

OUR VISION

PERFORMANCE REPORT 2014 - 2016



HOMES



CUSTOMERS



PLACES



OPERATIONS



OUR PEOPLE



OUR VISION

OUR VISION PERFORMANCE

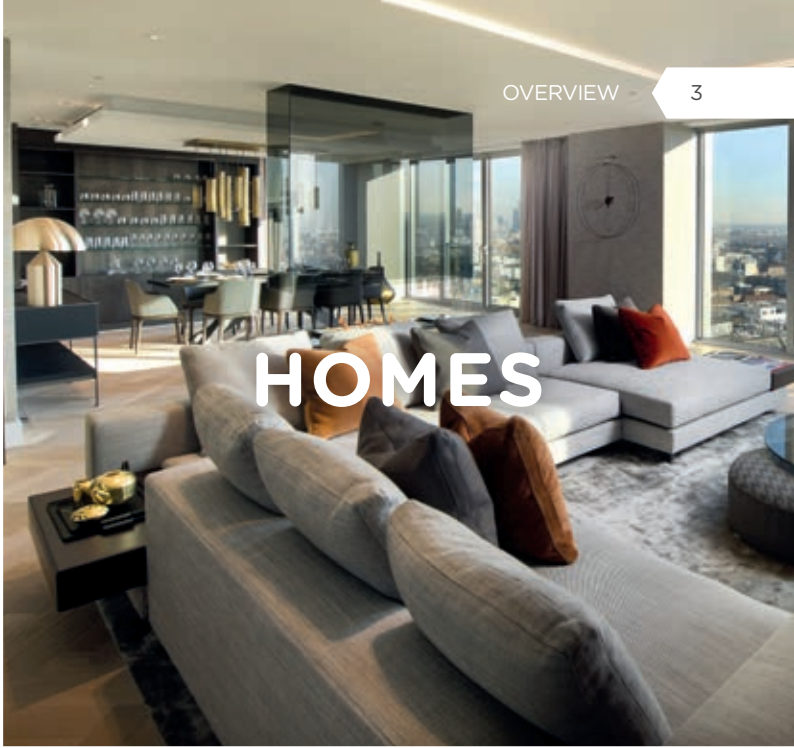
This report provides an overview of the Berkeley Group's ('Berkeleys') 'Our Vision' strategy, summarises performance during the 2014-2016 commitment period and introduces our new commitments for 2016-2018.

The introduction provides a background to Our Vision, the five focus areas (Customer, Homes, Places, Operations and Our People) and how our approach has developed in these areas. Key achievements and performance for 2014-2016 are also highlighted.

The subsequent sections provide further detail on what we have achieved in each of the focus areas.

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To be a modern, world-class business generating long-term value by creating successful, sustainable places where people aspire to live.

Through the framework of Our Vision, Berkeley articulates our strategy across five areas of strategic focus: Customers; Homes; Places; Operations; and Our People. By focusing on these areas, we ensure that we continue to provide customers with an exceptional service, whilst delivering high quality homes and places where communities can thrive. We also recognise that the skills, knowledge and dedication of our people, alongside the efficient management of our operations, are fundamental to the ongoing success of our business.

Our Vision provides clear direction and enables the whole business to work to a common set of goals, the overarching aim of which is to be a modern, world-class business. To drive improvements in performance, we continually review and develop our strategy across our five focus areas to address the key challenges and opportunities facing Berkeley, our industry and other business sectors.

Every two years we launch new headline commitments identifying our next set of priority actions. These are determined through an in-depth review of key industry, national and global issues, together with consultation with each of our autonomous companies and specialist committees.

Underpinning Our Vision is a core set of company values: having integrity; being passionate about what we do; showing respect for people; thinking creatively; and achieving excellence through detail.





THE DEVELOPMENT OF OUR VISION



CUSTOMERS

WHY FOCUS ON CUSTOMERS?

Ensuring our customers are satisfied is crucial to the ongoing success of the business; ultimately all areas of our strategy are focused on the end customer. This extends beyond customer-facing activities, from the initial purchase of the land through to the design of each home and the wider development.

Our approach has evolved from customer experience to customer insight.

We pride ourselves on being the developer of choice and customer satisfaction is key to this. Our strategy has evolved from ensuring that customer-facing teams provide exceptional service, to placing a strong emphasis on all employees to put the customer at the heart of every decision.

In recognition that our customers are individuals with varying needs, we have created a 'customer first' mind-set, providing a dedicated point of contact at every stage of the customer journey. We also provide tailored information on the home that a customer has purchased. Moving forward our communication channels will be further enhanced through the use of MyHome Plus; our new interactive online system.

The expectations of our customers are continually changing. We have already put ourselves in a good position to understand and to react to these through the use of customer surveys and benchmarks. Through our new commitment for 2016-2018, we aim to enhance our engagement and obtain a more in-depth insight into our customers' needs.



HOMES

WHY FOCUS ON HOMES?

As a residential-led developer, building high quality and well-designed homes is fundamental to our business and is intrinsic to all the other areas of Our Vision. It is demanded of us by our customers and differentiates Berkeley. It is clear that to have a successful business, our focus has to be on the end product of the homes right from the outset.

Our approach has evolved from low environmental impact to more resilient homes.

Berkeley was the first developer to commit to all our homes being certified to Level 3 of the Code for Sustainable Homes and the environmental performance of our homes continues to be a key consideration regardless of the Code's withdrawal. We therefore continue to incorporate measures to improve energy and water efficiency and to promote sustainable lifestyles.

As changes have been made to building regulations, we have continued to strive to provide homes with high environmental performance and have evolved our approach to ensure that we consider future climate change in the design of our homes. We were also the first developer to set minimum space standards.

Technology continues to evolve so it has been vital that we provide the necessary infrastructure within our homes. The internet is often regarded as the fourth utility so we are committed to ensuring our homes are enabled for future technologies.



PLACES

WHY FOCUS ON PLACES?

It is essential that we focus on the outcome of our developments in the long-term. This begins right from the outset by ensuring the location is right at land purchase, to focusing on placemaking during design and to ensuring that suitable management processes are in place. Creating great places to live is integral to what we do as it is about enabling our residents to enjoy a good quality of life, now and in the future.

Our approach has evolved from placemaking to community stewardship.

Berkeley has sought to create places for people and as we have developed our approach from placemaking to placekeeping our understanding of how to create a place that endures over time has evolved.

Our commitments to Places began with incorporating the principles of Building for Life. Berkeley has incorporated bespoke design into its developments which has differentiated us from other developers. This has been based on the idea of creating places with a focus on the quality of life for our residents and not just building homes.

We now have a greater appreciation that the community must be considered at the planning stage. To ensure that this happens we have developed our social sustainability framework. Further to this, placekeeping is about ensuring that residents take ownership of the development in perpetuity. This has led to a commitment to create community plans as a structured approach to help communities to thrive for the long-term, where people are happy and self-reliant.



OPERATIONS

WHY FOCUS ON OPERATIONS?

Running our operations effectively and considerably is fundamental to the long-term success of the business. We need a skilled and reliable supply chain to help us deliver the pipeline of work and good relationships with local stakeholders are essential to maintain our reputation for quality.

Our approach has evolved from successful business practice to sustainable business practice.

