

OUR PEOPLE

DEVELOP A HIGHLY SKILLED WORKFORCE WHO RUN AUTONOMOUS BUSINESSES, OPERATE IN A SAFE AND SUPPORTIVE WORKING ENVIRONMENT, AND CONTRIBUTE TO WIDER SOCIETY



OUR PEOPLE

HIGHLIGHTS, AWARDS AND ACCOLADES 2014–2016



RoSPA Awards 2015: Gold Medal Awards for Berkeley East Thames, Berkeley Oxford and Chiltern and Berkeley West London

£7.9M

and worthy causes via the Berkeley Foundation



NHBC Health and Safety Awards 2015: National Best Site Awards for Ryewood (Large Builder) and Saffron Square (Multi-Storey Builder)

100%

Accident Frequency Rate

of 0.11 in 2016

of direct employees paid the Living Wage Foundation's Living Wage

2.40





Payroll Giving Platinum Award 2016 achieved as over 30% of employees donate through the GAYE scheme





Third Sector Business Charity Awards 2016: Charity Partnership (Property & Construction) for Street Elite (The Berkeley Group and The Change Foundation)

committed to over 85 charities



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WHY FOCUS ON OUR PEOPLE?

Our people are key to the development process, from the identification and purchase of land through to the sale of our homes and ongoing customer service.

To run any business successfully it is vital to ensure that the workforce is highly skilled and motivated. We understand the importance of supporting all our employees to allow them to work in a safe environment and to continue to advance their knowledge and skills. Developing and retaining our workforce enables us to deliver our objectives and grow as a business.

OUR APPROACH

A devolved business structure is at the heart of our strategy. Our recognised brands and autonomous operational teams carefully manage each individual business and scheme to ensure that the entrepreneurial spirit continues. Recruiting and retaining a high calibre workforce is crucial to our approach. We must support both our direct employees and the wider workforce of the contractors working on our sites. We are proud to be safe; safety continues to be a key focus area across all of our operations, in addition to enhancing health and wellbeing. We also aim to have a positive impact on society and enable young people to get into work through our support of the Berkeley Foundation.

2014-2016 PERFORMANCE	
Pay at least the Living Wage Foundation's Living Wage to all direct employees	\checkmark
Reduce energy costs by up to £500,000, investing 50% of the saving in new health and wellbeing initiatives	63%
Encourage and support every member of staff to be involved with the Berkeley Foundation each year	
Launch a talent management programme which develops new ideas to enhance the business	
Directors to undertake weekly H&S visits to all live projects under construction	98%
Provide all direct employees with an individual training assessment and allocate training based on their job role/function	
Implement the Group Health and Safety Standards	
Continue to aspire to operate incident and injury free through a 10% year-on-year reduction and target of AIR (3.25) and	

AFR (0.16)



Our people are key to the development process

OUR VISION - OUR PEOPLE





of our people are fundamental to the success of Berkeley

WHAT'S NEXT? COMMITMENTS FOR 2016-2018

We have set two new ambitious commitments for 2016-2018 to improve and develop our approach to Our People.



LAUNCH AND IMPLEMENT A NEW PROGRAMME TO PROMOTE THE WELLBEING OF OUR STAFF AND CREATE HEALTHY WORKPLACES

Providing workplaces that encourage health and wellbeing improves employees' quality of life which in turn increases productivity; this is crucial as our people are key to the success of our business.

The term "wellbeing" covers several aspects of the way people feel about their lives, including their jobs, and their relationships with the people around them. A person's wellbeing can be influenced by their surroundings, home and social life, along with the workplace. With individuals spending a notable amount of time in their workplace, an employer has the potential to significantly influence the wellbeing of their staff. They can also promote improved employee health, both in physical and mental terms.

A key aim of our 2016-2018 commitment is to build on the initiatives introduced during 2014-2016 and implement a programme that promotes the wellbeing of our staff and creates healthy workplaces.







