

OUR VISION: CELEBRATING THE SUCCESS OF THE LAST DECADE

Berkeley has always been driven by a clear purpose, with a unique culture and strong values that shape the way we work. Building on these foundations, in 2010 we created a long-term strategy to guide our business and we called it Our Vision.

Over the decade it pushed us forward and helped us lead the industry in important areas like customer satisfaction, tackling biodiversity loss, taking climate action and embracing advanced manufacturing.

As we introduce Our Vision 2030 – an ambitious new strategy for our business – it is important to recognise how much we achieved under the original Our Vision.

Our vision

We have embedded lessons learnt over the last ten years and are proud of the progress we have made. Here are some of the key highlights:

NATURE

Nature
In 2016 we became the first homebuilder to commit to measurably increasing biodiversity on every new site we develop. By 2020, we had committed to enhancing nature at 35 sites across an area larger than London's Hyde Park.

CLIMATE ACTION

Climate action
We were the first homebuilder to become carbon neutral in our business operations from May 2017 and also led the way in creating resilient homes that can operate at low or zero carbon in the future.

37,800 HOMES BUILT

Building communities
We built more than 37,800 homes across 180 communities. We developed and applied our framework for building strong communities and began to calculate value to society.

Queen's Award

We won the Queen's Award for Sustainable Development in 2014 for the second time, recognising our continuous achievement in sustainability. This is the UK's highest accolade for business success.

NPS

Net Promoter Score
Our Net Promoter Score, an indicator of our customers' satisfaction with our product and the home buying experience overall, increased from 62 to more than 70 in 2020, compared to an industry average of just 39.

300 APPRENTICES PER MONTH

Skills and training
On average 300 apprentices worked on our sites each month and we increased the number of directly employed apprentices to 100. We introduced Apprentice Awards in 2016 to celebrate the individuals, supply chain partners and our own champions.

CONNECTIVITY

Customer connectivity
We were the first developer to commit to Fibre Connectivity and have worked with our partners since 2018 to ensure all new homes are fibre enabled and ready for the digital future.

AIIR

Safety and wellbeing
Our industry-leading Annual Injury Incidence Rate (AIIR) decreased significantly over the decade to 1.17, which is testament to the focus of every construction site and management team. Every part of the business developed a wellbeing programme and we trained 220 mental health first aiders.

Berkeley Foundation

The Berkeley Foundation
We launched the Berkeley Foundation, an independent charity, in 2011 to help people overcome barriers, improve their lives and build a fairer society. With Berkeley employees and our partners we helped reach over 26,000 people.

Berkeley

Innovation and advanced manufacture
We delivered the patented Urban House type in 2017. We championed the modernisation of our sector with the launch of a new business – Berkeley Modular – and developed an advanced manufacturing facility to create a new generation of beautifully designed and precisely made homes.

260 CCS AWARDS

Considerate construction
Our site teams won more than 260 Considerate Constructors Scheme awards, including Most Considerate Site in the UK twice. We are a long-standing Partner of the Considerate Constructors Scheme (CCS) and our build teams work hard to reduce impact on our neighbours' daily lives.

OUR VISION
2030
TRANSFORMING TOMORROW

TRANSFORMING
TOMORROW:
INTRODUCING
OUR VISION 2030

Our Vision 2030 is our new ambitious strategy for the business. It centres on ten strategic priorities that we will focus on for the coming decade, helping to drive our continued success, whilst setting us apart and maximising the positive impact we make.

The Green Quarter, Ealing

1 Berkeley Group 2021 Annual Report Extract

Berkeley Group 2021 Annual Report Extract 2

OUR VISION 2030:
TRANSFORMING TOMORROW

The ten strategic priorities are shown in the diagram below and on the pages that follow.

Each priority includes a long-term goal and is supported by an underlying action plan with short, medium and long-term targets and a new set of core KPIs which we will use to measure outcomes and impacts.

It is an integrated and holistic strategy, so each priority supports the others and makes a valuable contribution to achieving our vision.

“

Our vision is to be a world-class business, trusted to transform the most challenging sites into exceptional places and to maximise our positive impact on society, the economy and the natural world.

”

Places that stand the test of time
WHAT WE CREATE

CUSTOMERS

Put our customers at the heart of our decisions and provide an industry leading home buying experience.

Read more on page 4.

QUALITY

Lead the industry in producing high quality, safe homes for all.

Read more on page 5.

COMMUNITIES

Transform underused land into unique, well connected and welcoming places where people and communities can thrive for the long-term.

Read more on page 6.

CLIMATE ACTION

Play an active role in tackling the global climate emergency by creating low carbon, resilient homes.

Read more on page 7.

NATURE

Create a net biodiversity gain and make a measurable contribution to the natural environment on every development.

Read more on page 8.

Exceptional people and resources
HOW WE WORK

EMPLOYEE EXPERIENCE

Create a positive working environment for our people; one that fosters respect, support, wellbeing, safety and inclusivity.

Read more on page 13.

