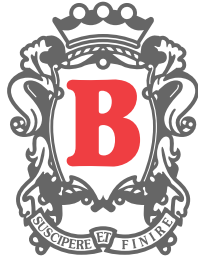




The Berkeley Group plc

Sustainability Report 2002



# The Berkeley Group plc

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The Berkeley Group is changing the face of development in the UK. We undertake some of today's most exciting and challenging urban regeneration projects. Our developments on brownfield sites bring new life to towns and cities across the UK. We are passionate about our commitment to quality, innovation and truly sustainable developments.

As a developer, we are about much more than bricks and mortar. We are about bringing life to communities.



Gunwharf Quays, Portsmouth is an urban community that provides an environment where people can live, work and spend their leisure time.



## Introduction

**In the early 1990s, The Berkeley Group took one of the most important strategic decisions in its history. It recognised the significance of urban regeneration and the benefits that this would bring to town and city centres.**

Since this time, the Group has pursued this environmentally sustainable approach – to become predominantly an urban regenerator and to focus on transforming brownfield sites into places where people want to live, work and play. This decision has put sustainable development at the heart of our business strategy and led us to review the sustainability of all our activities. The Berkeley Group's first annual Sustainability Report is the outcome of this review – and is therefore a major landmark in the development of our company.

**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 the Group.**

To do this, we have to be able to make sustainability work *for* the business. We have to bring together the short-term and long-term requirements of our shareholders with the desire to create communities that work for future generations. This means:

- **Identifying and minimising risks.**  
We seek to manage risks to the environment, to our employees and to the communities in which we work.
- **Operating efficiently.**  
We are working continually to ensure that the construction process is as efficient as possible.
- **Working with our stakeholders.**  
We do not impose ideas, we help plans evolve by engaging with those involved in the different aspects of our work.
- **Creating new opportunities.**  
We believe that we are at the forefront of change – sustainable communities must be sensitive to the past and learn from it but they must also be able to cope with the challenges of the future.

We believe that by adopting these principles we can respond to the needs of our customers and secure development opportunities of which other developers might steer clear, while addressing the public policy agenda on sustainability at the same time. This not only minimises the risk to our existing investors, it also helps us to attract new investors, which means we can release more capital to invest in more sustainable projects.

Over the past year, we have made significant progress in developing The Berkeley Group Sustainability Strategy (see page 4) and, in particular, our Sustainability Working Group has established key performance indicators (KPIs) against which we will measure our progress. These are highlighted throughout the report. Each of our divisions also made good progress in the development of their own strategies and we are delighted that one of our divisions, St George, has won the prestigious Queen's Award for Enterprise: Sustainable Development 2002.

The path towards sustainability is, however, a long journey and we are

only at the very beginning. We have put our corporate strategy in place, but there is still much work to do before we can say that sustainability principles are embedded in everything that we do. We have set out our priorities for the coming year on page 32.

Two crucial aspects of sustainability are accountability and transparency. That is why we aim to be open and honest about the way in which we operate and provide our stakeholders with appropriate information so that they can judge for themselves how we are performing. This publication is an important part of this commitment. It is difficult to meet all stakeholder requirements in one report, so in our first report we have decided to focus on:

- Outlining our overall commitment and approach to sustainability.
- Providing an overview of our key impacts and how we are measuring them.
- Illustrating our commitment through the use of case studies from across The Berkeley Group.

- Providing some initial data on our progress against our key performance indicators.
- Describing our main priorities for the next year.

We believe that our approach to sustainability adds value to the business and improves the quality of life for the communities in which we work. We hope that this report provides helpful information on our developing strategy to address the environmental, social and economic impacts of the business. We would welcome the views of investors and other partners on our progress to date and our plans for the future. We intend to report again next year.

**Roger Lewis**  
Chairman

**Tony Pidgley**  
Managing Director



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

## The Berkeley Group and Our Sustainability Strategy



In the financial year 2001/2, The Berkeley Group had a turnover of £976.8m. We completed a total of 3,182 dwellings. We directly employ 1,500 people. All of our operations are based in the UK and our head office is located in Cobham, Surrey. The Group is made up of 9 divisions. Berkeley Homes, Crosby Group and St George together with Thirlstone Homes account for 95% of our total Group turnover. St James Homes is a joint venture with Thames Water plc.

Over the past two years, through our Sustainability Working Group, we have been working with our divisions to develop a sustainability strategy for The Berkeley Group that provides a framework for the development of their own strategies. All of the divisions' strategies will be consistent with The Berkeley Group Strategy, but each division is encouraged to

develop its own implementation programme that builds upon its existing management systems and reflects its organisational culture. The Berkeley Group Sustainability Strategy is made up of the following key elements:

**Identifying our key impacts.**

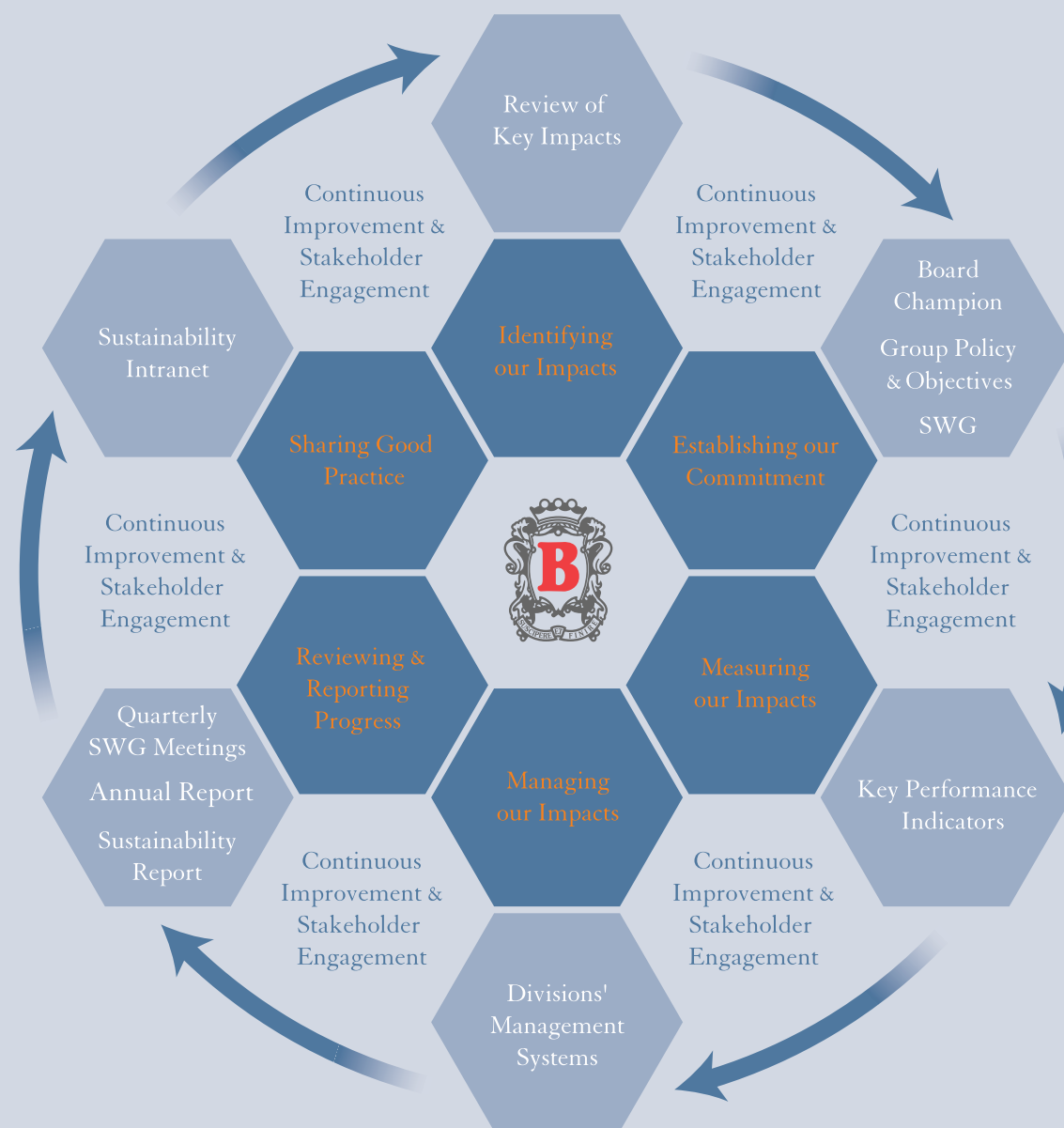
We have undertaken a strategic review of our key sustainability impacts and a more detailed review of our compliance with the International Standard for Environmental Management Systems – ISO14001. Both of these reviews have helped us to identify our impacts, the initiatives we have in place to address them and to establish the priorities for our programme of work. We raise awareness of our key impacts and any new issues that might arise through sustainability briefings provided to the divisions on a