INVEST IN TRAINING AND DEVELOPMENT THROUGH **OUR TALENT MANAGEMENT PROGRAMMES TO REALISE** THE POTENTIAL OF OUR **PEOPLE ACROSS ALL AREAS OF THE BUSINESS**

The skills and knowledge of our people are fundamental to the success of Berkeley. We have a talented and varied workforce that is our strongest resource. Continuing to attract, develop and retain this talent is imperative to the success of our business. It is therefore vital that we provide the right opportunities within the business to enable people to grow and flourish.

Talent management enables employees to understand their strengths and weaknesses so that they can develop and reach their full potential. It is also a key element to the retention of staff as it contributes to improved employee engagement and commitment whilst promoting high performance.

We are committed to investing in training and development through our talent management programmes to realise the potential of our people across all areas of the business.

SUPPORTING OUR WORKFORCE AND CONTRIBUTING TO WIDER SOCIETY

At Berkeley, we are committed to supporting our workforce and contributing to wider society. The illustration below highlights our approach to Our People. Each aspect is discussed in more detail on the following pages of this report.



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WE ARE COMMITTED TO DEVELOPING A HIGHLY SKILLED WORKFORCE AND ENABLING OUR EMPLOYEES TO CONTINUE TO ADVANCE THEIR KNOWLEDGE AND SKILLS. A COLOR

Healthy Workplaces We promote the health and wellbeing of our staff by creating healthy workplaces







OUR STRUCTURE, CULTURE AND VALUES

AUTONOMOUS BUSINESSES

We operate through a number of recognised brands. As the company has grown in size, these brands and the structures in place to support them have been granted a high degree of autonomy to ensure that the entrepreneurial spirit of the business is not lost. This devolved business structure has continued to be at the heart of Berkeley's business strategy and is one of enabling the people that are part of the business the key principles of our business model. Through to direct and schedule their work. the growth of the business the autonomous nature enables the operating companies to operate and maintain an SME (Small Medium Enterprise) culture.

Each of the brands and companies which operate within them is autonomous and has its own Board. This has enabled each of the operating companies to develop its own personality and style whilst maintaining and embracing Berkeley's core values in their approach. This allows greater independence across the operating companies,



Proud to be a member of the Berkeley Group of Companies









CULTURE AND VALUES

Berkeley has a strong culture. The core values that underpin the company remain unchanged from its early days. These are being passionate about what we do; having integrity; showing respect for people; thinking creatively; and delivering excellence through detail. When we recruit we look for a workforce that will reflect these values.

This culture informs how we work, the way we lead the business, and what we deliver to our customers. We focus just as hard on our working practices as the products we deliver.



THE CORE VALUES THAT UNDERPIN THE BUSINESS REMAIN UNCHANGED FROM ITS EARLY DAYS.



ATTRACTING AND **RETAINING TALENT**

We are mindful of the need to attract, develop, motivate and retain a talented and diverse group of professionals at every level.

our performance. During 2014-2016, our turnover rates marginally improved. However, we recognise that there is more work to be done in this area.

FOSTERING FUTURE TALENT

Over the last few years, we have developed a particular focus on encouraging young people to consider a career in the construction industry and helping them into work, as we are committed to fostering future talent (see the Operations We also support a large workforce through our report for more information).

In September 2015, Berkeley relaunched its Graduate Scheme in order to help address the skills shortage in the construction industry and ensure the growth and sustainability of the sector. We employ people at the beginning of their careers and help them to convert academic learning into practical development skills. The relaunch of our scheme resulted in 23 graduates joining the business in September 2016 within our Land and Planning. Technical, Commercial and Construction teams.

Our Customer Service, Sales and Production Academies also enable us to attract and foster talent. Each Academy provides participants with an extensive mix of theory based training and on-site practical learning to ensure the necessary knowledge and skills are developed to thrive at Berkeley.

SUPPORTING A DIVERSE WORKFORCE

We continue to monitor staff retention rates and benchmark Our business continues to grow; we now have over 2,300 direct employees working in a range of roles across just under 100 sites and offices. We recognise the importance of encouraging diversity throughout the business. Our Equality and Diversity Policy Statement sets out our goal of ensuring that all employees, prospective employees, and other individuals receive equal treatment.