MODERNISED PRODUCTION

Harness advanced manufacturing and digital technology to build more homes and to achieve higher standards of quality, safety and sustainability.

Read more on page 14.

FUTURE SKILLS

Equip our people with the skills they need both now and for the future, enhancing social mobility and inspiring new talent to join the industry.

Read more on page 15.

SUPPLY CHAIN

Build a responsible and constructive supply chain; one that is productive, practical and profitable, sustainable, ethical and dependable.

Read more on page 16.

SHARED VALUE

Allocate capital to deliver sustainable returns to our shareholders whilst creating value for our other stakeholders including through the work of the Berkeley Foundation.

Read more on page 17.

OUR VISION 2030: TEN STRATEGIC PRIORITIES
WHAT WE CREATE



CUSTOMERS:

Our goal is to put our customers at the heart of our decisions and provide an industry leading home buying experience.

Why is this a priority?

Maintaining the trust, loyalty and advocacy of our customers is fundamental to our business model and sets Berkeley apart from other homebuilding brands.

Our approach

We strive to understand and delight each customer with a personalised service and a unique, high quality home that will stand the test of time. We focus on:

- Gathering, analysing and responding to customer feedback to drive improvement, including independent customer surveys and external assessments.
- Using independently collected Net Promoter Score and Recommend to a Friend scores to track performance and improve our service.
- Enhancing communication by investing in integrated customer channels including our website, our MyHome Plus interactive digital portal and one-to-one viewing.
- Undertaking research to understand customers' needs and preferences at every stage of the customer journey and fine tuning our service, homes and places accordingly.
- Evolving our digital offer to reflect new technologies, media and customer behaviours, including personalised virtual tours and video updates.

Short-term targets by 2023

- Maintain an industry leading Net Promoter Score of 70 or above.
- Exceed the requirements of the HBF 5 star rating every year by at least 5%.
- 90% customers sign up to our digital platform, MyHome Plus.
- Refine communication at each stage of the buying process to align with identified customer needs.

Medium-term target

- By 2025 customers will be able to interact with us digitally, 24-7.

Long-term target by 2030

- We will provide a home buying experience that is industry-leading and which delights our customers.

Highlights from 2021

77.9 Net Promoter Score on a scale of -100 to +100, compared to an industry average of just 42 (HBF, March 2021)

98.3% Recommend to a Friend score, compared to an industry average of 91% (HBF, March 2021)

- Adapted customer communications in response to the pandemic, ensuring sales progressed and customers remained updated, maintaining a feedback score of 92/100 for keeping customers updated despite the unprecedented challenges.
- Expanded our digital offer, including virtual tours and appointments, to enable new customers to make informed decisions and buy with confidence.
- Produced a digital roadmap setting out actions over the next two years and beyond, to improve our digital interaction with customers. This year we created digital platforms to engage with customers and their representatives, and an interactive portal to showcase all developments.
- Completed research on customers' emotional journeys through the buying process, helping us to understand how best to respond to their needs at each stage. This included a survey of more than 1,000 people.
- Enhanced customer information in relation to Our Vision 2030 and our Group's social positive impacts.
- Awarded 'Outstanding Achievement Award' and 'Gold Award' for customer satisfaction for the sixth consecutive year, following an independent benchmarking assessment by In-house Research. These awards reflect our exceptional Net Promoter and Recommend to a Friend scores.
- Maintained our independently assessed Investor in Customers Gold rating across the Group.

Link to stakeholders

- Customers

Link to KPIs

- Net Promoter Score

Link to risks

- COVID-19
- Economic outlook
- Land availability
- Planning process
- Securing sales
- Product quality
- Customers



Green Park, Reading

OUR VISION 2030: TEN STRATEGIC PRIORITIES CONTINUED

WHAT WE CREATE CONTINUED



QUALITY:

Our goal is to lead the industry in producing high quality, safe homes for all.

Why is this a priority?
Creating unique homes and places of lasting quality is fundamental to our brand, purpose, values and working culture.

Our approach
We work with leading architects to design unique homes and neighbourhoods which delight our customers and communities. We do not use standardised housing designs. Instead, we set exacting standards, which are applied with great care, expertise and relentless attention to detail. We focus on:

- Expertise and accountability by maintaining high build and construction management competence at all levels of the business, including Main Board members and expert Build Quality Managers in each business.
- Build Quality Assurance with robust and digitally integrated management systems which ensure work is inspected and approved before programmes progress.
- Skills and training, with site and project management teams undergoing specialist quality management training.
- Setting standardised best practice processes to ensure consistency through Group-wide Build Quality Assurance Standards.
- Embedding the Royal Society for the Prevention of Accidents (RoSPA) Safer by Design Framework in the design of our homes.
- Pre-handover inspections; homes must pass rigorous quality inspections prior to handover.
- Targeting zero defects; our culture, Standards and BQA systems are geared towards achieving zero defects.

Short-term targets by 2023

- Outperform the industry average for defects reported while targeting zero defects.
- Embed enhanced Build Quality Assurance and training requirements.
- Further use of technology to improve quality management processes.
- 100% close out of quality non-conformances prior to customer handover.
- Share best practice and lessons learnt across the Group.