We believe that in addition to our financial performance, our success and achievements should be measured by the contribution we make to both society and the environment. We are focused on approaching our construction activities with consideration of our workforce, the communities in which we operate and our use of natural resources.

We seek to increase the capacity of the workforce to deliver the volume of new homes required through promoting apprenticeships and training both across our direct workforce and through our supply chain.

We recognise that evolving industry practices is important. Having initially focused on innovation within health and safety, we are broadening our Innovation Fund to additionally look at improving processes and products in the areas of building technology and environmental sustainability.

As part of our commitment to the environment, we seek to be more efficient with the use of natural resources, including materials and water. We have also committed to become the first carbon positive housebuilder.



OUR PEOPLE

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.

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 has evolved from safe working environments to health and wellbeing.

The number of jobs that Berkeley supports has more than doubled over the last five years. Our talented and varied workforce is our strongest resource. The safety of our people continues to be a top priority. In addition to this we also want to encourage our employees to recognise the importance of their health and wellbeing. We understand that the wellbeing of our staff can influence their productivity and other feelings of satisfaction.

Talent management and training has also evolved within Berkeley, from all staff being provided with health and safety and sustainability training to more tailored training. We will further develop and enhance our talent management programmes to ensure we continue to realise the potential of our people across the business.

Since the Berkeley Foundation was launched in 2011 Berkeley staff have raised £2.7 million. We continue to enable our employees to contribute to the Foundation including through the Give As You Earn scheme where 33% of staff contribute to the Foundation in this way.





OUR KEY ACHIEVEMENTS

2016

2010

CUSTOMERS

FROM CUSTOMER EXPERIENCE

HOMES

FROM LOW ENVIRONMENTAL IMPACT

PLACES

FROM PLACEMAKING

OPERATIONS

FROM SUCCESSFUL BUSINESS PRACTICE

OUR PEOPLE

FROM SAFE WORKING ENVIRONMENTS

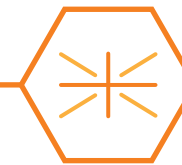
Since 2010 we have developed our approach in each of the focus areas. Within the development of each area we have had a number of key achievements which are highlighted on this page.



Introduced dedicated points of contact for every customer



Measured our customer satisfaction rating



Introduced our UK First Policy



Launched MyHome Plus

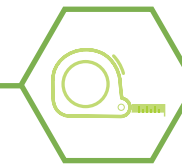
TO CUSTOMER INSIGHT



First developer to commit to Code for Sustainable Homes Level 3



Provided homes with high environmental performance



First developer to set minimum space standards



First developer to commit to providing fibre broadband to all our new developments

TO MORE RESILIENT HOMES



Provided and promoted the use of sustainable transport measures in our developments



Developed and introduced a toolkit for social sustainability



Developed a checklist to adapt all our developments to key future climate risks

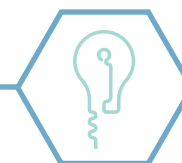


Evolved our approach to biodiversity, becoming the first developer to commit to creating a net gain on our developments

TO COMMUNITY STEWARDSHIP



Introduced the Group Sustainability Standard for Contractors



Over £1.5 million committed to innovation in health and safety since January 2015



First housebuilder to become a partner of the 'Homes School' of the Supply Chain Sustainability School



Achieved a 50% increase in apprenticeships and training across our site workforce

TO SUSTAINABLE BUSINESS PRACTICE



Launched the Berkeley Foundation committing £7.9m to charities in the first five years



Talent management programmes launched across the business



Committed to pay all employees the Living Wage Foundation's Living Wage



Health and wellbeing initiatives implemented across the business

TO HEALTH AND WELLBEING



OUR VISION
COMMITMENTS

HOW OUR
COMMITMENTS
DEVELOP

Through the detailed review of emerging opportunities and challenges on a two-year cycle, Berkeley is able to evaluate and progress our actions under our focus areas to ensure our commitments continue to be relevant, leading and world-class.

The regular review of our strategy enables new priority themes to be incorporated within our headline commitments and ultimately our normal business activity. However, some themes continue to feature prominently within our headline commitments in recognition of an increased understanding of the continual work required to drive incremental performance improvements. Examples of this include climate change actions and upskilling of the industry workforce. In these instances, our commitments evolve to build on the excellent foundations already achieved, challenging ourselves further to be a world-class business.

Where headline commitments do not feature within the subsequent two-year cycle, we embed them into our ongoing processes and activities.

In May 2016 we launched a new set of 10 stretching headline commitments to achieve by April 2018.

2016-2018 HEADLINE COMMITMENTS



CUSTOMERS

Deliver world-class customer service as evidenced by a top quartile Net Promoter Score compared to UK Customer Satisfaction Index results

Run a programme of engagement and research to further enhance our product and processes based on the needs of our customers



HOMES

Design our homes to consider future climate change to ensure continued thermal comfort

Understand the evolution of smart technology and connectivity in homes and on developments

2014-2016 HEADLINE COMMITMENTS

Deliver world-class customer service measured through the Net Promoter Score



Launch an interactive way of communicating with our customers, 'MyHome Plus'



Market all our developments in the UK first



Enable fibre broadband on all our new homes and provide community Wi-Fi



Guarantee space standards for all new homes



Launch a new R&D programme to utilise customer feedback and drive innovation through improved design



PLACES

Implement community plans on our developments to facilitate thriving communities

Develop and apply an approach to ensure that all new developments create a net biodiversity gain



OPERATIONS

Reduce our operational carbon emissions intensity by 10% and introduce a programme to become carbon positive

Ensure at least 1,500 people across our direct and indirect workforce undertake an apprenticeship or vocational training



OUR PEOPLE

Launch and implement a new programme to promote the wellbeing of our staff and create 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

Measure and increase people's quality of life by applying a framework for social sustainability



Test new forms of estate management and community governance



Adapt all developments to climate change through measures on flooding, overheating and water shortage



Achieve a 50% increase in site-based apprenticeships and training



Launch a £2 million fund for the supply chain to support innovation in health and safety



Map our supply chain risks and develop a sustainable specification and procurement strategy



Pay at least the Living Wage to all direct employees



Reduce energy costs by up to £500,000, investing 50% of the saving in new health and wellbeing initiatives



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



OVER TIME OUR COMMITMENTS
BECOME COMPLETELY EMBEDDED
INTO OUR ACTIVITIES AND CULTURE.





CUSTOMERS

PROVIDE EXCEPTIONAL SERVICE
TO ALL OF OUR CUSTOMERS
AND PUT THEM AT THE HEART
OF OUR DECISIONS



CUSTOMERS

HIGHLIGHTS, AWARDS AND ACCOLADES 2014-2016



Institute of Customer Service's UK Customer Satisfaction Awards 2016: Customer Focus Award (Large Enterprise)

98%

of customers would recommend us to a friend (2016 results)

UK First Policy

Our Policy was implemented on all developments launched during the 2014-2016 commitment period

myHome PLUS

MyHome Plus developed and now available for use across all new developments

1st

Customer Service Academy held in 2015, bringing talented individuals from other industries into the business

ServiceMark

Accredited from April '15 - April '18



Institute of Customer Service ServiceMark achieved across all businesses

68.5

Net Promoter Score (based on a six-month rolling average at April 2016)

CUSTOMERS

PROVIDE EXCEPTIONAL SERVICE TO ALL OF OUR CUSTOMERS AND PUT THEM AT THE HEART OF OUR DECISIONS

WHY FOCUS ON CUSTOMERS?