> Across Berkeley, 37% of direct employees are female, as are 23% of our Board directors (as at 30 April 2016).

contractors with more than 11,500 people working on our sites in April 2016.

LIVING WAGE

The Living Wage Foundation's rate of pay is calculated according to the basic cost of living and provides enough for an acceptable standard of living. In 2014, we made a commitment to pay all our direct employees the Living Wage Foundation's Living Wage. During 2014-2016, all of our direct employees were paid at least this rate of pay. We continue to pay at least the Living Wage to all our employees, going beyond Government's new mandatory national living wage introduced in April 2016. We encourage our contractors to do so also.



ENCOURAGING WOMEN INTO CONSTRUCTION

Berkeley is working to encourage women into construction. In March 2016, St George hosted ten members of the National Association of Women in Construction on a site tour to discuss how to encourage women into traditionally male-dominated jobs through initiatives such as mentoring, training and networking.



We are committed to attracting, developing and motivating our people

WE EMPLOY PEOPLE AT THE BEGINNING OF THEIR CAREERS AND HELP THEM TO CONVERT ACADEMIC LEARNING INTO PRACTICAL DEVELOPMENT SKILLS.





EMPLOYEE TRAINING

Our talented and varied workforce is our strongest resource. In recognition of this, employees are provided with a supportive working environment and any training required to complete their role. There are several requirements set out at a Group level to cover core areas of training, such as health and safety and sustainability. Each of our autonomous businesses is responsible for undertaking an individual training assessment for every member of staff and allocating training based on their job role or function. We also encourage employees to pursue accreditation of relevant industry membership groups and to identify other areas where they could benefit from training and support.

In 2015, we placed particular focus on improving inductions for new starters and on reviewing our approach to training, increasingly moving to a broader assessment of not only technical and safety skills, but also softer skills.

CASE STUDY

ENCOURAGING PROFESSIONAL MEMBERSHIP SUBSCRIPTIONS AT ST GEORGE

St James

St Jame

St George encourages its employees to achieve professional membership by supporting subscriptions and exams. Employees are made aware of this in their company induction and at the annual company conference. Since records first started being collected in October 2014, St George has aided over 40 individuals in their undertaking of exams to gain professional membership of their respective bodies.



TALENT MANAGEMENT

In 2014 we set a commitment to launch a talent management programme to develop and implement business improvement ideas. The purpose of this commitment was to recognise employees' performance and potential and provide support and further development through a focus on implementing their ideas to enhance the business.

As a result of this commitment, a range of talent management programmes have been introduced across all of our operating companies. Some of these are intensive schemes for selected individuals, whereas other businesses are undertaking programmes for all staff. In our 2016-2018 commitment period, we plan to highlight the successes of these programmes and build upon them.

We are proud that 2016 marked the second consecutive year in which a Senior Project Manager of Berkeley won NHBC's Pride in the Job Supreme Award for the multistorey category, with Paul Dunnett of Saffron Square achieving the accolade in 2016, following the success of Damian Bates of One Tower Bridge in 2015.

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WE ARE DELIGHTED THAT WE HAVE WON NHBC'S PRIDE IN THE JOB SUPREME AWARD IN 2015 AND 2016.

TRAINING OF THE WIDER WORKFORCE

All contractors on our construction sites are provided with a full induction to the site, including information on health and safety, and sustainability. This initial introduction is continually reinforced through toolbox talks and information displays. Where appropriate, staff also receive targeted bespoke training on key topics such as working at height and pollution prevention.

We aim to support the supply chain in providing employment and training. Our commitment to ensure at least 1,500 people across our direct and indirect workforce undertake an apprenticeship or vocational training is set out in the Operations' report.

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MANAGEMENT AND DELIVERY

The safety of our people continues to be a top priority across all our operations. We are Proud to be Safe and aim to demonstrate this through our culture and behaviour, and by working with our supply chain to achieve industry-leading performance. Our health and safety vision is as follows:

"Berkeley is committed to operating incident and injury free and aspires to have a positive health impact on all those employed and affected by what we do."