Medium-term target

- Deliver all homes to RoSPA's Safer by Design Gold Standard.

Long-term target by 2030

- Build 50,000 high quality homes.

Highlights from 2021

1 defect reported by customers on average per home; 49% of our homes had no defects reported by customers when they moved in, compared to just 6% of homes across the industry (HBF, March 2021)

100% close out of audit non-conformances within the required timeframe

- We support the strengthening of the building safety regime for high risk residential buildings, have signed up to the Building a Safer Future Charter and are adapting our procedures to achieve compliance ahead of the implementation of the Building Safety Bill.
- Implemented enhanced Build Quality Assurance arrangements across the business, setting robust Standards that apply to all operating companies.
- Rolled out e-learning and more detailed build quality management training.
- More than 30 dedicated quality managers are now in place across the business, ensuring local implementation and compliance with Group Standards.
- Internal and external quality audits have occurred, including a review of Group, divisional and site arrangements, with improvement recommendations being actioned.
- Trialled RoSPA's Safer by Design framework within the detailed design phase of a project, having partnered with RoSPA to develop this best practice approach to reducing serious accidents in new homes.
- Awarded the prestigious Diamond Award from RoSPA for our "outstanding corporate contribution to raising safety standards across the residential building sector".
- Named Developer of the Year at the Premier Guarantee Excellence Awards 2020 and received a Housing Design Award for the Urban House at Kidbrooke Village.

Link to stakeholders

- Customers
- Government, Regulators and Industry

Link to KPIs

- Net Promoter Score

Link to risks

- COVID-19
- Retaining people
- Securing sales
- Build cost and programme
- Product quality
- Customers





COMMUNITIES:

Our goal is to transform underused land into unique, well connected and welcoming places where people and communities can thrive for the long-term.

Why is this a priority?
We believe that holistic placemaking can strengthen communities and make a lasting positive difference to people's lives.

Our approach
We are highly collaborative, working hard to engage local people and partners so we can co-design sustainable places which reflect the local character and work beautifully at a human level. We focus on large brownfield sites, stitching them back into the local fabric and bringing them to life with the right mix of homes, public amenities, parks and digital connectivity. We focus on:

- Community engagement and proactively searching out a diverse mix of people.
- Transforming complex brownfield sites which otherwise fragment local communities and are beyond the scope of conventional homebuilders.
- Quality placemaking and design by providing open, walkable landscapes with a bespoke mix of physical and social infrastructure.
- Maximising social value through our innovative Value to Society development tool.
- Developing community plans which connect neighbours and engage people in community life.

Short-term targets by 2023

- Progress the transformation of our regeneration sites.
- Embed a community development plan at each major regeneration site.
- Calculate the social value of all new projects.
- Complete research on design and infrastructure.

Medium-term targets

- All developments to have an embedded community plan.
- Maximise the value to society that each project brings.
- Work with external experts to assess and enhance people's quality of life on our sites.

Long-term target by 2030

- Demonstrate the success of our developments and the quality of life of our customers and communities over the long-term.

Highlights from 2021

79% of projects under construction will incorporate community facilities, including 26 community spaces, 9 schools and 16 sports facilities

88% of all completed homes were on brownfield land

- Continued to focus on the transformation of brownfield land, including our long-term regeneration sites.
- Worked with external experts to develop and trial an innovative Value to Society development tool on 10 projects ahead of a business-wide roll out. The tool uses more than 30 social, economic and environmental indicators to quantify and understand the social value of different design and infrastructure choices, such as community centres, sports facilities or green spaces. It also considers impacts on existing local services such as GPs and schools.
- As the founding partner of the Quality of Life Foundation, we supported the development of their new Framework, which is a tool to improve quality of life through intelligent design.
- Continued to implement community plans on our major sites, helping to connect local people and establish sustainable models of local partnership.

Link to stakeholders

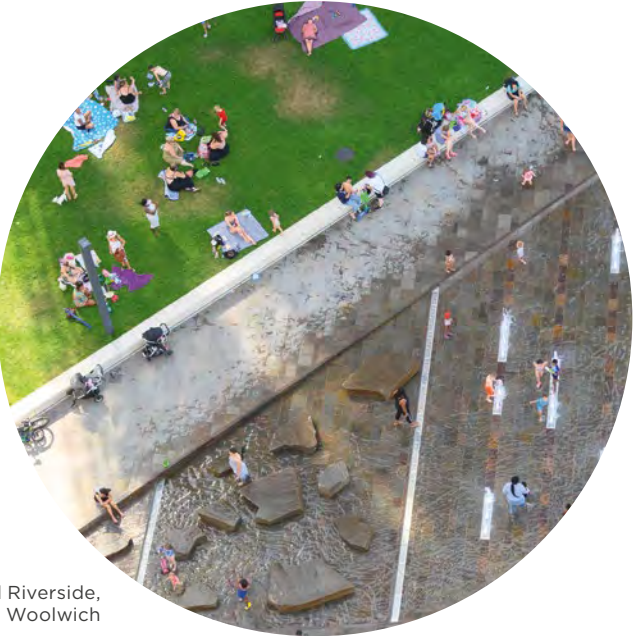
- Customers
- Communities & Local Government

Link to KPI

- Affordable Housing and Wider Contributions

Link to risks

- COVID-19
- Land availability
- Planning process



OUR VISION 2030: TEN STRATEGIC PRIORITIES CONTINUED
WHAT WE CREATE CONTINUED



CLIMATE ACTION:

Our goal is to play an active role in tackling the global climate emergency by creating low carbon, resilient homes.

