around 1,975 long-term, full-time jobs will be created by the development when completed, of which 1,564 will be from within the Leeds City area. The jobs will come from leisure and retail outlets, hotels, offices, bars and restaurants, and other activities involved in the scheme. An additional 846 jobs are estimated following completion, as spending by visitors, residents and local businesses on goods and services at Clarence Dock leads to further expenditure on jobs as supplier industries in Leeds expand to meet higher demand.

Protecting and Enhancing the Natural Environment

Clarence Dock was previously a semi-derelict former industrial site consisting of warehousing and treatment facilities relating predominantly to the timber trade. The remediation of the site was carried out in situ by excavating the contaminated material, treating it onsite and returning it to the ground. This bio-remediation method avoids the relocation of the contamination problem elsewhere. Working in partnership with the Environment Agency (EA) and their Consulting Engineers, Crosby Group have gone beyond the standard requirements for the remediation of contaminated land. The site is to be used as a best practice case study by the EA and local authorities from across the UK have already made several visits to the site to learn from Crosby Group's experience.

The design of the development incorporates improved public open space including a number of public squares, walkways, streets and waterside access. Public art and children's play facilities will also be included. The landscaping strategy will include the planting of new indigenous trees to enhance the living environment and make a contribution to local biodiversity. Due to the amount of hard landscaping within the scheme, a feasibility study was undertaken concerning the incorporation of a Sustainable Urban Drainage

System. Although, in this case, it was not technically feasible to integrate SUDS, the Group has set itself a target to undertake feasibility studies of this kind on all major projects. All of the dwellings will have dual flush WCs and white goods will be specified with regard for their energy efficiency.

In last year's report, The Group stated its commitment to seek to reduce car dependency and no where is this more vivid than with Crosby's development in Leeds where Clarence Dock will be making a major contribution to the transport infrastructure in the city:

- A contribution of over half a million pounds is being made towards the construction of the Leeds Supertram and further contributions made towards upgrading public transport in the area and towards offsite highway improvement works.
- The construction of the new pedestrian bridge across the Aire and Calder Navigation will provide a direct pedestrian link between the East Bank regeneration area and the scheme.
- Pedestrian access to the area is being improved by the construction of a bridge across the Aire and Calder Navigation, and by two lifting bridges across Clarence Dock. These bridges will also improve public access to the waterway and improve the Pennine Way footpath alongside the Aire and Calder Navigation to make it more accessible to walkers and cyclists.
- Cycle paths and cycle storage facilities are being built into the development and consultation and liaison undertaken to implement the Green Travel Plan of Leeds City Council. This will require each tenant who employs 50 or more people to show how they will encourage their employees to travel to work using public transport, by cycle, on foot or by car sharing.



Our Workforce

1,2 Berkeley's employees are key to its consistent success



Berkeley is committed to protecting the health and safety of all of its employees, treating them fairly and with respect, helping them develop their skills and rewarding them for their contribution to the Company's success.

Health and safety

The Berkeley Group has a comprehensive health and safety policy and all divisions have rigorous management systems in place to enforce compliance. Performance is reported to the main Board and monitored through a full suite of Sustainability Key Performance Indicators (SKPIs)

Equal opportunities

Berkeley is committed to providing equal opportunities for all its employees. An equal opportunities policy operates across the Group and workforce diversity is monitored through the Group's sustainability monitoring process.

Induction and training programmes

Comprehensive induction and training programmes are provided by all Berkeley Group's Divisions to ensure that our employees continue to develop their skills throughout their careers. For example, at The Hamptons, the St James's Group Training

Centre forms the focus for the many training courses undertaken within that division. All new staff undertake a three-stage induction programme and training plans are developed for employees following assessment of their individual needs.

Addressing skills shortages

Berkeley plays its full part in a wide range of national initiatives to improve training and skills development within the construction industry. At Portsmouth Harbour, Berkeley Homes is working in partnership with a local company to provide professional development for teachers to enable them to advise their students on the skills required and the opportunities available in the construction industry. At Imperial Wharf, St George's training programmes for construction employees consider the wider needs of the construction industry and involve the Construction Industry Training Board (CITB), Women's Education in Building, London Women and Manual Trades' Organisation and the Construction Equality Network.

Working with the community

Berkeley encourages its employees to be active in the communities in which they work and its Divisions support a wide range of

community initiatives. At Royal Clarence Yard, Berkeley provides sponsorship and free office space for the Portsmouth Harbour Events organisation which brings a large number of events to the Portsmouth Harbour area. Berkeley has also made a significant contribution to the Explosion Museum at Gosport and supports a number of local community events. In Leeds, Crosby is providing a bridge across the river and two lifting bridges across Clarence Dock to improve the local community's access and enjoyment of the waterway and the Pennine Way footpath alongside the Aire and Calder Navigation.