Ensuring our customers are satisfied is crucial to the ongoing success of the business; ultimately all areas of our strategy are focused on the end customer. This extends beyond customer-facing activities, from the initial purchase of the land through to the design of each home and the wider development.

OUR APPROACH

Our customers are at the heart of all our decisions. We aim to understand their needs and consistently meet or exceed their expectations. The service we provide is professional, efficient and helpful to make the home-buying process as straightforward and enjoyable as possible. Our levels of customer service aim to be comparable to other top performing companies.

All our customers are provided with a commitment that when they buy a new home from Berkeley, they can be safe in the knowledge that it is built to very high standards of design and quality, has low environmental impact and that they will enjoy an exceptional customer experience. Each customer receives tailored information relating to their purchase, has a dedicated point of contact throughout the customer journey and are regularly informed and updated through the development process.

This report details our achievements over the past two years in our Customers' focus area and sets out our commitments for the two years ahead.

2014-2016 PERFORMANCE

Deliver world-class customer service measured through the Net Promoter Score	✓
Launch an interactive way of communicating with our customers, 'MyHome Plus'	✓
Market all our developments in the UK first	✓
Provide a point of contact at every stage of the customer journey	99%
Provide every customer with a Berkeley Customer Satisfaction Commitment	97%
Survey every customer to measure satisfaction and target that at least 95% of our customers would recommend us to a friend	✓
Include information on Our Vision in marketing material	99%
Include information on specific sustainability features of our homes and developments in marketing material	95%
Include guidance in all home manuals that enables occupants to understand and operate their home efficiently and make the best use of local facilities	✓



All areas of our strategy are focused on the end customer



Woodberry Down
Finsbury Park

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 Customers.



DELIVER WORLD-CLASS CUSTOMER SERVICE AS EVIDENCED BY A TOP QUARTILE NET PROMOTER SCORE COMPARED TO UK CUSTOMER SATISFACTION INDEX RESULTS

Berkeley's customers expect a professional, quality and efficient service when purchasing a property. We aim to meet and exceed these expectations throughout the customer journey, starting from the moment a customer enquires about a property, through the sales process, at the point of handover and during occupation.

A company's Net Promoter Score (NPS) is an indicator of the success of the customer journey. By committing to maintaining a consistently high NPS which ranks Berkeley amongst top performing companies, we are ensuring that the customer experience remains a key focus across the business, that we continue to outperform our competitors and that we build on our high levels of customer service to consistently deliver at a world-class standard.

Key to meeting these aims will be the continued development and support of our people to further embed a 'customer first' mind-set.



RUN A PROGRAMME OF ENGAGEMENT AND RESEARCH TO FURTHER ENHANCE OUR PRODUCT AND PROCESSES BASED ON THE NEEDS OF OUR CUSTOMERS

Berkeley operates in a highly competitive market. Key to the ongoing success of the business is that we listen to, understand and respond to the views, needs, motivations and aspirations of our customers.

Regular and improved feedback and input from our customers is expected to allow the business to keep up to date with the latest customer behaviours so that we can react to these as necessary. It will also aid Berkeley in identifying areas requiring innovation, including the way we think about design, and market our homes and developments.

A key aim of our 2016-2018 commitment is therefore to broaden the mechanisms through which feedback is sought to enhance customer engagement and insight.

OUR APPROACH TO CUSTOMERS

Berkeley is committed to providing its customers with high quality homes in the most desirable and accessible locations. The illustration below highlights our approach to our Customers. Each aspect is discussed in more detail on the following pages of this report.



OUR AIM IS TO MAKE THE HOME-BUYING PROCESS AS STRAIGHTFORWARD AND ENJOYABLE AS POSSIBLE FOR ALL OUR CUSTOMERS, AND TO PROVIDE A QUALITY, PROFESSIONAL, EFFICIENT AND HELPFUL SERVICE AT ALL TIMES.



Battersea Reach
Wandsworth

OUR COMMITMENT TO OUR CUSTOMERS



At Berkeley, we create homes not houses and therefore put the customer at the heart of every decision throughout the development process. This starts from the purchase of land where customers would aspire to live and the design of bespoke developments. We then build to exceptionally high quality standards, from the materials and products that we specify for use, to the workmanship and finishes delivered through construction. Our aim is to make the home-buying process as straightforward and enjoyable as possible for all our customers, and to provide a quality, professional, efficient and helpful service at all times.

Our Customer Satisfaction Commitment is featured within our marketing materials and on our website to demonstrate our commitment openly and transparently. It outlines what customers can expect when purchasing a new home from us. Our Customer Satisfaction Commitment is as follows:

"When you buy a new home from Berkeley you can be safe in the knowledge that it is built to a very high standard of design and quality, has low environmental impact and that you will enjoy an exceptional customer experience."

CONSUMER CODE FOR HOME BUILDERS

Berkeley additionally complies with the Consumer Code for Home Builders at every stage in the buying process which gives protection and rights to purchasers of new homes. The purpose of the Code is to ensure that home buyers are treated fairly, know what service levels to expect and are fully informed about their purchase.

UK FIRST

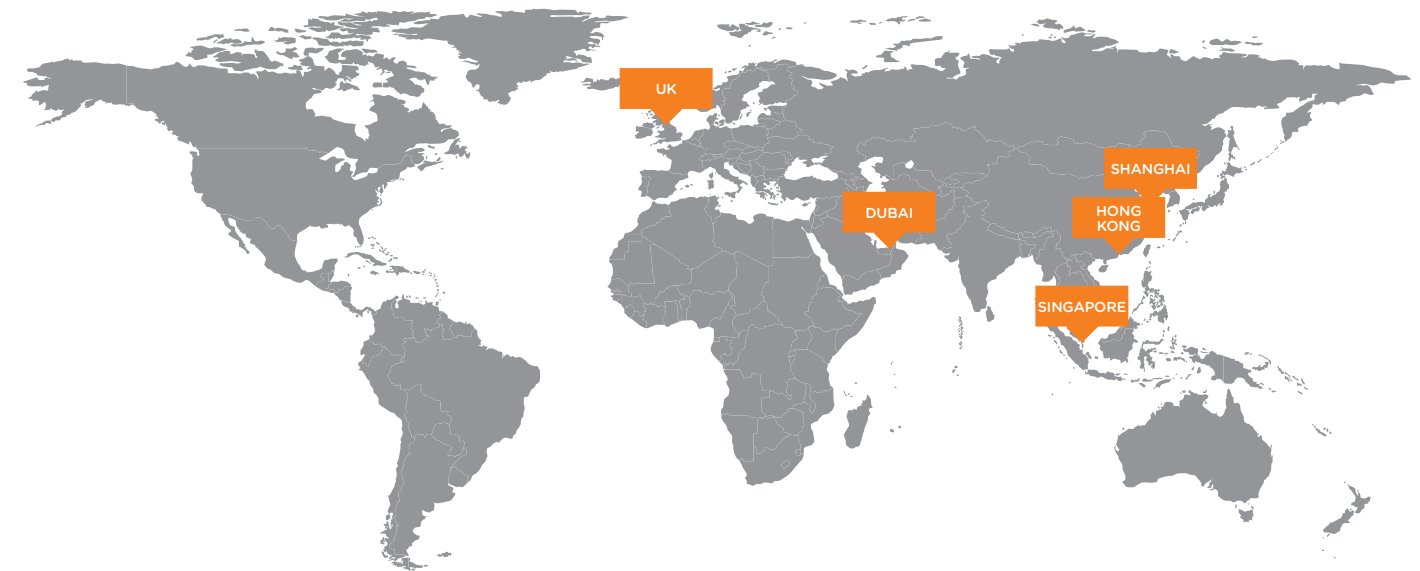
We recognise the importance of giving UK customers a level playing field and every chance to compete in the new build market. We therefore introduced our 'UK First Policy' in 2014, requiring the initial sales launch of each development to be in the UK, with each individual home made available to purchasers in the UK either first or simultaneously to the international market. Our policy is in line with the Mayoral Concordat which invites London developers to sell to the UK and international markets concurrently.