Why is this a priority?
We believe every business has a duty to tackle the global climate emergency and we want to continue leading our industry in taking decisive climate action.

- Our approach**
We have set independently verified science-based targets for reducing our emissions, which require a step change in how we operate. To achieve this we have developed an ambitious approach to climate action, which includes designing efficient and resilient places, alongside transformational changes to our construction processes and wider business operations. We focus on:
- Assessing the embodied carbon emissions from the materials and services we procure and working with our supply chain to reduce it.
 - Creating low carbon homes, in line with the Future Homes Standard, by focusing on building fabric and incorporating appropriate low carbon technologies such as heat pumps and photovoltaics.
 - Operating low carbon construction sites through energy efficient set up and operation, increasing biodiesel use in place of gas oil and early adoption of electric and hybrid machinery.
 - Making homes and places resilient to climate change by continuing to incorporate adaptation measures to reduce the risk of overheating during design, construction and occupation.
 - Balancing our impacts by investing in projects and partnerships that actively remove carbon from the atmosphere, or that help to produce zero carbon energy.

- Short-term targets by 2023**
- Assess embodied carbon for ten sites and work with our supply chain to reduce impact in key areas.
 - Complete Climate Scenario Analysis to understand how climate change could impact our business and begin to manage key risks.
 - Maintain carbon neutral business operations and investigate innovative ways to offset our wider impacts.

- Medium-term target**
- Undertake detailed embodied carbon assessments and set reduction targets on all new developments.

- Long-term targets by 2030**
- Meet our science-based targets to reduce total emissions across our direct operations by 50% and the emissions intensity of the homes we build by 40%.
 - Be on the pathway to be a net zero carbon business by 2040.

Highlights from 2021

40% reduction in absolute direct emissions (Scope 1 and 2) since we launched our carbon neutral commitment in 2016


1.5°C aligned with new science-based targets for carbon emissions reduction

- Set ambitious 1.5°C aligned science-based targets for reducing greenhouse gas emissions in the years ahead, which were independently validated by the Science Based Targets initiative (SBTi) in December 2020.
- Signed up to the Business Ambition for 1.5°C Pledge and the Race to Zero.
- The only UK homebuilder to be awarded a place on CDP's 'A List' for Climate Action and Transparency, putting us in the top 3% of companies worldwide.
- Commenced work to undertake embodied carbon assessments on ten sites.
- Continued to deliver carbon neutral direct business operations and to procure 100% renewable electricity across all UK operations.
- Continued to partner with the UK Green Building Council's Advancing Net Zero programme, which is helping to lead and co-ordinate climate action across the UK built environment sector.

- Link to stakeholders**
- Environment
 - Government, Regulators and Industry
- Link to KPI**
- GHG emissions intensity
- Link to risks**
- Climate Change
 - Sustainability



The rooftop solar array on the Berkeley Modular facility



NATURE:

Our goal is to create a net biodiversity gain and make a measurable contribution to the natural environment on every development.

Why is this a priority?
We want to play a lead role in nature's recovery and to create more beautiful, wild and open spaces in the heart of cities, towns and our communities.

- Our approach**
We are proud to have led the industry on net biodiversity gain and laid the path for it to become a national legal requirement for all developments. We will now increase our own commitment in this area and begin to tackle the next challenge for the industry. We will focus on the following:
- Achieving a biodiversity net gain of at least 10% on every development, regardless of its former use. We will be working closely with our managing agents and landscaping teams to ensure that they have the skills to maintain the habitats that we create in the long-term.
 - Broadening our established approach to biodiversity net gain to environmental net gain, so that we deliver an even more valuable and holistic contribution to the environment on every site, including biodiversity, water resources, flood resilience, soil quality and air quality.

- Short-term targets by 2023**
- Create a net biodiversity gain of 10% on every new development.
 - Partner with a water company to undertake a water neutrality trial.
 - Upskill managing agents and landscaping companies to ensure biodiversity gains are maintained for the long-term.

- Medium-term target**
- Develop an overall approach for environmental net gain and trial it on at least one site by 2025.

- Long-term target by 2030**
- We will achieve an overall environmental net gain on all developments.