quarterly basis. Our key sustainability impacts are the significant positive or adverse effects that activities of the Group have upon the environment, society or economy, particularly in the local communities in which we operate.

**Establishing our commitment.**

We have identified a Board champion for sustainability issues and established a Sustainability Working Group (SWG). The SWG meets quarterly and is made up of a Director and senior managers from each of our divisions. The role of the SWG is to oversee the development of the Group Strategy and to lead the development of the divisions' own strategies. The Group Sustainability Policy (see page 7) is also an important expression of our commitment.

The Berkeley Group Strategic Sustainability Model



**Measuring our impacts.**

We have now established an initial set of sustainability key performance indicators. Initially, we have focused on a small number of areas where data is readily available and/or where we can identify a clear business benefit in gathering the data. Further work is required to ensure both that data is standardised across the Group and that we are using the most appropriate methods to calculate and normalise this data. To demonstrate our commitment to measuring our impacts, we have decided to include the data we have gathered so far in this report. The key performance indicators are highlighted throughout the report, together with some explanatory notes.

However, it should be noted that the data included in this report:

- covers the last two quarters of the 2001/2 financial reporting year – November 2001 to April 2002.
- is reported only in relation to our 4 main divisions, together with Thirlstone Homes (which constitute 95% of our turnover).

**Managing our impacts.**

The Berkeley Group's aims and philosophies have always been based on autonomy and our Sustainability Strategy will ultimately be delivered by our divisions. Each of the main divisions has begun to develop their own implementation programmes, including, for example, sustainability action plans and project checklists. Much of this is still work in progress and will take some time to complete. Wherever possible, the divisions are seeking to address sustainability

issues through their existing management systems to ensure effective implementation.

**Reviewing and reporting progress.**

Progress is reviewed on a quarterly basis at the SWG meetings and is also reported to the Board each quarter. We have included a statement on our Sustainability Strategy in the Annual Report and Accounts and this, our first Sustainability Report, is part of our commitment publicly to report on our progress.

**Sharing good practice.**

We have established a Group sustainability intranet to enable the divisions to share good practice. Some examples of case studies posted on the site include bus accessibility, key worker accommodation, car clubs and country parks.





The Berkeley Group plc

Acquiring, planning, designing, building and marketing homes and commercial buildings is a complex interaction of processes and relationships.

## The Berkeley Group Sustainability Policy

## What We Do



The Berkeley Group is one of the UK's leading property developers, specialising in high quality housing, mixed-use and urban regeneration projects. As a major contributor to the renaissance of Britain's towns and cities, we are committed to improving the quality of life of the communities in which we operate. We recognise that to meet our financial objectives we must respect the physical environments and the societies in which we operate.

Environmental and social responsibilities are, therefore, central to the success of our business and we believe that by addressing them we can enhance the value of our business. We are intent on working towards sustainability and to making a positive contribution to the long-term physical, social and economic fabric of the communities in which we work.

This policy sets out the key principles that are the driving force behind the Group's Sustainability Strategy which is at the very heart of our activities. In particular, we aim to:

- Enhance the local environments where we work.
- Make efficient use of natural resources and consider the long-term environmental impacts of the homes and commercial premises that we build.
- Understand and respond to the concerns of our shareholders, our customers and the local communities in which we operate.
- Develop successful partnerships with our stakeholders and engage them in our work towards sustainability.
- Work with our suppliers and subcontractors to develop sustainable relationships.
- Ensure that employees are:
  - treated fairly;
  - trained in order to raise their awareness and understanding of sustainability issues;
  - encouraged to develop their skills; and
  - rewarded for their contribution to the company's success.
- Provide safe and healthy working environments for our employees.
- Openly communicate our progress towards sustainability both internally and externally, thereby demonstrating our commitment and encouraging debate that will help us to further our understanding.
- Strive towards continuous improvement in our performance by reviewing our progress on a regular basis and reporting this to the Board.

To achieve the commitments set out in this policy, the following organisation and arrangements exist:

- Ultimate responsibility for all matters relating to sustainability rests with the Main Board of Directors.
- A Sustainability Working Group reviews policy and on-going strategy in relation to evolving trends and issues.
- The Managing Director of each division is responsible for all matters relating to sustainability within each subsidiary company, and for establishing appropriate strategies to implement the Group's Sustainability Policy.
- Each division is required to set clear objectives and key performance indicators to monitor and measure its achievements in agreed areas.

In this way, we will demonstrate that sustainability is an essential part of the Group's activities and our determination to secure the advantages that we believe it offers to our shareholders, customers, employees and the community.

### Acquisition

The first part of the development process is to find and buy new land for development. Our landowning partners turn to us to maximise their assets – even where the most difficult sites are involved. We aim to deliver schemes that reflect well on themselves and win the support and acclaim of the whole community. When acquiring sites, part of our decision is the extent to which we feel that we can make a genuine contribution to the sustainability of the local community.

### Planning and Design

Once we have acquired a site we need to secure planning permission. Government guidance encourages the development of previously developed land, the efficient use of land, improved access to vital community facilities, reduced car dependency, the combining of residential development with commercial development, the provision of a range of dwelling types and affordability, and the most efficient use of natural resources. To address these objectives, each project has a dedicated team to prepare the planning application

and associated environmental and sustainability assessments. This team works closely with consultants, regional and local planning authorities and other Government bodies to ensure that the objectives of both local and strategic planning guidance are addressed. On major projects, we enter into extensive stakeholder dialogue to ensure that we take into account the views and concerns of a wide range of stakeholders during the planning and design process. Our design teams work hard in partnership with leading, forward-thinking architectural practices to provide intelligent, original and imaginative solutions that are appropriate to the location and the needs of the local community.

### Construction

Construction is perhaps the most visible part of the building process. In some cases, it may involve the refurbishment or demolition of existing buildings and the clearance of land, together with remediation works if the land needs to be cleaned from its previous uses. The actual construction can then begin. On some major projects, the process can be phased over several years.

At all times, we work to ensure that our construction sites are safe, secure, tidy and cause as little disruption as possible to those living and working in close proximity to the site. We also ensure that there are procedures in place to reduce pollution and to protect sensitive habitats or species.

### Sales and Marketing

When the general design of a development has been agreed, we use our marketing and selling skills to complete the development cycle and ensure commercial success. Part of this process is to provide good customer care during the sale and until the development is completed and the new occupants have moved in. It is of the utmost importance that the construction process is completed to the high standards that our customers have come to expect.