In 2014-2016, all our developments were launched in the UK first, meaning every new home was made available to the UK market either before or at the same time as being marketed overseas.

Our UK First Policy will continue to be implemented on all our schemes. At the same time, we acknowledge that international investors play a vital role in generating the cash flow and confidence to begin construction. In light of this and to enable improved service to our overseas customers through face-to-face contact, we have international offices in Dubai, Hong Kong and Singapore, with a new office having opened in Shanghai in 2016.



Sales suite, Wimbledon Hill Park



IN 2014-2016, ALL OUR DEVELOPMENTS WERE LAUNCHED IN THE UK FIRST, MEANING EVERY NEW HOME WAS MADE AVAILABLE TO THE UK MARKET EITHER BEFORE OR AT THE SAME TIME AS BEING MARKETING OVERSEAS.



THE CUSTOMER EXPERIENCE



Each customer is provided with a dedicated point of contact

Our relationships with our customers can last for many years, from the initial pre-purchase contact through to the customer living in the home for an extended period of time. Communicating with our customers regularly, appropriately and genuinely to keep them informed throughout the customer journey and build programme is therefore essential.

There is however no single prescriptive world-class customer service programme as each of our customers is unique with varying needs. As a result, each customer is provided with a dedicated point of contact throughout the customer journey to ensure we can respond to the individual needs of our customers and the information received by each customer is tailored to their purchase.

We have a company-wide culture of excellence in all that we deliver, including customer service. Our Sales and Customer Service Academies provide an extensive mix of theory-based training and on-site practical learning to ensure new employees in these fields have the appropriate skills and knowledge to deliver service to a world-class standard.

In addition to our Sales, Customer Relations and Customer Services teams who have day-to-day interaction with our customers, all Berkeley employees are given responsibility in the area of customer service. By doing this and by providing employees across departments with customer-focused training, Berkeley has embedded a 'customer first' mind-set within the business, empowering teams to think and act differently. There is also a Sales Committee and a Customer Service Committee to share best practice between different areas of the business, whilst the Berkeley Group's Main Board reviews customer service at each meeting.

BB
BERKELEY HAS EMBEDDED A
'CUSTOMER FIRST' MIND-SET WITHIN
THE BUSINESS, EMPOWERING TEAMS
TO THINK AND ACT DIFFERENTLY.



CASE STUDY

MAKING CUSTOMERS FEEL SPECIAL AND VALUED AT ONE TOWER BRIDGE

To go the extra mile and help customers feel special and valued, the Customer Service team at One Tower Bridge arranged meetings with high-end goods suppliers such as Harrods, Fortnum & Mason and Flint & Flame to select a range of gifts to be dressed in the apartments in preparation for customers moving in.



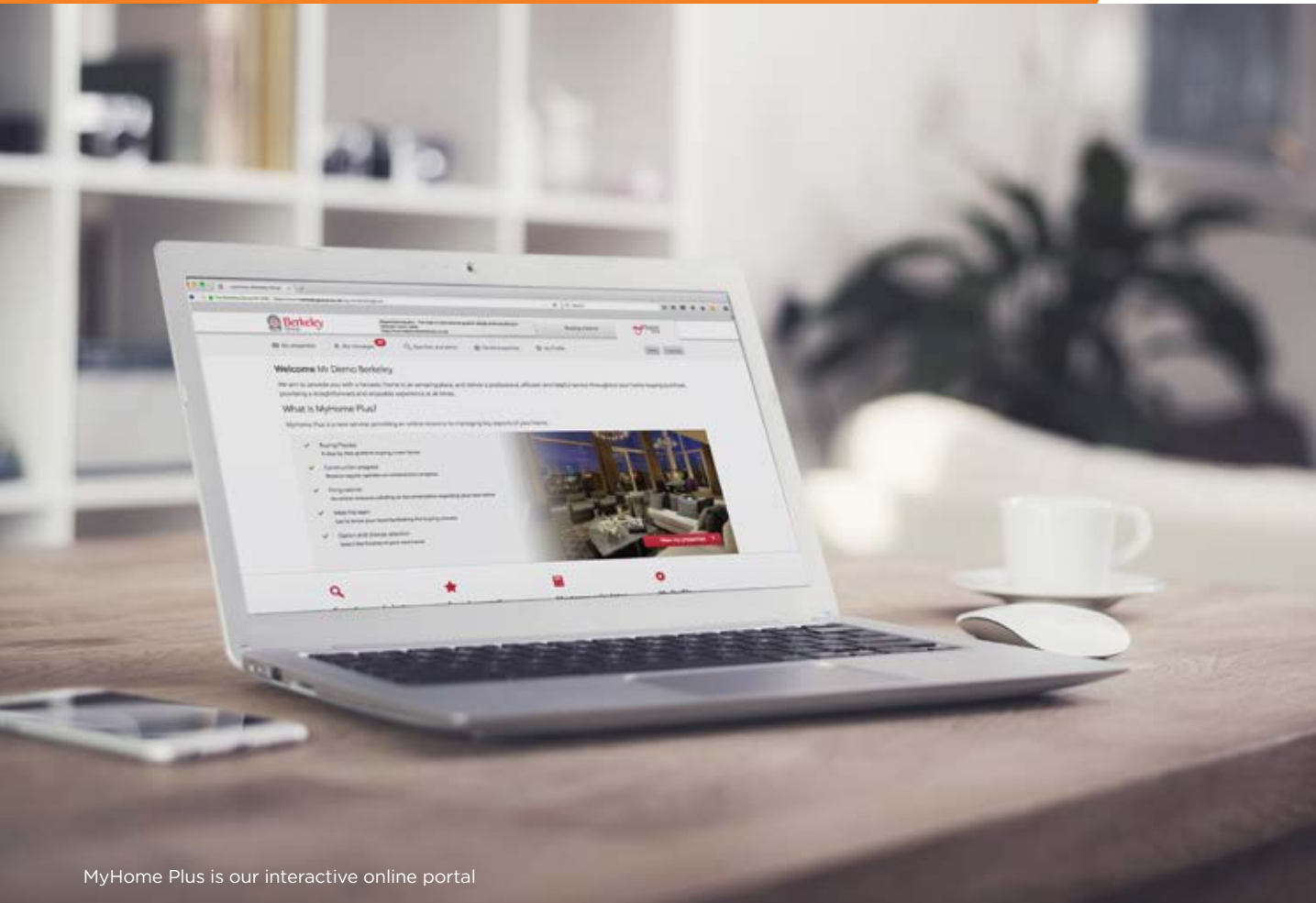
CASE STUDY

EARLY EMPLOYMENT OF THE CONCIERGE TEAM

At St Joseph's Gate in Mill Hill, the concierge team were employed early in the development process, rather than before the first occupancy as is usually the case. This enabled the estate management team to have an on-site presence from an early stage, developing in-depth knowledge of how the building evolved through the construction process and of the mechanical and engineering systems in place. Early employment has meant that, from the point of reservation, customers have had contact with the individuals who will be looking after the development once they have completed their purchase and occupied their homes.