Delivering a 250% net biodiversity gain at Kidbrooke Village

Highlights from 2021

42 net biodiversity gain strategies underway since May 2017


480 acres of new or improved natural habitats being created since May 2017

- Continued to commit to creating a biodiversity net gain on every new site, with seven additional projects coming through planning during the year.
- Kidbrooke Village, our first net biodiversity gain site to reach maturity, was awarded the 'Sir David Attenborough Award for Enhancing Biodiversity' and the 'Overall President's Award' at the Landscape Institute Awards for Kidbrooke Village.
- Created the first piece of a 13 acre network of biodiverse parks and wetlands at The Green Quarter in Southall, designed in partnership with the London Wildlife Trust.
- Opened a 70 acre country park in Hart, connected by new trails to Hartland Village, where 1,000 trees are also being planted to support biodiversity.
- Worked with the Wildfowl and Wetlands Trust (WWT) to develop best practice guidance for our teams on Sustainable Urban Drainage Systems (SuDS) to manage surface water, reduce flooding and support biodiversity.
- Began dialogue with Thames Water to explore water neutrality and how it can be applied to our sites.

- Link to stakeholders**
- Environment
 - Customers
 - Communities & Local Government
- Link to risks**
- Sustainability
 - Climate change


TRANSFORMING TOMORROW

OUR JOURNEY TO NET ZERO




2007

Became the first UK homebuilder to publish a Climate Change Policy




2010

First carbon reduction targets and programmes launched as part of our business strategy, Our Vision




2014

Launched our first climate change adaptation programme to make our homes and neighbourhoods more resilient to extreme weather and rising global temperatures




2018

Procured 100% renewable electricity for UK operations for the first time




2018

Achieved carbon neutral business operations for the first time, by taking action to reduce our emissions and offsetting remaining emissions via verified offsetting projects from May 2017



2019


Produced our first low carbon transition plans, which model design, infrastructure and technology solutions to enable our homes to achieve net zero carbon by 2030



2020


BUSINESS AMBITION FOR 1.5°C


Set science-based targets and became a 1.5°C aligned company



2020


Rated 'A' by CDP for Climate Action and Transparency, the highest grade available and the leading grade in our sector





2030

Achieve our science-based targets, reducing our emissions to play our part in keeping global temperature changes within 1.5°C



2040

Be a net zero business, by eliminating emissions across both direct and indirect activities as much as possible and offsetting any remaining emissions using verified carbon sequestration



Kidbrooke Village, Greenwich

OUR SCIENCE-BASED TARGETS

We have set science-based targets, which have been validated by the SBTi. These targets represent an ambitious step forward in our approach to tackling climate change and have been calculated to ensure that we play our part in limiting global warming to 1.5°C above pre-industrial levels.

-50%

We will reduce absolute emissions from our direct operations by 50% between 2019 and 2030

-40%


We will reduce the carbon intensity of the materials and services we use by 40% between 2019 and 2030


-40%


We will reduce the in-use carbon intensity of the homes we build by 40% between 2019 and 2030


OUR CARBON IMPACT

Through the development of our science-based targets, we now have a greater understanding of our true carbon impact. Our direct emissions from our construction sites, offices and sales suites account for around 1% of our total impact; the remainder falls within our indirect activities. This includes the embodied carbon within the materials and services we procure together with the energy that each of our homes will use throughout its lifetime. It is in these two areas that we will focus our efforts, whilst continuing to make progress to reduce our direct impacts.

 Our operations

 Other (e.g. waste generation and business travel)

 Customer energy use

 Supply chain

TRANSFORMING TOMORROW

UNLOCKING THE POTENTIAL OF ADVANCED MANUFACTURING

Berkeley Modular will represent a transformation in housing delivery, combining our homebuilding expertise with the advanced manufacturing technologies of the aerospace and automotive sectors.

We have developed a unique and highly flexible modular housing system, which is manufactured through a highly automated, digitally integrated and safe production process. Our approach aims to create unique, beautifully designed and precision made homes, which can be delivered at high speed and scale. This additional delivery capacity will complement our industry leading construction operations and is key to increasing our overall housing completions in the coming years.

The fit out of our Berkeley Modular factory is underway and we aim to make a phased and gradual start to delivery following production testing in 2022.

Key benefits:

 <p>Deliver individually designed homes of all tenures</p>	 <p>Deliver individually designed buildings that integrate with local placemaking approaches</p>	 <p>Deliver precise and consistent quality standards</p>	 <p>Deliver a complete golden thread information through digital record capture</p>	 <p>Increase operational safety</p>	 <p>Reduce greenhouse gas emissions across scopes 1, 2 and 3</p>
 <p>Enhance sustainability performance and reduce environmental impacts</p>	 <p>Reduce material waste and meet circular economy design principles</p>	 <p>Speed up housing delivery</p>	 <p>Increase housing delivery capacity</p>	 <p>Mitigate industry skills shortages and productivity challenges</p>	 <p>Reduce community disruption including air pollution, traffic and noise</p>

20 YEARS OF LEARNING

2000	2016	2018	2020	2021	2022
Over the last 20 years we have delivered a range of modular and off-site solutions, including townhouses, apartment blocks, bridges and commercial and community buildings. A mix of high quality modular products have been in common use across our developments, including manufactured bathroom pods, steel frame balconies, staircases and risers, fully serviced utility spaces and unitised external wall systems.	Launched the Urban House, one of the first modular housing types designed in-house by Berkeley.	Began the full Research and Development programme for Berkeley Modular.	Completed factory construction.	First projects designed to Berkeley Modular specification followed by prototyping.	Production testing, followed by a phased and gradual start to delivery.