Communicating with staff

This year Berkeley has established a company wide intranet to assist in communications across the divisions. The intranet is used as a tool for reporting all sustainability and health and safety data.

Awards

1 Berkeley Managing Director, Tony Pidgley, with the Deputy Prime Minister at the British Urban Regeneration Association Awards

'We are delighted that The Berkeley Group has won so many awards and plaudits this year. Our company can only be as good as the people who work for it and I would like to extend my thanks and recognition to our employees. Our success is theirs.'

Tony Pidgley, Managing Director



Over the past year The Berkeley Group, its divisions and operating companies have won numerous awards across a wide range of categories. Whether for high quality architecture, commitment to the health and safety of its employees and contractors or for the exemplary partnerships that Berkeley forms in taking forward its regeneration schemes, these awards are a tribute to The Berkeley Group and all those who work for it.

While it is impossible, for reasons of space, to list every award, a selection of awards from each of Berkeley's main divisions is set out below.

Berkeley Homes

Commission for Architecture and the Built Environment Festive Fives 2003 Award: to recognise Berkeley Homes as one of five private companies championing great architecture and design

Royal Society for the Prevention of Accidents: Health & Safety Awards 2003/4: Silver awarded to all regional companies

British Urban Regeneration Association Best Practice in Regeneration Award: Gunwharf Quays in partnership with Portsmouth City Council

English Partnerships Award for Partnership in Regeneration 2003: Gunwharf Quays in partnership with Portsmouth City Council

Evening Standard New Homes Awards 2004: Best New Development category – Gunwharf Quays

St George

Building Homes Quality Award: Best Company Wide Sustainability Strategy

Contracts Journal Awards: Housebuilder of the Year

Green Apple Awards: Champion Imperial Wharf

Hammersmith & Fulham Education Business Partnership Award: Services to Education

Wandsworth Design Award 2004

St James Group Ltd

Evening Standard New Homes Awards 2004:

- **Best New Home of the Year:** Wycombe Square
- **Best Luxury Home:** Wycombe Square
- **Best New Apartment:** Wycombe Square

What House 2003: Best Development – Kew Riverside

Your New Home Awards: Best Urban Regeneration Development: One S E 8, Deptford

Crosby Group

Royal Society for the Prevention of Accidents: Health & Safety Awards 2003/4: Gold Award

Housing Design Award 2003: No. 1 Deansgate, Manchester

British Safety Council: 5 Star Audit Award

Progress towards 2003/4 Targets

The Berkeley Group is committed to robust sustainability targets and rigorous monitoring of performance to ensure implementation. Group and divisional performance against 2003/4 targets is set out below.

2003 Targets – Divisions

Progress

Implement the Divisional Sustainability Strategies and report progress to the SWG each quarter.

Each division has developed/is developing a Sustainability Strategy and progress towards implementation is reviewed at every SWG.

Review operational management systems to ensure that environmental issues are fully integrated.

Progress towards this target has continued across the divisions and, where appropriate, systems are being modified.

Continue to develop sustainability supply chain management programmes.

All of the divisions have been developing their engagement programmes with prioritised suppliers.

Ensure that dwellings are fitted with fridge freezers, dishwashers and washing machines with energy efficiency ratings of B or above.

These requirements have been integrated into standard specifications.

Evaluate and, where practicable, implement change in standard specification to dual flush wc's.

The process for change to the standard specifications is progressing and has been completed within St George and St James.

Pilot the BRE Eco-Homes assessment methodology on one major project.

A number of the divisions have undertaken Eco-Homes assessments on major projects.

Monitor waste production and recycling on sites where a formal waste management strategy is in place.

This target has been pursued through the review of the Group waste KPI, which now involves the collection of data for individual projects.

Ensure that all major projects participate in the Considerate Constructors Scheme (where applicable) and aim to achieve a higher than satisfactory performance.

All major projects participate in the scheme where it is applicable. Imperial Wharf has achieved 100% against the CCS site audit criteria and Chelsea Bridge Wharf received a CCS award.

Monitor the percentage of local labour employed on selected major projects.

This has been undertaken on a number of major projects in collaboration with the relevant local authorities.

2003 Targets – Group

Progress

Continue our proactive dialogue with investors and retain our listing in the FTSE4Good.

Engagement meetings were held with a number of Socially Responsible Investors. Berkeley continues to be listed in the FTSE4Good.

Maintain the Sustainability Working Group (SWG) structure, including the continual review of our performance under each Sustainability Key Performance Indicator.