MYHOME PLUS



MyHome Plus is our interactive online portal



We continually consider how we can enhance our customers' experience throughout the purchasing process. Communication is a paramount area to target, as keeping our customers informed is key to keeping them satisfied. In 2014, we committed to develop and launch an online platform to improve customer engagement and allow customers to interact with us when it best suits them.

MyHome Plus is the resulting interactive online system. It enables a seamless communication journey throughout the pre- and post-purchase process, making customers feel valued and informed at all stages. The portal contains all of the information relevant to buying, moving into, and living in a new Berkeley home, in one easy-to-navigate place. This includes updates on construction progress, along with key information such as specification choices and manuals relating to the features of the home.



MyHome Plus makes it easier for customers to interact with us, as they can access their information anywhere and at any time. However, MyHome Plus is a complement to our help desk communications, not a replacement for them, so customers receive the best possible service.

Following initial trials of MyHome Plus in 2015, the portal is now being introduced across our new developments.

BENCHMARKING PERFORMANCE



Goodman's Fields, Aldgate

At Berkeley we recognise the benefits of benchmarking our performance against other leading customer service providers, particularly those outside of the industry in which we operate.

In 2013, we joined the Institute of Customer Service (ICS) to further improve our levels of customer service and to benchmark ourselves across different sectors. We are delighted that each of our operating companies subsequently achieved the ServiceMark accreditation in April 2015. This is a national standard based on customer feedback and engagement of employees, recognising our commitment to, and achievements in, customer service.

Our efforts in customer service were also acknowledged in March 2016, when we won the Best Customer Focus (Large Enterprise) category at the Institute of Customer Service's UK Customer Satisfaction Awards. Through this award, Berkeley was commended for its comprehensive commitment to customer service, the level of employee

engagement and a well-communicated strategy. This is a great achievement for Berkeley, particularly as the awards assess companies across all sectors, not solely in property or housing.

In addition to the achievement of accolades, we benchmark our performance against other world-class companies through the monitoring of our Net Promoter Score (NPS). The NPS is an indicator of customer satisfaction, taking the percentage of customers who are promoters of the company and subtracting the percentage who are detractors, leaving a score in a possible range of -100 to +100. Through our commitment to measure and publish Berkeley's NPS during the 2014-2016 Our Vision period, we have seen our six-month rolling average NPS increase from 64.5 (April 2014) to 68.5 (April 2016). This indicates that our customers are now more likely to recommend Berkeley to a friend and is testament to the actions being undertaken across the business to ensure high levels of customer service and satisfaction.

68.5
NET PROMOTER SCORE (BASED
ON A SIX-MONTH ROLLING
AVERAGE AT APRIL 2016)

CUSTOMER INSIGHT



Edenbrook, Fleet

We operate in a highly competitive market. Key to the ongoing success of our business is that we listen to, understand and respond to the needs of our customers. As each of our developments is bespoke, we value customer feedback to understand the functionality of the design and are always looking to improve our product.

We seek to engage with customers and understand their needs throughout the purchasing process and after completion. Customers are given the opportunity to provide feedback at every stage of the customer journey and via a short survey post-completion. We ask customers what went well and not so well in order to understand areas for improvement. High-level findings are discussed by the Customer Service Committee and shared with project teams to further develop both our product and service moving forward.

To date we have primarily sought feedback from our customers using surveys, and this has helped form our approach.

Our current feedback mechanisms do however have limitations. Although surveys are fundamental in providing an indication of our customer service levels through key performance indicators, such as the Net Promoter Score (NPS), there is often limited commentary or detail around the actions that could have been taken by Berkeley to better meet the needs of our customers both in terms of our processes and our product. We therefore aim to run a programme of enhanced customer engagement over the next two years to achieve greater customer insight. This will allow us to evolve our customer service and design processes to keep up to date with latest customer behaviours.

KEY TO THE ONGOING SUCCESS OF OUR BUSINESS IS THAT WE LISTEN TO, UNDERSTAND AND RESPOND TO THE NEEDS OF OUR CUSTOMERS.



Woodberry Park
Finsbury Park



One Tower Bridge
London

SUSTAINABLE LIVING

💡💡
WE HAVE A ROLE IN PROMOTING A
SUSTAINABLE LIFESTYLE TO RESIDENTS.
💡💡

We continue to promote sustainable living, both through the design of the homes and places we create, and through the inclusion of information on sustainability features within marketing and handover materials provided to our customers.

Sales staff receive sustainability training and relevant information is contained within marketing brochures. During 2014-2016, information on Our Vision was included in 99% of our developments' marketing material, with specific sustainability features highlighted in 95%. Please see the Homes' report for further information on the sustainable features of our homes.

We recognise that it's not just about building homes that are sustainable, we also have a role to play in promoting a sustainable lifestyle to residents. All home manuals produced during 2014-2016 therefore included guidance to enable occupants to understand and operate their homes efficiently and to make the best use of local facilities.

CASE STUDY

DIGITAL HOME MANUALS

In order to improve the quality of information provided to customers on move-in day, the team at One Tower Bridge decided to present home manuals digitally on a tablet, which also doubled up as an additional gift for customers.

The use of tablets was introduced in October 2015 for Block 4 of the One Tower Bridge development. As a result, there has been a reported increase in the number of customers feeling special and valued. There has also been a noticeable decrease in the reporting of defects linked to the home automation system; and the saving of an estimated 50,000 sheets of A4 paper for one block of homes alone. Over 150,000 sheets of A4 paper are expected to be saved for the remaining homes left to complete.



95%
OF DEVELOPMENTS' MARKETING
MATERIAL INCLUDED INFORMATION
ON SPECIFIC SUSTAINABILITY FEATURES

HOMES

DEVELOP INDIVIDUALLY DESIGNED,
HIGH QUALITY HOMES WITH LOW
ENVIRONMENTAL IMPACT



HOMES

HIGHLIGHTS, AWARDS AND ACCOLADES 2014-2016



London Evening Standard
NEW HOMES AWARDS 2014

London Evening Standard
New Homes Awards 2014:
Best London Home for
375 Kensington High Street

Innovation

We launched a new
R&D programme to utilise
customer feedback and
drive innovation through
improved design

95%

of new developments
designed to provide fibre
broadband



Building Awards 2015:
Housebuilder of the Year

90%

of new developments
designed to our
minimum space
standards



The Sunday Times
British Homes
Awards 2015:
Homebuilder of
the Year

64%

of completed individual
homes supplied with
low carbon or renewable
technology



65%

of completed individual
homes provided with
smart meters



London Evening Standard
NEW HOMES AWARDS 2015

London Evening Standard
New Homes Awards 2015:
Best Luxury Home (Large
Developer) for Ebury Square

97%

of new homes
designed to
incorporate
recycling facilities

HOMES

DEVELOP INDIVIDUALLY DESIGNED, HIGH QUALITY HOMES WITH LOW ENVIRONMENTAL IMPACT

WHY FOCUS ON HOMES?