Modular Factory, Northfleet

OUR VISION 2030: TEN STRATEGIC PRIORITIES CONTINUED
HOW WE WORK



EMPLOYEE EXPERIENCE:

Our goal is to create a positive working environment for our people; one that fosters respect, support, wellbeing, safety and inclusivity.

Why is this a priority?
Our highly skilled people are the drivers of our success and we want to build an increasingly diverse, talented and productive workforce where everyone can reach their potential.

Our approach
We take a holistic approach to employee experience; considering both physical and mental health as part of creating a safe, supportive and positive working environment. We are proud to have an industry-leading safety record and are building an increasingly diverse and engaged workforce, where there is an opportunity for employees to share and shape their experience of the workplace. We focus on:

- Communicating and engaging with employees to shape the way we work.
- Improving diversity and inclusion and building a workforce which is representative of the areas in which we operate.
- Improving the wellbeing of our people by running wellbeing programmes in every part of the business.
- Maintaining and enhancing our established, robust and industry-leading health and safety systems and culture.

Short-term targets by 2023
— Continued focus on excellent health and safety standards and targeting zero harm.
— Providing diversity and inclusion and unconscious bias training to all staff.

Medium-term targets
— Demonstrate improved employee health and wellbeing based on the programmes implemented.
— Continued improvement in staff engagement.
— One third of management positions held by women.

Long-term targets by 2030
— Have an engaged and diverse workforce that is representative of the areas in which we operate.
— Have a positive health impact on our employees and contractors working on our sites.

As at 30 April:	2020/21 No.	2019/20 No.
Board of Directors – Male	12	12
Board of Directors – Female	5	4
Senior management – Male	2	3
Senior management – Female	3	4
Total employees – Male	1,735	1,786
Total employees – Female	970	1,058

Highlights from 2021

>85%

employees participated in the 2021 staff survey

1.24

AllIR compared to industry average of 2.63 (HBF, October 2020)

- Engaged with our employees in a variety of ways to understand their views, including a staff survey in which more than 85% participated. We received strong feedback around people’s pride in their roles, the high quality product we create and our values and ambitions as a business.
- Using our voluntary staff survey we have been building a more detailed picture of the diversity of our employees and the experience of different demographics, so we can set specific actions and targets to develop a more inclusive workplace.
- During the year we signed up to the Mayor’s Fund for London Diversity Pledge and became a Platinum Member of Women into Construction. 36% of our employees and 30% of our managers are women.
- Maintained focus on health and safety, with a key focus on compliance with the Standard Operating Procedures for COVID-19 alongside maintaining strong leadership at director level for overall health and safety.
- Awarded three Royal Society for the Prevention of Accidents (RoSPA) awards, including the prestigious Diamond Award for our “outstanding contribution to raising safety standards across the residential building sector.”
- Every operating company continues to run a wellbeing programme, including employee assistance programmes, virtual GP services and support sessions for managing stress and personal finances.

Link to stakeholders
— Employees
— Supply chain

Link to KPI
— Annual Injury Incidence Rate per 1,000 people

Link to risks
— COVID-19
— Retaining people
— Health and safety





MODERNISED PRODUCTION:

Our goal is to harness advanced precision manufacturing and digital technology to build more homes, and to achieve higher standards of quality, safety and sustainability.

Why is this a priority?
We want to lead a step-change in industry performance and harness the great potential and benefits of new technologies.

Our approach
We are investing in ground-breaking new production systems and technologies, including robotics, which can make a lasting positive difference to our industry. We are investing in innovative solutions that can increase production capacity and enhance performance in terms of build quality, climate action, sustainability and safety. We focus on:

- Advanced manufacturing through our Berkeley Modular business, see page 44 of our 2021 Annual Report.
- Using more detailed design models to drive efficiencies and increase scope for using modern methods of construction (MMC).
- Digital integration by increasing the use of digital technology and record capture to provide the ‘golden thread’ of safety and quality information throughout every project.
- Applying manufacturing sector methodologies to improve build efficiency and quality assurance.

Short-term targets by 2023
— Begin production at Berkeley Modular.
— Introduce a new digital platform to capture the ‘golden thread’ of information for every home.
— Design all apartments to maximise the use of modular construction, with blocks over 11m reaching BIM level 2 status.

Medium-term targets
— Develop a methodology to assess the benefits of digitally-enabled processes for each home built.
— Achieve full production capacity at Berkeley Modular and showcase the benefits compared to traditional construction.

Long-term targets by 2030
— Design all new homes to maximise the use of modern methods of construction.
— Establish a modernised approach to production, including advanced manufacturing and digital technologies which deliver high standards and additional capacity.