### Business Management

To support all of these activities, the Group and each one of the divisions have permanent offices and support teams.



Charter Quay, a mixed-use scheme in Kingston upon Thames which, through consultation with the local community and relevant authorities, will deliver a 1,100 seat theatre, new moorings and a walkway past the wetlands, as well as other local leisure amenities.

A stakeholder is anyone that affects or is affected by our activities.



## Our Stakeholders



We hope that this report will be of interest to a wide range of stakeholders. It is, however, only one part of a more extensive stakeholder engagement strategy that seeks to address the interests and concerns of particular stakeholder groups and involve them in the development of our Sustainability Strategy.

**In our view, a stakeholder is anyone that affects or is affected by our activities. We have provided a short description of each of our key stakeholders in the following section, highlighting specific examples of how we work with them in the section of the report entitled 'Our Impacts' (pages 14 to 31).**

### Customers

**We aim to meet the changing needs and expectations of our customers and to continue to improve our customer service.**

Without our customers – those people who occupy our homes and commercial premises – we would not have a business. They want our developments to enhance their lives,

bringing home, work and leisure closer together. Those companies that occupy our commercial premises need to know how our approach to development will enhance their business activities. All of our residential customers are invited to take part in our customer satisfaction surveys and their responses form one of the key performance indicators for The Berkeley Group.

#### KEY PERFORMANCE INDICATOR:

The number of customers that would recommend buying a Berkeley Group home to their best friends.

#### PERFORMANCE:

In our financial year 2001/2, 4 out of 5 of our customers said that they would recommend buying a Berkeley Group home to their best friends.

### Investors

**We aim to demonstrate to our investors that our approach to sustainability adds value to the business.**

Our investors are primarily interested in the Group's financial performance

and any factors that may affect that performance in both the short and long term. We have no doubt that our attention to environmental and social sustainability contributes to the success of our business. This, in turn, minimises the risk to existing investors and helps us to attract new investors. Other investors include landowners, who want to maximise the value of their assets, and the mortgage providers who provide the finance for people to buy our homes. Investors are developing new indices to assess our sustainability performance. The Berkeley Group is listed in the Dow Jones Sustainability World Index and we are currently reviewing our compliance with the FTSE4Good criteria. In the Business in the Environment Index of Corporate Environmental Engagement, The Berkeley Group improved its score from 43% to 64% ranking it 8th out of 18 companies in the Construction and Building Materials sector. Of the residential developers within this sector, The Berkeley Group was joint leader.



Courtesy of: John Thompson & Partners

Local communities are most often concerned about how our developments will contribute to enhancing their everyday lives and how they will affect the things and people they care about most.

The local communities in which we work have a significant role to play in shaping the nature of our developments.



The Berkeley Group aims to be an equal opportunities employer and believes that its employees are of paramount importance in achieving its business objectives.



## Our Stakeholders

### Local Communities

We aim to listen to people, consult them and work hard to find the right solution in every development.

In 2001, The Berkeley Group was involved in over 300 projects across the country. The local communities in which we work have a significant role to play in shaping the nature of our developments to meet their needs. Peoples' interests vary from location to location, but local communities are most often concerned about how our developments will contribute to enhancing their everyday lives and how they will affect the things and people they care about most.

### Employees

We aim to protect the health and safety of our employees, treat them fairly and with respect, help them to develop their skills and reward them fairly for their contribution to the company's success.

Our employees are of paramount importance to us in achieving our

business objectives and we treat them accordingly by:

- Adopting quality health and safety standards across all of our operations.
- Being an equal opportunities employer.
- Providing training and personal development opportunities for employees.
- Providing a competitive range of employment benefits and incentives.

### Suppliers

We aim to treat our suppliers and contractors fairly and work with them to achieve our sustainability objectives.

We spent in excess of £300 million with our key suppliers last year. Our suppliers rely on us to treat them fairly and pay them on time. We rely on our suppliers to help to maintain our reputation for quality, integrity and diversity,

which includes meeting our standards for sustainability.

### Government

*At a national level ...*

We work with the Government to inform their work towards sustainability and to make a contribution to meeting both international and national sustainability targets.

The Government sets the context within which we operate through laws, regulations, general policy and strategy. Government is emphasising the important role that business has to play in delivering more sustainable development and is encouraging companies to report on their progress. Regulators, such as the Environment Agency, are also important stakeholders. They are responsible for developing effective implementation programmes for new legislation and for enforcing them. We work with the regulators both in developing regulations and ensuring that we are implementing their requirements effectively.

*At a local level ...*

We work closely with regional development agencies and local authorities at all stages of the development process to secure environmental, social and economic objectives for the areas in which we develop.

Regional and local government set the specific parameters within which individual developments take place. Regional and local plans are developed which set the framework against which development proposals are assessed. In the long term, local authorities may be responsible for operating and maintaining parts of the community infrastructure that we have designed and developed including, for example, roads and open spaces. Also, where possible, we work with the local planning authorities on the implementation of new policies and initiatives.

**Non-governmental Organisations**  
We regularly work in partnership with non-governmental organisations to achieve sustainable communities.

We are keen to understand their concerns and to help them achieve their aims. Such interest groups often have very specialist knowledge and expertise that we can learn from and apply in future projects. We also make donations and contributions in kind to not-for-profit organisations (see page 31).

**Research Organisations**  
We work with research organisations to ensure that we are at the cutting edge of the industry.

Research organisations are a vital resource, providing us with specific information about new technologies and initiatives as well as information to other stakeholders on our performance. We also help research organisations by providing them with the commercial data and support they need to test and implement their ideas.

**Industry Bodies and Trade Associations**  
We work with industry bodies, trade associations and professional

bodies to promote good practice in sustainability.

Industry bodies represent the interests of their members and help them to address new challenges and opportunities by disseminating good practice guidance and maintaining a constructive dialogue with Government, the media, politicians and other interest groups. Their influence is important in the delivery of industry-wide progress on sustainability issues.

### Partners

We work in partnership with others.

Our partners include our joint ventures with businesses such as Thames Water (who jointly own St James Homes) and Argent with whom St George is working on the Kings Cross redevelopment. We also have other partners who help us deliver specific elements of our developments – for example, registered social landlords in respect of affordable housing on mixed-tenure sites, and commercial operators and developers for our mixed-use developments.

We are making a major contribution to the renaissance of Britain's towns and cities – over 90% of our current developments are on brownfield land.



## Our Impacts



Integer House in Newbury is a prototype development project for open market sale that is truly energy efficient.



### Land

In the UK, land is an increasingly scarce resource. Our aim is to regenerate land and make the best use of that which we have available to us.

Government policy places a strong emphasis on the use of brownfield land for development and has set a target that 60% of all new homes must be built on previously developed land by 2008. We intend to play a full part in achieving this target. We are making a major contribution to the renaissance of Britain's towns and cities; over 90% of our current developments are on brownfield land and this will remain central to our future business strategy.

- To enable others to benefit from our experience in this area, St George has produced a joint publication with the Civic Trust to promote best practice in the regeneration of brownfield sites for other developers to follow. In the future, we believe that the emphasis will increase even further towards building in urban areas, to make the best use of available land and

to provide integrated sustainable communities.

#### KEY PERFORMANCE INDICATOR:

Number of dwellings built on previously developed land as a percentage of total dwellings built (taken to sale).

#### PERFORMANCE:

During the 6 month period to April 2002, over 9 out of 10 of our new dwellings (taken to sale) were built on previously developed land.