As a residential-led developer, building high quality and well-designed homes is fundamental to our business and is intrinsic to all the other areas of Our Vision. It is demanded of us by our customers and differentiates Berkeley. It is clear that to have a successful business, our focus has to be on the end product of the homes right from the outset.

OUR APPROACH

Each of our homes and developments is bespoke and we use external architects to design each scheme. Attention to detail in design is paramount to ensure homes meet the needs of our customers and our specifications are planned to meet the varied needs of all types of homebuyers, from luxurious houses to key worker apartments.

The impact on the environment throughout the lifetime of a home is considered during its design, with an aim to minimise impacts and provide homeowners with the opportunity to live more sustainably. The high quality finish which we demand in our new homes requires a skilled workforce and thorough checks before handover.

We continuously improve our homes through learning from previous projects and sharing best practice in our research and development programme. We aim to provide our customers with the functionality that they require and have set minimum space standards for all our new homes. As our customer requirements change, such as the demand for greater technology, we ensure that we incorporate the right infrastructure and flexibility within our homes to enable their functionality now and in the future.

This report details our achievements over the past two years in our Homes' focus area and sets out our ambitions for the two years ahead.

2014-2016 PERFORMANCE

Enable fibre broadband on all our new homes and provide community Wi-Fi	95%
Guarantee space standards for all new homes	90%
Launch a new R&D programme to utilise customer feedback and drive innovation through improved design	✓
Provide internal recycling facilities for every home	97%

⌘⌘
ATTENTION TO DETAIL IN DESIGN IS PARAMOUNT TO ENSURE OUR HOMES MEET THE NEEDS OF OUR CUSTOMERS.
⌘⌘



Highwood
Horsham



Woodberry Down
Finsbury Park

WHAT'S NEXT? COMMITMENTS FOR 2016-2018

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



DESIGN OUR HOMES TO CONSIDER FUTURE CLIMATE CHANGE TO ENSURE CONTINUED THERMAL COMFORT

As temperatures increase due to climate change we are expected to experience more extreme weather patterns, including wetter winters, hotter summers and more frequent heatwaves. Adapting our homes to meet these changes is required to ensure our customers are comfortable for the lifetime of the home.

Across the industry there is growing concern that building regulations requiring improved energy efficiency have increased the likelihood of the adverse effect of overheating occurring due to increased airtightness within buildings. During warmer months this could cause discomfort due to a build-up of warm air which is unable to leave the building.

The long-term nature of climate change adaptation means that few companies are considering its impact and taking action now. Berkeley is the first housebuilder to set out a commitment to develop an approach to ensuring continued thermal comfort across all our developments.



UNDERSTAND THE EVOLUTION OF SMART TECHNOLOGY AND CONNECTIVITY IN HOMES AND ON DEVELOPMENTS

We are increasingly living in a connected world, with our customers expecting access to the internet and good connectivity from the first day they move in. Technology continues to develop and allows us to be more connected, from enabling us to control the temperature of our homes through apps, to intelligent devices learning our behaviours and movements.

A smart home is one that incorporates technology to provide customers with enhanced monitoring and control over the building's functions. For example, a smart home may control lighting, temperature, multi-media, security, window and door operations, as well as many other functions. Smart homes may also use intelligent technology to learn a user's behaviours to help improve efficiency.

Exploring the available technologies and ensuring our homes have the right infrastructure in place for these technologies will enable us to continue to provide homes and developments that meet and exceed our customers' expectations.

DEVELOPING HIGH QUALITY HOMES

At Berkeley, we focus on the quality of our homes throughout the design and development process. How we develop individually designed, high quality homes with low environmental impact is highlighted below. Each aspect is discussed in more detail on the following pages of this report.

- Bespoke design:** There is no generic Berkeley scheme; every design is bespoke.
- Attention to detail:** Excellence through detail is one of our company values which is applied at every stage of the project to create exceptional homes.
- Healthy homes:** We incorporate a range of measures into our homes that benefit the residents' health and wellbeing, including good levels of daylight, well insulated homes to reduce noise, storage space and adaptability so the homes can meet the future needs of the residents.
- Environmental performance:** We include features in our homes that will help adapt to future climate including water efficient measures such as low flow taps.
- Space standards:** We set standards covering three core aspects in every home: master bedroom depth; floor-to-ceiling height; and storage.
- Connectivity and smart homes:** We provide the correct infrastructure to homes to ensure our customers are connected from the first day they move in and new technology can easily be installed in the future.
- Research and development:** We continually evolve the design of our homes and encourage innovation at every stage of design and construction.

OUR BESPOKE DESIGNS
INCORPORATE SUSTAINABLE
FEATURES INTO HOMES WHILST
ALSO FUTURE PROOFING THEM.



DEVELOPING HIGH QUALITY HOMES



BESPOKE DESIGN

Berkeley builds for everyone, from families to first-time buyers, students to senior people, and luxury living to affordable housing. There is no generic Berkeley scheme; we use architects on every scheme and every design is bespoke, something which is uncommon within the industry.

Our designers range from world-famous architects like Foster + Partners working on South Quay Plaza, to smaller practices like BHP Harwood producing a landscape-led design for our Taplow Riverside development.

ATTENTION TO DETAIL

The quality which we demand in our new homes requires a skilled workforce and attention to detail. We use our sales suites as the benchmark for build quality and finish in each individual home. Every area is thoroughly checked before handover to ensure that high standards are maintained.

Excellence through detail is one of our company values which is applied at every stage of the project to create exceptional homes. At the design stage we hold regular design team meetings to review the specifications. At the construction stage we build to high standards and have deployed new technology such as Field View to improve our quality procedures.



CASE STUDY



FIELD VIEW

Field View is an electronic system that enables sites to communicate issues instantly to contractors. This speeds up the quality assurance processes that we implement to ensure a high standard of finish and provides a record of all reported actions. Berkeley has started to use Field View on a range of developments.

"The benefits of using Field View are primarily to save time for the user; there is no double handling of information as it's all recorded in one place. There is also greater clarity on where issues are located, as each is identified on a drawing and by a photo, leaving no ambiguity as to the exact location".

Paul Wentzel, Site Manager, St Edward, 375 Kensington High Street

BERKELEY BUILDS FOR EVERYONE,
FROM FAMILIES TO FIRST-TIME BUYERS,
STUDENTS TO SENIOR PEOPLE, AND
LUXURY LIVING TO AFFORDABLE HOUSING.

HEALTHY HOMES

Our homes and the places we live in influence many aspects of our lives from how well we sleep, to how safe and secure we feel and can even influence our mental wellbeing. Links are increasingly being made between well-designed homes and the health and wellbeing of the occupiers. Evidence shows that design features, such as good daylight levels, good ventilation or the provision of open space, can have a simultaneous positive impact on mental wellbeing and physical health.