Highlights from 2021

165,000 sqft

advanced manufacturing facility fit out in Kent

85%

of developments currently incorporating some elements of modern methods of construction


- Continued to fit out our Berkeley Modular factory and have begun prototyping and testing.
- Designed five projects to meet the requirements of the Berkeley Modular system and to form the early pipeline for production.
- Begun training and upskilling project teams and the Berkeley supply chain in the application of the Berkeley Modular system to support its future roll out.
- Progressed a new digital collaboration platform which aims to capture a complete digital record of every home from pre-construction to post-completion, the ‘golden thread’ of information.
- Increased the use of digital platforms, such as Building Information Modelling, automated design and collaboration tools.
- Continued to incorporate modern methods of construction into existing projects, with a mix of high quality modular products in common use across our developments, including manufactured bathroom pods, steel frame balconies, staircases and risers, fully serviced utility spaces and unitised external wall systems.

Link to stakeholder
— Government, regulators and industry

Link to risks
— Securing sales
— Climate change
— Sustainability
— Build cost and programme
— Product quality
— Customers



OUR VISION 2030: TEN STRATEGIC PRIORITIES CONTINUED
HOW WE WORK CONTINUED



FUTURE SKILLS:
Our goal is to equip our people with the skills they need both now and for the future, enhancing social mobility and inspiring new talent to join the industry.

Why is this a priority?
We want to equip our people with the skills to embrace innovative technologies and working practices, while attracting a new generation of aspirational and talented people to join our industry and drive our growth.

Our approach
We are working to ensure we have the people and skills for the future, enabling us to increase production levels and fully embrace modern methods of construction and digital technology. We focus on:

- Mapping and enhancing employee competencies and skills, taking into account the evolution of production and modernisation of the business.
- Bringing in new talent through graduate, apprenticeship and trainee programmes, with pathways for early years careers and career changers.
- Enhancing our industry’s outdated image to attract aspirational young people to choose a built environment career, demonstrating there is a job for everyone in the modern built environment sector.

Short-term targets by 2023

- Maintain membership of The 5% Club to reinforce our commitment to apprentices, graduates and training.
- Work with our supply chain to encourage apprentices, graduates and sponsored students.
- Implement a Group-wide competency framework covering all disciplines, together with future needs.
- Actively engage with young people and inspire them to join the industry.

Medium-term target

- Ensure all employees meet the competency framework.

Long-term targets by 2030

- Develop a skilled and competent workforce to support our changing production needs.
- Engage with more than 5,000 young people to champion careers in the built environment sector.



Highlights from 2021

6.5% of our direct employees are graduates, apprentices or sponsored students and we joined The 5% Club to reinforce our commitment in this area

240 apprentices worked across our operations on average each month

- Commenced a review of our approach to skills and training of existing employees, ahead of the development of a detailed competency framework.
- Continued to deliver robust training matrices across a number of disciplines, including health and safety and Build Quality Assurance.
- Moved courses online to maintain training delivery throughout the COVID-19 pandemic.
- Completed work on a new staff Academy which will be a hub for face-to-face training.
- Signed up to The 5% Club charter which commits us to maintaining 5% of our workforce as a graduate, apprentice or sponsored student.
- Developed a Group Apprenticeship Framework to provide a consistent and ambitious approach across all operating companies and commenced work on a new programme to train the next generation of construction site supervisors from September 2021.
- 26 new graduates joined our graduate programme in 2021, and we remained rated among the Top Companies For Graduates To Work For by JobCrowd.
- Ran a series of training academies to bring more experienced people into the business, drawing on transferable skills and experience from outside the sector.
- Continued to engage with young people around our sites, offering virtual work experience and other opportunities during COVID-19.

Link to stakeholder
— Employees

Link to KPI
— Direct apprentices and training

Link to risks
— Retaining people
— Build cost and programme



SUPPLY CHAIN:
Our goal is to build a responsible and constructive supply chain; one that is productive, practical and profitable, sustainable, ethical and dependable.

Why is this a priority?
We want to develop strong partnerships with our supply chain, sharing goals, embracing modernisation and collaborating to maximise positive impacts whilst achieving production aims.

Our approach
We collaborate with our supply chain to share knowledge, increase transparency and reach higher quality, safety and sustainability standards. Together we are building capability with the skills and resources to meet the transforming needs of the modern construction industry. We focus on:

- Implementing best practice procurement, by engaging with our supply chain, seeking feedback and working towards the Chartered Institute of Procurement and Supply’s Excellence Standard.
- Simplifying the tender process to make it straightforward to work for Berkeley and between our operating companies.
- Enhancing our tender process to demonstrate procurement on overall value, including sustainability, quality, cost, and health and safety.
- Launching a materials strategy to ensure resilience of supply for typical materials, without compromising the bespoke nature of our projects.
- Aligning procurement with other strategic priorities such as quality and sustainability.

Short-term targets by 2023

- Implement and embed a new materials strategy.
- 100% of projects to award contracts on best overall value.
- Implement 360 degree feedback across our supply chain.
- Align procurement activity with Build Quality Assurance, Modernised Production and Climate Action targets.