Through our 'Good Order', 'Good Work', 'Good Health' framework we have improved the standards of the physical working environment, promoted a positive culture, and improved attitudes and behaviours to increase awareness on health and wellbeing.



Our strategic objectives (as outlined on the left) are applied across our sites. Leadership is key and is demonstrated by Directors and senior managers who are actively involved in health and safety in all areas of the business, including weekly visits to construction sites. During 2014-2016, 98% of projects under construction received weekly health and safety visits from a Director. These visits occur in addition to inspections carried our by local and Group-level health and safety professionals.

In January 2015, we launched the Innovation Fund to support the supply chain in improving health and safety. Details of the Innovation Fund and examples of sponsored projects can be found in the Operations' report.



SAFETY PERFORMANCE

We are pleased to report a further reduction in our Accident Incident Rate (AIR); in 2015/16, this was 2.40, down from 2.46 in 2014/15. Our Accident Frequency Rate (AFR) in 2015/16 was 0.11, down from 0.12 in 2014/15.

Our commitment to health and safety is regularly recognised externally. For instance, at the NHBC Health and Safety Awards 2015 we won two of the three available National Best Site Awards. These were for Ryewood (large site category) and Saffron Square (multistorey category).



Accident Incident Rate

Proud to be Safe

In 2015, we rolled out new Group Health and Safety Standards to ensure a consistent approach across all of our sites and supply chain. We have also launched a new Health and Safety Strategy which supports our health and safety vision and sets out eight strategic objectives:



DEMONSTRATE LEGAL COMPLIANCE

OF PROJECTS UNDER CONSTRUCTION RECEIVED WEEKLY HEALTH AND SAFETY **VISITS FROM A DIRECTOR**

BERKELEY IS COMMITTED TO OPERATING INCIDENT AND INJURY FREE AND ASPIRES TO HAVE A POSITIVE HEALTH IMPACT ON ALL THOSE EMPLOYED AND AFFECTED BY WHAT WE DO.





Accident Frequency Rate



WORKING WITH THE SUPPLY CHAIN

At Berkeley we are not only committed to advancing standards on our sites but also promoting improvements across the industry. To assist with this, we continue to engage with external parties. This includes working with the Royal Life Saving Society UK to develop policies and procedures which cover risk assessment, emergency planning and rescue skills associated with working by water.

Another key organisation that we have been working with is the Road Haulage Association (RHA). Together we have joined forces to reduce the risk of injury from vehicles delivering to site by producing guidance and a driver's training course that focuses on deliveries and collections to ensure that they are procured, coordinated. managed and controlled appropriately. The guidance and new driver gualification were supported by Berkeley's £2 million Innovation Fund.

Berkeley is also collaborating with the Construction Industry Advisory Committee (CONIAC) who advise the HSE, along with a group of industry experts, to write guidance for the 'Planning, Design and Construction of Tall Buildings'.

PROMOTING WELLBEING

In 2014 we set a commitment to reduce energy costs by £500,000, investing 50% of the saving in new health and wellbeing initiatives. Over the last two years we have focused on understanding consumption and charges for electricity and a number of our sites and offices have trialled more effective sub-metering and monitored out-of-hours usage to identify areas for improvement. There has also been an emphasis on site temporary electrics efficiency.

As a result of our commitment, we have reduced our electricity consumption across our activities by 16% per person and have reduced our costs by just over £310,000, falling short of our target. We aim to further reduce our broader energy consumption through our new carbon commitment, further details for which are in the Operations' report.

To encourage the uptake of energy reduction amongst employees, we linked electricity cost savings with investment in health and wellbeing initiatives. A range of initiatives were selected locally by operating companies, including well person clinics, office fruit baskets, exercise classes and awareness campaigns. There will be an increased focus during 2016-2018 on providing workplace environments that encourage and enable our employees to lead healthy lifestyles.