### Climate Change

Sustainable communities must be sensitive to the past, but they must also be designed to cope with some of the challenges society faces in the future, such as climate change. Our aim is to reduce greenhouse gas emissions through addressing energy use in the buildings we design.

Buildings account for 46% of UK carbon dioxide emissions or approximately 63.5 million tonnes of carbon per year. Dwellings alone account for 30% of UK energy consumption and 28% of the resulting CO<sub>2</sub> emissions (source: *The Housing Energy Efficiency Unit*).

We seek to achieve high standards of energy efficiency in all our buildings and aim to reduce the dependency of our developments on energy from fossil fuels. We are looking at integrating renewable energy into development design, orientating buildings to maximise passive solar gain, designing them for high levels of thermal efficiency and providing our customers with information on the energy-efficiency features of their homes. We have made good progress on a number of projects.

- In Newbury, Berkeley Homes has taken part in a project involving one of the first truly energy-efficient houses for open market sale – Integer House. The specification for the Integer House included a solar collector, recycled-newspaper insulation and passive-stack ventilation.
- Subject to planning approval, St George's proposal for the Vauxhall Tower, a 50-floor residential development comprising 200 homes, could make a significant contribution to London's sustainability. It will

heat, cool and generate hot water using the Thames Acquifer and the design includes thermal buffers known as Winter Gardens. Two of the key targets will be to generate enough electricity to light and heat all of the common areas and ensure that, for a large proportion of the year, neither heating or cooling will be required. Crosby Group's development at No.1 Deansgate in Manchester is also naturally ventilated and uses thermal buffers and automatic light-sensitive louvres to reduce energy demands.

These projects have provided us with an insight into the technologies available and their commercial feasibility. It will be important for us to incorporate the lessons we have learned into future projects. It is also important for us to contribute to research and policy development in this area.

We are participating in the Tyndall Research Programme on Climate Change and have responded to the Mayoral strategy on air quality. We are also working with the World

Wide Fund for Nature (WWF), together with a wide range of stakeholders, to establish a commitment to make 'sustainable homes' a mainstream reality across the UK.

#### KEY PERFORMANCE INDICATOR:

Average SAP rating for all dwellings built (taken to sale).

#### PERFORMANCE:

In the 6 month period to April 2002, we have achieved an average SAP rating for all dwellings built (taken to sale) of 79%.

The SAP rating is the 'Standard Assessment Procedure' which provides an indication of the overall energy efficiency of a dwelling. This takes into account the building's insulation, glazing, air tightness, thermal bridging, heating requirements and performance, and lighting. We are keen to explore the ways in which we can improve our performance against this KPI and we hope that the introduction of the new Carbon Index will enable us to compare our performance with best practice standards which will differ in relation to the type of fuel used.

### Materials

Construction is responsible for 40% of the total world flow of materials (source: *Sustainable Construction Task Group*). We aim to consider the environmental and social implications of our materials throughout their life cycle.

We use a wide variety of materials in the construction and refurbishment process and in fitting out our developments ready for occupation. Ensuring that we have systematically addressed all the issues associated with these materials will take some time and, at present, we are focusing our efforts in a number of key areas:

**Concrete:** At St George Wharf, we are undertaking a major research programme with the Building Research Establishment to optimise concrete frame design.

**Timber:** We recognise the importance of worldwide forests to our climate and with the lead of the World Wide Fund for Nature (WWF), we are examining our supply chain to seek to specify timber from accredited sustainable sources in increasing volume.

Our aim is to minimise waste throughout the development process.



Leybourne Lakes, Larkfield, Kent used material from the park to raise the level at the housing development site, making space for drainage and flood control



## Our Impacts

**Local Materials:** We specify the use of local materials wherever possible, which not only enables us to demonstrate architectural integrity, but also reduces transport-related greenhouse gas emissions and supports the local economy.

We also seek to select materials that eliminate or reduce repetitive maintenance.

- At Gunwharf Quays in Portsmouth, materials from non-sustainable sources were specifically precluded from the construction. A total of more than 600,000 local bricks were used from Sussex, Micklemarsh and the New Forest. There are also a number of specific examples where alternative products were used including the use of recycled plastic to form mock timber decking to the balconies of the residential properties and the use of reclaimed timber rather than new hardwood in parts of the commercial developments.

### Waste

**Our aim is to minimise waste throughout the development process and to encourage those occupying our developments to recycle their waste by:**

- **Contributing to waste management infrastructure in the design of the development.** At Chelsea Bridge Wharf we are planning to introduce a recycling facility for residents as part of the overall estate management strategy.
- **Re-using materials on-site arising from site clearance and recovering components and materials from derelict buildings.** At St George Wharf a disused coldstore was demolished, generating around 10,000 tonnes of crushed concrete. This was re-used for temporary roads and approximately 200 tonnes of steel was recycled.
- **Designing out waste and exploring alternative methods of construction such as prefabrication.**

St George has developed a collaborative trading programme with British Gypsum to minimise waste by pre-cutting materials in the factory.

- **Developing waste management strategies for major projects.** Construction site and demolition waste accounts for 17% of all waste generated in the UK (source: *Sustainable Construction Task Group*). St James Homes has been working with a waste management contractor to implement waste management strategies on all of its major sites. The contractor is responsible for the control, segregation and reduction of waste produced. Since the implementation of these strategies on several major schemes, it has been possible to monitor the amount of waste produced on-site and make efforts to ensure that it is reduced.
- **Separating waste on-site where it is practical to do so and reducing the amount of**

**waste we send to landfill by recycling as much waste as possible.** Berkeley Homes is working with British Gypsum on the recycling of plasterboard and at Angmering also promoting an on-site waste management strategy. Hardcore is separated for re-use on site and waste to be disposed off-site is sorted, further reducing landfill disposal.

**KEY PERFORMANCE INDICATOR:**  
Average number of skips containing waste removed per dwelling built.

**PERFORMANCE:**  
In the 6 months to April 2002, the average number of skips removed per dwelling built (taken to sale) was 5.5. This performance is calculated using the number of 7 yard skips or equivalent removed.

### Water

**We aim to conserve water during the construction process and to encourage the occupants of our buildings to reduce their everyday water use.**

We aim to minimise the amount of pollution to water by implementing

effective pollution prevention programmes on site. We also seek to reduce the consumption of water in the construction process by, for example, employing drywall lining techniques to eliminate some of the 1,500 gallons of water (on average) employed on constructing each home. In many homes, we are installing low-volume dual-flush toilet cisterns and we have piloted greywater recycling in our experimental Integer House. Berkeley Homes is also piloting a plumbing system that uses lower volumes of water. Subject to the results of this trial, the system will be introduced into Berkeley Homes' standard product specifications.

We can also contribute to establishing more sustainable forms of water use and management by implementing sustainable urban drainage systems (SUDS) on major projects. Although implementing SUDS is not always possible, at its scheme in Worcester Park, St James Homes is developing a 31-acre public park which will be privately funded and maintained and managed in partnership with the London Wildlife Trust. The drainage system for the development and the

park will be based upon SUDS. The lakes located within the park will act as balancing ponds and will contain reed beds to improve water quality.

**KEY PERFORMANCE INDICATOR:**  
Percentage of dwellings built (taken to sale) that have been fitted with low-flush WCs.

**PERFORMANCE:**  
In the 6 months to April 2002, 55% of all dwellings built (taken to sale) were installed with low flush WCs. The divisions have recently committed to installing low flush WCs in all new dwellings, so we hope to see our performance significantly improve against this KPI over the next year.

Enhancing the local habitat and ecology is a crucial consideration on all of our development schemes.