Medium-term targets

- Achieve the Chartered Institute of Procurement and Supply (CIPS) Procurement Excellence Award by 2025.
- Ensure that the ‘golden thread’ of building information is captured throughout our supply chain.

Long-term targets by 2030

- Benchmark procurement and supply chain activity against global best practice and provide resilience and expertise to meet strategic goals.
- Develop new supply chain capability aligned to modern production methods and digital technologies.

Highlights from 2021

>4,500 suppliers, contractors and consultants support our activities each year

29 days average payment time for contractors, in line with the Prompt Payment Code

- Worked closely with key suppliers to understand and mitigate risks to labour and materials supply from COVID-19 and Brexit.
- Maintained strong relationships to ensure continuity of service in changing and challenging market conditions.
- Supported the industry’s response to COVID-19, for example through membership of the Construction Leadership Council and Build UK, sharing real time information and shaping best practice supply chain management.
- We have been active members of CIPS Construction Senior Leaders Group, and are working with CIPS to develop a bespoke Procurement Excellence Programme aligned to our requirements.
- We are working with the Construction Products Association (CPA), Marketing Integrity Group and British Standards Institution (BIS) regarding common product data, physical identification and batching details to be at the forefront of capturing the golden thread of information at product level.
- Reviewed our approach to procuring on overall value, and reissued a standard approach to be applied on all tenders from February 2021.
- Continued to increase our understanding of the risks of modern slavery and child labour in our supply chain, launching updated guidance to our production teams, preparing new awareness training and revising the assessment methodology for our supply chain.
- Continued to adhere to the Prompt Payment Code, of which we are a founding signatory, paying our contractors within 30 days.
- Entered into an industry-leading strategic partnership agreement with Travis Perkins to facilitate the lean procurement and logistics required to align with Berkeley Modular’s manufacturing capability.

Link to stakeholder
— Supply chain

Link to risk
— COVID-19
— Economic outlook
— Political outlook
— Regulations
— Climate change
— Sustainability
— Health & safety
— Build cost and programme
— Product quality
— Customers

OUR VISION 2030: TEN STRATEGIC PRIORITIES CONTINUED
HOW WE WORK CONTINUED

 **SHARED VALUE:**

Our goal is to allocate capital to deliver sustainable returns to our shareholders whilst creating value for our other stakeholders including through the work of the Berkeley Foundation.

Why is this a priority?
We want to make a lasting positive impact, using our unique operating model and resources to fulfil our purpose and deliver value for all.

Our approach
Our returns are sustainable and balanced with other strategic priorities to ensure we remain a responsible and purposeful business. We invest in opportunities with the right risk-adjusted returns, maintaining our financial strength and making returns to the shareholders who support us to achieve our purpose. Our commercial performance creates and sustains value for other stakeholders, including through the work of the Berkeley Foundation. We focus on:

- Allocating capital to deliver sustainable returns to our shareholders whilst creating value for other stakeholders.
- Quantifying our value to society as a result of our activities, calculating the benefits and costs that we bring across a range of topics, from employee training to research and development, greenhouse gas emissions and investment in health and safety.
- Working in partnership with the Berkeley Foundation to build a society where every person can thrive.

Short-term targets by 2023

- All employees to be engaged with the work of the Berkeley Foundation each year.
- Quantify and report on our value to society.
- Work with the Berkeley Foundation to agree targets for achieving our shared goals.

Medium-term target

- Achieve 15% pre-tax return on equity across the cycle.

Long-term targets by 2030

- We will be a successful business delivering sustainable returns whilst creating demonstrable value for our other stakeholders.
- Demonstrate the impacts of our work with the Berkeley Foundation.

Highlights from 2021

53%

of employees did something for the Berkeley Foundation in 2020/21

£2.5billion

contribution to UK GDP in 2020/21

- Continued to deliver sustainable returns to our shareholders, whilst creating value to our other stakeholders.
- Over the last five years we contributed £2.0 billion to community facilities including affordable housing, and £13.8 billion in total to the UK economy.
- Building upon the annual assessment of our economic contribution which we have undertaken since 2014, over the past year we have been working to expand our approach across a broader range of indicators, both positive and negative, in order to better understand our impact on society. This includes the benefits of early careers training, investment in site health and safety, and innovative practices, together with negative impacts, such as greenhouse gas emissions.
- This year, 53% of employees directly contributed to the Berkeley Foundation, committing their time, along with donations and fundraising, to help reach more than 5,400 people.
- Despite COVID-19 restrictions, Berkeley colleagues have continued to fundraise and work with the Foundation to support the most vulnerable in society, including a number of emergency COVID grants.
- Came top in the 'home construction' category of Britain's Most Admired Companies Awards 2020, and were named the sixth most admired business in the country. This is based on a survey of corporate reputation and business performance, ranked by competitors and independent analysts.

- Link to stakeholders**
- All
- Link to KPIs**
- All
- Link to risks**
- Economic outlook
 - Political outlook
 - Regulations
 - Liquidity