The SWG continues to meet on a quarterly basis. The divisions' performance against the KPIs is reviewed at every meeting and a formal report is sent to the Main Board.

Further develop the sustainability section on the Group web site.

The Sustainability and Health & Safety section of the Berkeley intranet was launched in May of this year.

Further develop our programme of sustainability focused site visits.

These site visits formed part of the piloting of the Sustainability Performance Management Tool and will continue to develop as part of the rolling programme of audits using this tool.

Continue to investigate the commercial feasibility of integrating renewable technologies into our developments.

The Hamptons project includes the integration of PV tiles and this included a consideration of commercial feasibility.

Complete the review of timber suppliers in respect of recognised certification schemes.

This review was completed and we have developed a Group timber purchasing policy.

Co-ordinate a review of the divisions' employee training and development programmes, including an investigation of appropriate sustainability indicators.

This was completed and piloted as part of the test/trials of the company's Sustainability Performance Management Tool.

Review the Environmental Action Plan for the head office in Cobham and implement agreed programme for action in 2003/4.

The Environmental Action Plan was reviewed and prioritised actions have been implemented including the initiation of a recycling programme and energy awareness initiative.

The Berkeley Group Sustainability Targets 2004/5

The Berkeley Group Targets 2004/5

Targets for the Group

Continue the proactive dialogue with investors and retain our listing in the FTSE4Good.

Maintain the SWG structure including monitoring the implementation of the divisions sustainability strategies and performance against the Group KPIs.

Provide leadership on sustainability issues through the Heads of Divisions meetings.

Develop a sustainability checklist to be incorporated in the divisions' Land Purchase Risk Assessment process.

Review best practice in community engagement for major projects.

Review the divisions' sustainability induction and training materials with a view to sharing good practice.

Monitor the percentage of sites using the Group's new waste management tool.

Monitor the implementation of the Group's new timber policy.

Publish monthly sustainability news topics on the intranet.

Publish five good practice briefing notes on current sustainability issues for the SWG.

Issue a sustainability report for the financial year 2004/5 and report on progress towards these targets.

Further development of the Sustainability Performance Management Tool.

Targets for the Divisions

Continue to implement the divisional sustainability strategies and report progress to the SWG each quarter.

Record SAP ratings according to different dwelling types with a view to setting improvement targets for each type.

Gather data on the performance of all those dwellings assessed using the Eco-Homes methodology, with a view to setting performance standards.

Continue to ensure that all dwellings are fitted with white goods with an energy efficiency rating of B or above.

Explore the feasibility of integrating renewable energy on all major projects.

Explore the feasibility of integrating SUDS on major projects.

Explore the feasibility of implementing car clubs on major projects.

Ensure that all landscape strategies for major projects incorporate a consideration of the opportunities to enhance biodiversity.

Continue to ensure all major projects participate in the Considerate Constructors scheme where it is operational.

Continue to monitor the percentage of local labour employed on all major projects.

Develop an on-site waste awareness programme to be built into the sub-contractors' work plan.

Advisers' statement

In our role as the company's external sustainability adviser, The Berkeley Group has asked us to comment upon its Sustainability Strategy and its disclosure concerning sustainability issues. This statement has been prepared on the basis of our long-standing knowledge of the company's approach to sustainability.

The Berkeley Group now has a well-established and robust corporate Sustainability Strategy based upon the principle of continuous improvement. This, The Berkeley Group's third Sustainability Report, also reflects the ongoing development of the company's disclosure, confirming its status as one of the leading reporters in the sector. In particular, the company is to be commended for taking a much more detailed look at how its Sustainability Strategy is being implemented at a project level, which is, of course, the real test of any Sustainability Strategy.

The company is also to be commended on the continuing development of its Key Performance Indicators and its reporting of performance against these. Setting quantitative targets would further enhance the strategy and report and we have noted that the Group has committed to developing a number of such targets over the next year. We have also noted that the company has set itself targets to explore in detail some of the social impacts of its projects.

For many companies, one of the key challenges for the future is to ensure that best practice becomes common practice across all of their activities. The piloting of a unique Sustainability Performance Measurement Tool this year has been a useful first step towards this for

The Berkeley Group. The further development of this tool over the next year should make an important contribution to the company's evolving Sustainability Strategy.

We are in no doubt that sustainability issues are becoming increasingly important in the planning and development process. Indeed, on many strategic sites sustainability is no longer an optional extra. The Berkeley Group is well positioned to take advantage of its experience in this area and we look forward to its continued progress.

Professor David Cadman

Chairman
Upstream

Upstream is The Berkeley Group's principal adviser on issues related to corporate sustainability.

Feedback and contact information

If you would like to let us know what you think of this report or would like further information about our Sustainability Strategy, please contact:

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