## Our Impacts



### Biodiversity

We aim to protect and enhance biodiversity. Twelve per cent of birds and nearly a quarter of mammals are currently regarded as globally threatened. In the last century, it is thought that at least 154 British species became extinct (source: *United Nations Environment Programme, World Wide Fund for Nature*). Enhancing the local habitat and ecology is a crucial consideration on all of our development schemes.

Our development at Barnes Waterside involved converting 4 concrete-lined reservoirs over a 5 year period into more than 30 different wetland habitats, with over 300,000 aquatic plants and 30,000 trees. Leybourne Lakes Country Park is being developed from land that was a quarrying site for many years into an area for recreation for local people and a haven for wildlife and conservation. In consultation with the Environment Agency, English Nature, Kent Wildlife Trust and many other conservationists, careful relocation of water voles, grass snakes and common newts has taken place in the Country Park.

A study to monitor all wildlife and flora has been undertaken and is being checked annually. The Country Park includes areas designated for the creation of habitats for wildflower grassland, wet scrub, marshes and ponds. The transfer of the Country Park to the local authority is anticipated to be completed around spring 2004.

At Burgess Hill, Berkeley Homes has commissioned an external expert report into the local habitat of the Great Crested Newt. The recommendations of this expert will be incorporated into the proposed development. And at Chelsea Bridge Wharf, the division has prepared a bird nesting and foraging strategy. The landscaping for the completed development includes a variety of plant species that will encourage bird nesting. Schwegler bird boxes will be strategically located on the completed development to encourage nesting of the Robin, Starling, Pied Wagtail, Wren and the Black Redstart.

At Imperial Wharf, St George has developed an ecological design and

management strategy and is providing a new 10-acre public park which is privately funded and will be privately maintained in perpetuity. We believe this is the first park to be delivered in this way for 50 years. St George has also created a snail reserve to provide protection for the rare German two-lipped snail. As part of flood protection measures at Brentford Lock, river walls are being reinstated to ensure invertebrate habitats are protected. At Charter Quay, wetlands with floating coir mats ensure that Kingfishers' habitats and nests are protected.

At Kew Riverside, St James Homes is transforming 26 acres of former Thames Water Sewage Treatment Works to a development in excess of 500 new houses and apartments, with 6 acres given over to a landscaping programme which has received approval from the Royal Botanic Gardens, Kew. Over 300 semi-mature trees and 10,000 young trees have been planted, creating a 40-metre landscape corridor between the buildings and the towpath, together with a green link running from the towpath through the site to the existing community.



An aerial view of Barnes Waterside and the Wildfowl and Wetlands Trust, where part of the development included converting 4 concrete reservoirs into more than 30 different habitats. This site was the Global Winner of the British Airways Tourism for Tomorrow Awards 2001.

We aim to reduce car dependency by making transport and access routes a key consideration in the planning and concept stages of any development.



The principles of the Considerate Constructors Scheme are upheld by all the divisions.

## Our Impacts



### Transport

By focusing on mixed-use developments, we seek to reduce the need to travel by bringing places of work, homes, vital amenities and leisure closer together. However, if people still need and want to travel, we aim to reduce car dependency by making transport and access routes a key consideration in the planning and concept stages of any development.

At the St James Homes Scheme in Deptford, 50% of the apartments have been developed without access to a car parking space. In association with AVIS, residents of the development have been provided with CARvenience allowing them the use of a car without having to own one. A car club will enable residents to hire a car 24 hours a day for periods of as little as half an hour. As a result of this project, St James Homes has also been working with the London Borough of Sutton to advise on the development of car clubs in the borough. Plans for the redevelopment of the Bromyard site in Acton include proposals for extensive cycleways and utilisation of electric cars.

At Kew Riverside, a number of bicycles have been provided for use by the residents and a contribution of £125,000 has also been made to the London Borough of Richmond-Upon-Thames for the upgrading of the pedestrian and cycle path along the Thames Towpath. Improvements have also been made to the public highway to encourage safe pedestrian and cycle movement and we have also funded the provision of a new bus service in the area to serve the site.

In Leeds, Crosby Group is making a major contribution to the extension of a tram system. The tram will directly link the Clarence Dock development with all of the major traffic generating sectors in Leeds including other parts of the city centre, district centres in south and east Leeds, Headingley, the bus and coach station, and the city centre railway station. The development also sits next to the river and is on the route of the National Cycle Network. Crosby Group will also be making a considerable contribution to the upgrading of bus services to provide a more comprehensive timetable.

At Imperial Wharf, St George is proposing a new integrated transport hub, improving local bus services, providing funding of £1.75 million for a new rail station and promoting highway improvements. It has also provided new moorings at Eddington Wharf and Charter Quay.

### Respect for the Past

We aim to respect tradition.

In many projects, we combine modern and traditional architecture with a sensitive approach to the regeneration of long-redundant buildings of character. In this way, neglected buildings and derelict sites can enjoy a new life and create landmark buildings that reflect the true heritage of forgotten areas.

Berkeley Homes' development proposals for The Royal Arsenal, part of which dates from the 17th century, include the conversion and re-use of a number of Grade II listed buildings. The Grand Stores were originally built in 1813 using Purbeck Stone which, at the time, cost the princely sum of £1 and 6 shillings per ton. Proposals for a prominent site in Abingdon also include the conversion of buildings of local

architectural and historical interest to residential use, the restoration of the listed Ock Lea House back to its original residential use and the restoration of two further listed cottages.

St George was awarded the Royal Fine Art Commission Award for the design of Georgian-style buildings to reflect the surrounding area at Spitalfields. The conversion by St James Homes of Milford House, an 18th century Grade II listed building in Surrey, was also recently awarded the Waverley Design Award for the quality of the conversion. The development includes 11 terraced houses and 26 apartments on the 4-acre site and includes the conversion of the old building and development within the grounds.

Another St James Homes development at New Riverhead, Islington, sits within an existing Thames Water site. The development lies within a conservation area and contains 4 listed buildings and structures – the Metropolitan Water Board Headquarters, the Lab Building, the Pump House and the

Windmill. The new building respects the listed buildings and their setting, but in a contemporary fashion.

We undertake archaeological surveys on all our major projects and work with specialist archaeologists and interest groups to excavate and preserve items of historical importance. At Brentford Lock, archaeological work prior to construction resulted in findings ranging from Neolithic to the post-Medieval.

**Considerate Construction**  
We aim to act with consideration for the impacts we have on the local community during the construction process.

The construction process can be disruptive to those living in close proximity to development sites. Where it is operational, many of our divisions participate in the Considerate Constructors Scheme, and all of our divisions uphold the principles of the scheme which covers the following issues:

- Considering the needs of the local community during the construction process.

- Minimising noise during the construction process.
- Considering the environmental impact of materials and resource use and avoiding pollution.
- Keeping the site clean and in good order at all times.
- Maintaining full and regular consultation with neighbours.
- Maintaining respectful and safe standards of dress, appropriate to the weather conditions and eradicating lewd or derogatory behaviour and language.
- Considering the safety of the general public, traders, shoppers and site personnel at all times.

Our developments can make a major contribution to revitalising the communities in which we work by providing both short and long-term employment.



## Our Impacts

### The Local Economy

We aim to make a long-term contribution to local economies. Our developments can make a major contribution to revitalising the communities in which we work by providing both short and long-term employment through the provision of services to the new community and attracting new investment into the area.

Clarence Dock is a major mixed-use property development by The Crosby Group. The existing water-filled mooring basin at Clarence Dock is located in central Leeds alongside the River Aire and Royal Armouries Museum. An employment generation study carried out by Leeds Metropolitan University estimates that the scheme will directly result in over 2,000 new jobs for the Leeds area, and approximately a further 400 new jobs per annum during the 4 year construction phase of the development which started in early 2002. The jobs will come from leisure and retail outlets, hotels, offices, bars and restaurants, and other activities involved in the scheme. An additional 800 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.