CASE STUDY

WELLBEING WEEK AT BERKELEY ST EDWARD

At Berkeley St Edward, the savings from reduced energy consumption were re-invested into initiatives including Wellbeing Week. Taking place in October 2015, Wellbeing Week focused on five areas of wellbeing, with email communication on each day and a range of events planned.



Following Wellbeing Week, Berkeley St Edward's 'Small Changes, Big Impact' campaign was launched in February 2016 and a number of initiatives have been rolled out across the division, including quarterly massages and a repeat of the London Wildlife Trust day.



We encourage our employees to lead healthy lifestyles



THE BERKELEY FOUNDATION

The Berkeley Foundation was set up by Berkeley in March 2011. It is a registered charity that supports young people and their families in the communities in which Berkeley works. The Foundation's work focuses on four key areas:



In its first 5 years, the Berkeley Foundation has committed more than £7.9 million to 85 charitable partners and programmes. Of this, more than £2.7 million has been raised by our employees.

Between May 2014 and April 2016, all of our employees were encouraged to be involved with the Berkeley Foundation. In 2015/16, 68% of employees engaged with the activities of the Berkeley Foundation through fundraising, volunteering or payroll giving. We are proud that Berkeley employees continue to contribute to wider society through the Berkeley Foundation and aim to increase this contribution to 100% over the next two years. Every penny raised by our staff for the Berkeley Foundation or our partner charities is matched by Berkeley.

In 2016, Berkeley received a Platinum Award from the Charities Aid Foundation for its Give As You Earn scheme, with 33% of staff donating through this mechanism.

E7.9M

COMMITTED BY THE BERKELEY FOUNDATION TO MORE THAN 85 CHARITABLE PARTNERS AND PROGRAMMES

33% OF EMPLOYEES DONATE THROUGH THE GIVE AS YOU EARN SCHEME OF THE £7.9 MILLION COMMITTED BY THE BERKELEY FOUNDATION RAISED BY EMPLOYEES

68%

OF EMPLOYEES ENGAGED WITH THE BERKELEY FOUNDATION IN 2015/16





STREET ELITE

Berkeley has been working with the Change Foundation through the Street Elite programme. Street Elite is a training for work initiative which offers intensive support to people who are often living on the edge of gangs and crime. It helps them to gain the confidence and skills they need to move into work or further education.

Street Elite is a nine month programme which starts with an intensive 12 week sports-based training and mentoring scheme. Participants gain coaching qualifications which they then put into practice on local housing estates. Finally, they help to organise a one day sports festival, involving dozens of local schools and hundreds of young people across their borough.

Every young adult that completes Street Elite is offered a work placement with Berkeley.

The programme has helped almost 300 people on the edge of gangs and crime to build skills for work, with many Street Elite graduates now in full-time employment, including 15 directly within Berkeley.

This partnership won the Best Charity Partnership (Property & Construction) category at the Third Sector's Business Charity Awards 2016.

JOB CREATION PROGRAMME

In 2013, the Berkeley Foundation launched the Job Creation Programme and committed to creating 500 jobs for unemployed people across the lifetime of the programme. Since its launch, the Job Creation Programme has been able to successfully identify the skills and potential of more than 450 unemployed individuals and match them to a range of work opportunities within Berkeley, its supply chain and partner charities. Of these, 207 individuals were employed through the Job Creation Programme during 2014-2016 and the number of these roles sustained is 153 (75%).

The Berkeley Foundation continues to work with a wide range of provider organisations across London and the South of England to find candidates who will benefit the most from the programme. Candidates are offered interviews, and in some instances, a work trial, before moving into employment.





HEADSTART

In October 2015, Berkeley became the construction industry champion for HeadStart; a programme which seeks to address the challenges of youth unemployment and social segregation in London. The programme is aimed at helping 16-18 year olds develop their employability skills and prepare them for work, initially through volunteering and employer-led workshops. Participants then have the opportunity to interview for paid work experience placements or entry-level jobs.

In 2015, 68 young people attended workshops led by Berkeley on the property development cycle and 17 people received work experience within one of our operating companies.