Another key feature of healthy homes is the provision of space and storage to promote stress-free functional living. The provision of diverse space within a home that enables occupants to create settings that suit their needs and activities enables greater social interactions.

Our work with the UK Green Building Council (UK-GBC) Healthy Homes Task Group shows that the design and quality of a home and neighbourhood is a key contributor to the health and wellbeing of the people who live there.

ENVIRONMENTAL PERFORMANCE

The environmental design features that we incorporate into our homes can often help to create more efficient and healthy homes. We consider the environmental impact of our homes at every stage of the development process, from the way we design them to the features that we include for use once occupied.

During 2014-2016, almost all of our new homes submitted to planning were committed to incorporating recycling facilities. The only exception was one development which did not include details of recycling provisions in the planning documentation. However, it is intended that facilities will be incorporated during the detailed design of this development. Of our completed homes during 2014-2016, 64% were supplied with energy from low carbon or renewable technology, and 65% were provided with smart meters.

RESILIENT HOMES

Healthy homes are also comfortable, resilient and able to adapt and respond to changing occupant requirements and future climate change. It is essential that homes remain fit for purpose over their lifetime. We have committed to further understanding the impacts of future climate change on our homes and to design in measures to adapt our homes to reduce these as applicable.



Marine Wharf, Deptford

CASE STUDY

SMART METERS AT MARINE WHARF

To support the installation of smart meters and energy displays at Marine Wharf, additional information sheets were provided to customers so that they would be aware of the device, its purpose and features. This information was provided as it is important to inform residents of how to use the device and its functionality as this is more likely to increase usage. The sales and Customer Care teams were also trained on the device so that they could show customers how to use them and answer any queries.



Fitzroy Gate, Isleworth

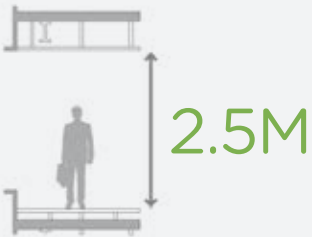
SPACE STANDARDS

Lack of space is one of the most commonly reported reasons why customers choose not to buy new build housing. In 2014, we were the first private developer to commit to minimum space standards for all our new homes.

Providing enough space in homes for residents to cook, eat, relax and socialise is a pre-requisite for basic living. There should also be sufficient storage space for furniture and personal possessions which is functional and adaptable to meet the needs of the residents over the lifetime of the home.

In 2014, we set standards covering three core aspects in every home: master bedroom depth; floor-to-ceiling height; and storage. These were implemented on 90% of our developments submitted to planning between May 2014 and April 2016.

Since introducing our commitment, Government has published a nationally described space standard which local planning policy can now refer to. We will implement the Government's standard where requested and will go beyond this by applying our minimum requirement for a 2.5m ceiling height in all habitable rooms. This is further than the Government's requirements which is for ceiling heights of 2.3m across at least 75% of the gross internal area. We also require all our homes to meet the minimum standards for master bedroom depth, floor-to-ceiling height and storage criteria in locations where compliance is not requested by the local authority.



GOVERNMENT GUIDELINES FOR CEILING HEIGHTS ARE FOR THEM TO BE 2.3M. BERKELEY GOES FURTHER, REQUIRING CEILING HEIGHTS OF 2.5M.

90%

OF DEVELOPMENTS SUBMITTED TO PLANNING WILL IMPLEMENT OUR MINIMUM SPACE STANDARDS

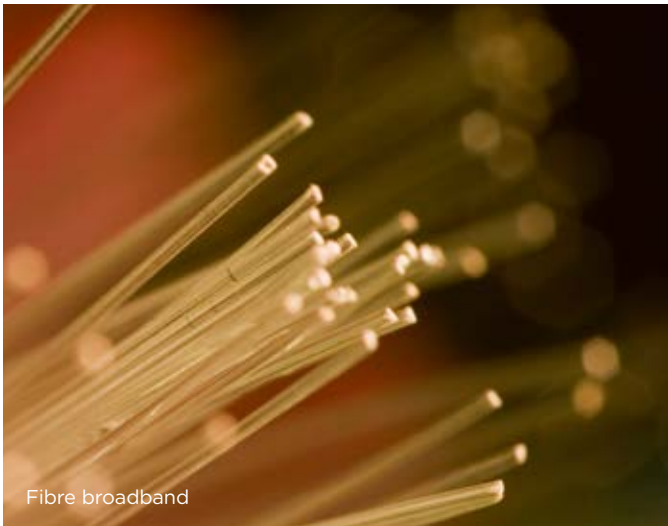
CONNECTIVITY AND SMART HOMES

We are increasingly living in a connected world, with customers expecting access to the internet from the first day that they move in to a new home. Historically, it could take a couple of weeks before the providers could install the correct connections.

We engaged with third party infrastructure and service providers, along with other developers, to develop practical solutions to help the whole industry to deliver the correct infrastructure to customers. This includes outlining the key stages of the construction process and understanding when the infrastructure providers need to be contacted to ensure that they can provide the necessary services.

Following our engagement and clarity of process the majority of our new developments submitted to planning during 2014-2016 were able to provide fibre broadband in line with our commitment. Those developments not meeting our requirements have been restrained by the existing infrastructure provided in the area. We continue to apply our commitment to enable fibre broadband in all our new homes moving forward.

Technology continues to develop and in recent years we have seen advancements in the technologies within our homes including the development of the smart home concept. A smart home is one that incorporates technology to provide customers with enhanced monitoring and control over the building's functions. For example, a smart home may control lighting, temperature, multi-media, security, window and door operations, as well as many other functions. Smart homes may also use intelligent technology to learn users' behaviours to help improve efficiency. As part of our 2016-2018 headline commitments, we are committed to exploring the smart technologies available on the market and how these could be incorporated into our homes.



Fibre broadband



Energy display device

WE ARE COMMITTED TO EXPLORING THE SMART TECHNOLOGIES AVAILABLE ON THE MARKET AND HOW THESE COULD BE INCORPORATED INTO OUR HOMES.



Smart Homes
Enable technology for customers to have greater control of their homes

RESEARCH AND DEVELOPMENT



RESEARCH AND DEVELOPMENT

We continually evolve the design of our homes. To help this process we undertake research and development within working groups that include representatives from a range of departments including technical, commercial and build. These working groups look at key priority areas and emerging themes to agree strategies for the business to develop our approach.

We encourage innovation at every stage of design and construction, and we are exploring new processes, materials and products to understand how they can influence and improve the design of our homes. This includes looking further into areas such as modern methods of construction, fabric efficiency improvements and the operational impacts of our buildings.

Working with our project teams to continually improve the design of our homes



CUSTOMER FEEDBACK

Gaining feedback from our customers is a primary process. Our customers provide a comprehensive overview of the design and functionality of our homes, and provide a valuable insight into areas where we could improve.

We obtain feedback from our customers in a variety of ways as outlined in the Customers' report. Our 2016-2018 commitment to enhance customer engagement mechanisms will further aid the improvement of our designs to continue to meet the needs and expectations of our customers.