Barnes Waterside is another example of a project where we have made a long-term contribution to the local economy. The London Wetland Centre, built as part of this joint venture, has recently become the Global Winner of the British Airways Tourism for Tomorrow Awards 2001, a prestigious award that recognises leading sustainable tourism throughout the world. The centre includes a state-of-the-art observatory, cinema and discovery centre and is the only project of its kind working to this scale. As such, it is a superb role model of sustainable development for all cities.

On the Thames riverside, St George has estimated that its 9 riverside schemes will be delivering 3,000 new jobs many of which will be taken up by the local community.

At Gunwharf Quays, formerly a naval training establishment, Berkeley Commercial is creating 210,000 sq ft of retail space,

100,000 sq ft of office space, 310 homes and 190,000 sq ft of leisure and recreational facilities. It will provide a major source of long-term, permanent employment in the area.

The development was voted the best mixed-use scheme in the country at the 4th Annual Leisure Property Forum Awards. The scheme provided more than 500 construction jobs at its peak, with much of the work going to local companies.

Where appropriate, we also do whatever we can to encourage local suppliers and contractors to bid for contracts on our developments and many of our divisions operate local labour initiatives to attract construction labour from the local workforce. In the early months of Berkeley Commercial's project at Gunwharf, seminars were held for local businesses to make the local community aware of the pending job opportunities once construction was underway. In addition, with the support of Portsmouth City Council, the employment services and Highbury College, Gunwharf became the site for an apprentice training centre and an employment 'job shop'.



An aerial view of Clarence Dock and the Royal Armouries, Leeds. It is estimated that this mixed-use development will result in over 2,000 new jobs which are expected to come from leisure and retail outlets, hotels, offices, bars and restaurants and other activities involved in the scheme.

When we begin to design a major new scheme, we seek to understand what the needs of the local community are and intergrate appropriate facilities into the overall plan for the development.



Imperial Wharf, Fulham. A 32-acre site that will include 50% affordable housing.



## Our Impacts

We also supported training courses in local colleges. In the long-term, on a site that previously employed only a handful of security staff, over 1,000 permanent jobs have been created in the retail outlets and leisure facilities.

**Community Infrastructure**  
Communities cannot thrive without the right infrastructure to support them. When we enter into major development projects, we know that the success of the project will be dependent not just upon the quality of the building, but on the community that surrounds it. We aim to make a valuable contribution to the provision of the local service infrastructure.

We enter into planning agreements (Section 106 – which are part of our planning obligations) with local authorities during the planning process to provide important community facilities such as schools, healthcare centres, good public transport links, shops and places where people can enjoy their spare time such as cinemas, theatres and art galleries. When we begin to design a major new scheme, we seek to

understand what the needs of the local community are and integrate appropriate facilities into the overall plan for the development.

At Kew Riverside, we have provided a major contribution to the surrounding infrastructure. £660,000 has been contributed to the construction of a new primary school adjacent to the site, £65,000 has been put aside for a medical facilities building and £245,000 has been contributed towards highway improvements in the area.

Furthermore, a new play facility is also under construction which will be located adjacent to the Thames Towpath. At Charter Quay in Kingston, we are providing a new 1,100-seat theatre alongside a new central piazza and riverside walkway. Gunwharf Quays is part of the Portsmouth Harbour consortium, a local regeneration vehicle. We have contributed towards opening the Millennium Walkway, which will open up several miles of the coast to members of the public, a right that has not been enjoyed for several centuries. £7.5 million was given to

the local authorities for road improvements, including the re-design of several well-known accident hotspots.

In Battersea, Thirlstone Homes has been working with St Andrews United Reform Church to build a new place of worship for the local community on the same site as the old church. The church will combine worship areas with meeting rooms and will provide a new baptismal pool and much-improved access for the disabled. The land released by the redevelopment of the church hall has enabled Thirlstone to provide 4 new Victorian-style houses which will be integrated into the street scene.

St James Homes is looking at art (sculpture, design, ceramics and paintings) and how its relationship with buildings, both externally and internally, creates a positive impact on local communities. St James Homes now incorporates art and sculpture in its developments, an initiative which began with sponsorship for Deptford X, a ground-breaking festival of

contemporary visual arts set up to promote that area's thriving cultural life. It is also working with the Royal Academy at our scheme in Hornsey and the TATE at Grosvenor Dock to promote art and sculpture in these developments.

At Hornsey, the Royal Academy, in conjunction with St James Homes, will be sponsoring the creation of an 'artist in residence' who will be provided with a studio and funding to work from the site. An art gallery, as well as an external exhibition space, will be used to display the work of the artist in residence together with temporary exhibitions from the Royal Academy collection and local artists' work.

**Social Inclusion**  
A strong community is a diverse community. We aim to create diverse communities and to tackle social polarisation by providing a wide variety of homes at different prices and tenures for people with differing needs including families, professionals, key workers, student housing and homes for the frail and elderly.

In London, Berkeley Homes and St George have both pioneered work to integrate social housing into private schemes and at Imperial Wharf, we are creating 50% affordable housing. St George has also pioneered the Nominated Essential Workers Scheme (NEWS) which enables key workers to take an equity stake in relatively high-value properties and rent the balance at a subsidised level from an appropriate housing association. This is underpinned with flexible tenure support so should their economic circumstances change, they can reduce or increase their equity. So far, over 330 homes have been agreed with local authorities using NEWS. We are one of only two developers to have secured Starter Home Initiative funding from Government to generate 94 affordable homes for public sector workers in Newham and Hammersmith.

Berkeley Partnership is responsible for the development of affordable housing within the Berkeley Homes division. Its major schemes include the provision of affordable housing

which offer a variety of different tenures, such as shared ownership and those affordable for rent.

The division has recently completed a scheme in High Wycombe where, in partnership with the Guinness Trust Housing Association, we developed, in line with our open market product, a scheme of affordable housing to meet local housing needs. The units were designed to meet the sensitive design of the site and its constraints, while at the same time responding to the Guinness Trust's specific requirements. A timber-framed product was used in the construction of the affordable housing units to improve energy efficiency.

The Royal Arsenal at Woolwich is another successful project where we have just started the development of a substantial number of affordable housing units to meet the housing need in Greenwich. Berkeley Homes was selected, and secured this development with the London Development Agency and we are now responding with the first phase of residential development.

We are committed to informing, involving and meeting the aspirations of local people.



## Our Impacts



The affordable housing is being delivered by another of our Registered Social Landlord partners, the Southern Housing Group, with whom we have had a long-standing relationship.

The affordable housing units have been designed to meet the historic concept of The Royal Arsenal, while also including specific design requirements to meet the brief of the Housing Corporation Life Time Homes. The design elements include disabled wheelchair-users access in line with the London Borough of Greenwich specific design requirements.

St James Homes has a strategic partnership with Thames Valley Housing Association (TVHA) who advise them on the affordable housing element of their schemes to ensure that the mix, tenure and design of the dwellings produce a sustainable and balanced community that is both integrated and inclusive. Thirlstone Homes has also formed a number of partnerships with social housing providers throughout London and the Home Counties. We seek to ensure that developments are fully accessible and barrier free. A good example of this is the integration

of disabled boat facilities for children at our Teddington development. We work with crime prevention teams towards making our developments safe and secure. We have also been working with the Joint Mobility Unit and Centre for Accessible Environments to review the 'secure by design' standards.

### Stakeholder Dialogue

**We aim to involve all key stakeholders in the development process. At The Berkeley Group, we look for innovative ways to involve our stakeholders in key development decisions. We are committed to informing, involving and meeting the aspirations of local people and believe that including them in the development process enables issues to be discussed and resolved at an early stage.**

At Imperial Wharf, St George developed a major consultation programme with families and local people and they continue to be involved in the project design. At Kings Cross Central, with our joint venture partner, Argent, we have developed a 4 year communications strategy and our first publication 'Principles for a Human City' has been circulated to over 4,000 people. St George was awarded the Civic

Trust Commendation for Community Involvement for its extensive dialogue with key community and interest groups.

In developing its ideas for the 31-acre park at Worcester Park, St James Homes held a number of community planning events. Over three evenings more than 250 people attended and contributed ideas to the form and function of the park. The inclusion of the public in this process will be extremely important in the long-term success of the park as it will engender a sense of ownership which will ensure the park is looked after.

At Royal Clarence Yard, Berkeley Homes conducted a series of community planning events with workshops held on site. These meetings encouraged communication and dialogue and allowed Berkeley Homes to work up its development proposals in partnership with local interest groups. In Woolwich, Berkeley Homes plays a strategic role in the local community. As well as being a member of the Woolwich Promotions Group, Berkeley Homes maintains a dialogue with key landowners, historical societies and other local interest groups.



At Royal Clarence Yard, Gosport, Berkeley Homes conducted a series of community planning events, allowing it to work up its development plans for the refurbishment and regeneration of the former naval yard in partnership with local people.

We have taken on many of the recommendations made in the Government's 'Rethinking Construction' report and translated them into action on our major projects.



Health and safety is fundamental to all the Group's operations.



## Our Impacts

### Rethinking Construction

We aim to rethink construction. We have taken on many of the recommendations made in the Government's 'Rethinking Construction' report and translated them into action on our major projects.

The Egan Report highlighted some of the inefficiencies of the construction process and emphasised the need for change within the industry. Both St George Wharf and Imperial Wharf have been selected by the Housing Forum as demonstration projects under the Government's Rethinking Construction initiative, recognising their progressive construction techniques and processes. Accordingly, we are delighted that at St George Wharf, we halved defects while at the same time achieving savings of 16% in overall construction time and, in building the concrete frame, reduced time spent on site by 39%.

Berkeley Homes is undertaking a complete review of its procurement strategy consistent with the objectives

of the Egan Agenda. This focus on supply chain management will encourage closer relationships with suppliers and contractors, leading to improvements in overall business efficiency.

We also seek to be innovative in the use of materials. St James Homes has worked with the Timber Research and Development Association to implement the TF2000 research project which has broken new ground by demonstrating the feasibility of building medium-rise timber frame in the UK. The results of this project are to be made available in a report by the DTI Fast Track Scheme designed to capture and communicate innovative activity in construction. Berkeley College Homes will shortly be undertaking the development of its first modular building to be used as student accommodation, constructed almost entirely of factory-made units, which will greatly reduce the construction period and the site waste, while increasing the quality and the efficiency of the finished accommodation.

### Health and Safety

We aim to protect the health and safety of all those involved in our operations. The Group is strongly committed at Board level and throughout its organisation to constantly improve its health and safety procedures.

All of our operating divisions have comprehensive health and safety management systems in place and have continually demonstrated their commitment to good practice in this area.

Berkeley Homes participates in the Working Well Together Campaign and Revitalising Health and Safety Campaign and it has also begun joint courses for training subcontractors in partnership with the Health and Safety Executive. They have also received a highly commended award from the Working Well Together Campaign. St George was awarded the European Safety Week Award by the Health and Safety Commission and this year won the RoSPA (Royal Society for the Prevention of Accidents) Gold Award.

Crosby has also won two Gold RoSPA Awards. St James Homes also won an award for the best newcomer from the Construction Health and Safety Group (CHSG) at Chertsey. Crosby Group are working with Envirotech to raise the health and safety standards of all sub-contractors: this programme has already commenced in the North West with 90% compliance to date.

**KEY PERFORMANCE INDICATOR:**  
RIDDOR incident rate per 1,000 workers on all sites, (as defined by the Regulations 1995).

**PERFORMANCE:**  
For the 6 months to April 2002, our RIDDOR incident rate per 1,000 workers on all sites was 5.8. (which would be equivalent to an annual rate of 11.6). The Current Health and Safety Executive (HSE) has reported an annual RIDDOR incident rate for the construction industry of 12.2 per 1,000 workers.

### Equal Opportunities

We aim to ensure that all employees, potential employees and other individuals receive equal treatment

(including access to employment, training and opportunity for promotion) regardless of their age, colour, disability, ethnic or national origin, marital status, nationality, religion, race, sex or sexuality.

**KEY PERFORMANCE INDICATOR:**  
Percentage of male/female employees as a percentage of total employees.

**PERFORMANCE:**  
In the 6 months to April 2002, an average of 67% of our employees were male and 33% were female.

We recognise that equal opportunities present a significant challenge for the industry as a whole. Our policy is to employ each individual on his or her own merit. We work with local authorities to establish specific employment needs in the areas in which we work. For example, at St George Wharf, we are developing employment programmes which target people who are disadvantaged in the job market through a supported employment programme.

### Employee Recruitment and Training

We aim to be an employer of choice. Our leading industry position and our innovative projects help us to attract new employees and provide an environment in which employees at all levels are able to enhance their skills and experience.

We encourage our employees to develop their knowledge and skills to fulfil their responsibilities. Our employees also gain an immense amount of knowledge on an informal basis during their everyday work. We have recently opened the St James Homes Training Centre which is located above the site offices at Kew Riverside. The purpose of the centre is to provide a dedicated training facility for staff to encourage their development and help them reach their full potential. Designed as a learning and development centre for all staff, site management, direct and sub-contracted trades, the new Training Centre will commence with a comprehensive training programme for all.

The quality of our training is a crucial factor in attracting and retaining employees.



The Berkeley Group believes that business should play a role in supporting the community and regularly supports voluntary activities and fundraising events



## Our Impacts

**KEY PERFORMANCE INDICATOR**  
Percentage of site managers either completed or completing the 5 day CITB Site Management Safety Training Scheme course.

**PERFORMANCE:**  
In the six months to April 2002, 89% of our site managers had either completed or were completing the 5 day CITB SMSTS course.

We believe that the quality of our training is a crucial factor in attracting and retaining employees and especially high-calibre graduates. We work hard to establish our reputation with schools, colleges and universities so that graduates will choose to come and work with us. Berkeley Homes has a graduate recruitment scheme with Oxford Brookes University and students are offered practical work experience to complement their studies. St George currently has 15 graduate trainees in its 10th year of operating its graduate trainee scheme and has also recently secured an education award from Hammersmith and Fulham for providing 12 local secondary schools

with work experience to complement their vocational studies.

We also provide a very competitive range of employment benefits and incentives which includes the opportunity to participate in the company's share save scheme.

**KEY PERFORMANCE INDICATOR:**  
Number of employees participating in The Berkeley Group Save As You Earn (SAYE) scheme.

**PERFORMANCE:**  
Employees are eligible to join The Berkeley Group SAYE scheme on the first invitation date after they have completed 1 year of employment. At the 30th April 2002, there were 872 eligible employees of which 364 were participating in the SAYE scheme .

### Running the Business

**We aim to ensure that our permanent offices reflect our commitment to sustainability. Although our office-based impacts make up a relatively small proportion of our overall environmental, social and economic impacts, our approach to sustainability is also relevant to them.**

We consume energy, water and other natural resources so that we can heat, light and furnish our premises.

We also need office equipment and paper, all of which consume precious natural resources. This part of the business also provides permanent employment and thus our presence contributes to the local economy.

We have begun work to optimise our resource efficiency. Some of our fixed permanent offices have installed low-energy lighting and light sensors and many of these offices also have recycling programmes in place.

**KEY PERFORMANCE INDICATOR:**  
m<sup>3</sup> water consumption at fixed permanent sites per employee.

**PERFORMANCE:**  
In the six months to April 2002, our total water consumption was 11. 2m<sup>3</sup> per employee. Some of our divisions were unable to gather data for all of their premises because they occupy managed premises where the water costs are incorporated into the service charge for the building. In addition to the 5 divisions, this data also includes information from The Berkeley Group office in Cobham.

We are also conscious of the need to use electronic communication and storage systems to reduce the amount of paper used in our offices. This is particularly important during the design process where we have many different versions of plans that create unnecessary environmental impacts in their printing and use of paper.

**KEY PERFORMANCE INDICATOR:**  
Total kg of CO<sub>2</sub> emissions arising from fixed permanent sites per m<sup>2</sup>

**PERFORMANCE:**  
In the 6 months to April 2002, we emitted the equivalent of a total of 48kg of CO<sub>2</sub> per m<sup>2</sup> from our fixed permanent sites (using the Government guidance on reporting greenhouse gas emissions). The equivalent annual emissions compared with the Energy Consumption Guide 19 for air conditioned standard offices suggests that this would place our offices somewhere between typical and best practice. Some of our divisions were unable to gather data for all of their premises because they occupy managed premises where the energy costs are incorporated into the service charge for the building. In addition to the divisions, this data also includes information from The Berkeley Group office in Cobham.

### Charitable Activities

**We want to put something back.**

In addition to stimulating vital economic, social and environmental regeneration in the areas in which we work, we believe that business should play a role in supporting the community through direct charitable giving.

In the financial year 2001/2, The Berkeley Group made cash donations totalling almost a quarter of a million pounds. Approximately 42% of this was donated at Group level, with the remainder being donated by the individual divisions.

This figure does not include contributions in kind, such as staff time. Many of our employees also become involved in voluntary activities and fund-raising events in the communities in which they work.

Some examples of the organisations that we have donated to include:

- The Council for the Protection of Rural England (CPRE)
- The Rainbow Trust
- CRASH
- Princess Alice Hospice
- Business in the Community
- The Thames Explorer Trust
- Kew Park Rangers Football Team
- The Kew Gymnastics Society
- Weybridge Youth Club
- The Estates Gazette Challenge in aid of muscular dystrophy
- Moorfields Eye Hospital
- Brentford Sparks Match Programme

The overall aim for The Berkeley Group next year is to champion sustainability issues within the Group and to continue to provide strategic leadership and support for the divisions.



## The Future

Although we feel that we have made real progress towards addressing our environmental, social and economic impacts, we still have a long way to go.

This report has outlined our overall Group strategy and has provided some examples of good practice from each of our divisions. It is a balanced and clear reflection of our commitment towards sustainability but we recognise that these initiatives need to be brought together into more coherent and robust management systems to ensure that we can maximise the value of sustainability for all of our stakeholders.

The overall aim for The Berkeley Group next year is to champion sustainability issues within the Group and to continue to provide strategic leadership and support for the divisions. To meet this objective, our specific targets for The Berkeley Group next year are as follows:

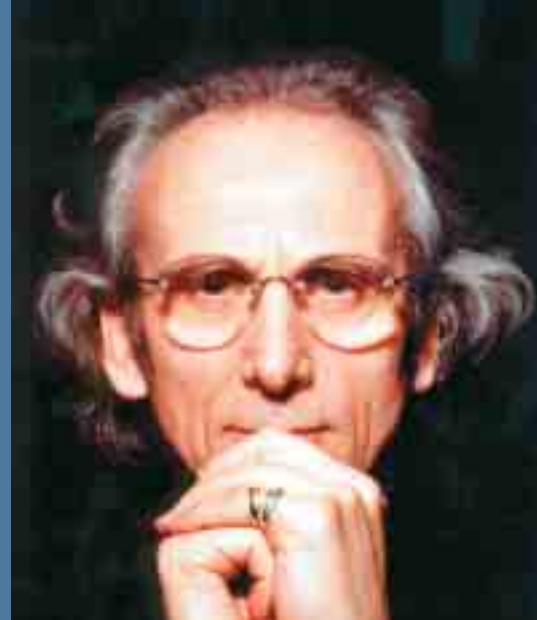
- To standardise the data gathered for our key performance indicators, setting specific performance targets where appropriate.
- To pilot the integration of renewable energy on at least one major project in the Group.
- To continue our work with WWF to review our timber supply.
- To develop guidance notes for the divisions on 5 key sustainability issues.
- To develop further the Group sustainability intranet so that we can communicate best practice more effectively.
- To develop a resource efficiency programme for our office in Cobham.
- To develop a more proactive dialogue concerning sustainability with our investors and to be listed in the FTSE4Good.
- To issue a Sustainability Report for the financial year 2002/3 and to report on our progress towards these targets.

In support of The Group Sustainability Strategy, our main divisions have set themselves the following targets:

- To develop further the divisional sustainability strategies and implementation programmes.
- To ensure that any fridge freezers/dishwashers/washing machines and dryers we install in our dwellings have an energy efficiency rating of at least B.
- To install low-flush WCs in all new dwellings.
- To develop and implement waste management strategies on all of our new major projects.
- To sign up to the Considerate Constructors Scheme on all eligible new sites.
- To write to prioritised suppliers and contractors asking them about their approach to sustainability issues.
- To include sustainability issues in our employee induction programmes.
- To undertake BREEAM assessments on all new commercial office developments.



The automated louvres at No. 1 Deansgate, Manchester, assist with the natural ventilation of the building and provide a 'buffer zone' between the exterior and main living areas of the development.



## Adviser's Statement

**The Berkeley Group recognises that its commercial success is dependent upon careful consideration of the environmental, social and economic issues that effect the quality of life in the communities in which it works.**

The company has therefore worked to develop a corporate sustainability strategy that meets the needs of the Group whilst at the same time enabling the divisions to retain their autonomy. The Group's role has been to provide leadership and support to the divisions and to develop a framework within which they can develop their own strategies.

The Sustainability Policy, Sustainability Working Group, quarterly sustainability briefings and the sustainability intranet have succeeded in raising awareness of the importance of sustainability at a senior management level within the divisions. The data collection has begun for the company's sustainability key performance indicators and these will be important in driving continual improvement in performance across the Group. As the company has acknowledged,

further work is required to ensure that the KPIs are both credible and meaningful for the business.

Having established these important elements of the Group Sustainability Strategy, some of the divisions have begun to take the next step towards the detailed implementation of the strategy. This work should be a major priority for the Group over the coming year.

Having worked with The Berkeley Group for some time, it is clear to us that there is a recognition of the value that sustainability adds to the business. Over the past year, the Group has worked hard to make this commitment more explicit and this report is an important milestone in that regard. It provides a comprehensive overview of the Group's key stakeholders and impacts and uses various case studies to demonstrate the practical implementation of its objectives. The report contains the first set of corporate targets for the Group. Next year, the report would benefit from an assessment of progress towards these targets.

The work continues to address sustainability issues and like other companies in the property industry, The Berkeley Group still has some way to go. Nevertheless, the company has made a good start and we look forward to its continued progress.

**Professor David Cadman**  
Chairman,  
Environmental Governance

*Environmental Governance is  
The Berkeley Group's principal adviser  
on issues of corporate sustainability.*



## Feedback Form/Contact Information



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

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