MODERN METHODS OF CONSTRUCTION

The construction industry faces a range of pressures and demands, including high customer demand, skills shortages and the drive for improved construction speed whilst maintaining and improving environmental performance. There is growing recognition within the industry that new methods of building and innovation, that go beyond traditional methods of construction, are needed to meet these demands. Across the Group these methods are being investigated and deployed on suitable developments. For instance, many of our developments are using bathroom pods to speed up the construction process and improve efficiencies. Furthermore, we have developed the Urban House which uses the principles of modern methods of construction including off-site manufacturing. The following pages provide further details on the Berkeley Urban House.



BUILDING INFORMATION MODELLING (BIM)

The uptake of BIM is slowly increasing within the construction industry as it uses a digital model to represent the building which is being designed and constructed. It helps during the design stage as it promotes collaborative working and improved design coordination. During construction it reduces the number of conflicts on site and helps optimise the construction sequencing whilst also providing a visual communication tool through the work stages. Finally, it improves the operation of the building as it provides an Asset Information Model. As BIM enables a more integrated way of working, Berkeley has begun to use it on a number of sites including Royal Arsenal Riverside.

WE CONTINUALLY EVOLVE THE DESIGN OF OUR HOMES.



Urban House
Kidbrooke Village

THE URBAN HOUSE



Three storey homes with roof garden



Light, airy interiors

Berkeley launched a new design concept called the Urban House in 2016. The design enables twice as many homes to be built on a site compared to traditional terraced housing. At a time when the demand for family homes in London outstrips supply by 13 to 1, the Urban House offers an intelligent, traditional three storey solution, which has good levels of daylight, is economical to run, and works equally well as private or affordable housing.

The efficiencies are achieved by replacing the back garden with a private roof garden, while retaining space at the front for a car and bicycles. The first 22 homes of this prototype have been built on two streets at Kidbrooke Village, while others are under construction at Green Park Village in Reading. It represents the first time a large-scale developer has designed and delivered its own housing typology.

We believe the Urban House will offer local authorities a new way of providing high density family homes, while the increase in density will make smaller sites viable for residential development which would not otherwise be possible. It also illustrates the value of a flexible approach to housing, focused on delivering affordability and additionality.

The Berkeley Urban House is based on the existing urban grain of streets and blocks. It creates a clear distinction between public and private space.

FLEXIBLE CONSTRUCTION

The Berkeley Urban House has been designed to be flexible and capable of simple adaptation to accommodate changes in occupants' lifestyles and mobility over the years. The layout of the homes can be converted if the occupants require this at a later date. The ground floor could become a separate studio apartment, with the upper floors remaining as conventional living spaces. The front garden space has been designed for a car but can be converted to a garden space if preferred.

SUSTAINABLE DESIGN

The Urban House has been designed to have a low environmental impact. To reduce energy use, it combines a highly efficient building fabric with a mechanical ventilation system and low carbon technologies. To reduce potable water use, it incorporates water efficient appliances and rainwater harvesting.

A preliminary Building Regulations compliance check has been undertaken to test the energy performance of the home. It demonstrated that the energy efficiency measures incorporated in the design achieve a 19% reduction in carbon emissions compared to a standard new home.



THE URBAN HOUSE OFFERS AN INTELLIGENT, TRADITIONAL THREE STOREY SOLUTION, WHICH IS FULL OF LIGHT, ECONOMICAL TO RUN AND WORKS EQUALLY WELL AS PRIVATE OR AFFORDABLE HOUSING.



PLACES

CREATE GREAT PLACES WHERE
RESIDENTS ENJOY A GOOD QUALITY
OF LIFE, NOW AND IN THE FUTURE



PLACES

HIGHLIGHTS, AWARDS AND ACCOLADES 2014-2016

24

Since launching our toolkit 24 social sustainability assessments have been completed across the Group



91%

of completed projects incorporating elements of sustainable urban drainage systems (SuDS)

Social Sustainability Assessments

Mid-stage social sustainability assessment completed at Saffron Square

97%

of new developments designed to provide cycle storage

RESI Awards

The RESI Awards 2015:
Large Developer of the Year

91%

of new developments designed to incorporate measures to adapt to climate change

Revived Wetlands

Helped to restore and open a new Wetlands nature reserve at Woodberry Down

100%

of new commercial space designed to achieve BREEAM Very Good or above



85%

of new developments designed to provide electric car charging points

97%

of new developments undertook an ecology assessment pre-planning

THE SUNDAY TIMES
BHA
British Homes Awards 15
WINNER

Sunday Times British Homes Awards 2015:
Development of the Year for Wimbledon Hill Park (up to 25 homes category) and One Tower Bridge (over 100 homes category)

3

community plans developed: Kidbrooke Village, Woodberry Down and Saffron Square



PLACES

CREATE GREAT PLACES WHERE RESIDENTS ENJOY A GOOD QUALITY OF LIFE, NOW AND IN THE FUTURE

WHY FOCUS ON PLACES?

To remain a developer of choice it is essential that we focus on the outcome of our developments in the long-term. This begins right from the outset by ensuring the location is right at land purchase, to focusing on placemaking during design and to ensuring that suitable management processes are in place once the development is occupied. Creating great places to live is as integral to what we do as it is about enabling our residents to enjoy a good quality of life, now and in the future.

OUR APPROACH

We create well-designed, high quality, safe and sustainable places which will endure as settled, vibrant communities long into the future. These are places where people choose to live, work and spend their time, that directly encourage people's wellbeing and quality of life, and offer them a space and a base from which to lead safe and fulfilling lives.

Through our ability both to collaborate and to deliver, we aim to be the developer of choice for local authorities and existing communities. We believe that appreciating the needs of our customers and wider stakeholders before, during and after the delivery of our schemes, is what makes them thrive as a community.

Through the design of our developments we have a strong focus on the identity of the place. We focus on creating places that are distinctive through their architecture and unique designs.

We believe that to create a thriving community it is important to also consider the social and cultural life and how this can be incorporated throughout the development process and once the homes are occupied. We ensure that we put the right infrastructure and processes in place to enable this.

This report details our achievements over the past two years in our Places focus area and sets out our commitments for the two years ahead.

2014-2016 PERFORMANCE

Measure and increase people's quality of life by applying a framework for social sustainability	84%
Adapt all developments to climate change through measures on flooding, overheating and water shortage	91%
Test new forms of estate management and community governance	✓
Follow Berkeley's Community Engagement Strategy on all planning applications we submit	91%
Consult an ecologist on all developments to provide advice and guidance on protecting ecology	97%
Consult with the Police Designing Out Crime Officer (DOCO) (previously known as the CPDA or ALO) pre-planning on all developments	59%
Provide at least one electric car charging point in all communal car parks	85%
Provide cycle storage on all developments	97%
Harvest rainwater for reuse on all new developments	76%
Ensure that all commercial space, student accommodation and Extra-Care housing (where relevant) achieves at least BREEAM Very Good or is capable of achieving BREEAM Very Good if the fit-out is undertaken by the tenant	✓
Install living roofs (brown or green) on all suitable apartment roof spaces	68%

 ON EVERY SITE, OUR GOAL IS TO CREATE A STRONG COMMUNITY AND A PLACE WHERE PEOPLE ENJOY A FANTASTIC QUALITY OF LIFE.

ROB PERRINS,
CHIEF EXECUTIVE, THE BERKELEY GROUP 



Woodberry Down
Finsbury Park



Saffron Square
Croydon

WHAT'S NEXT? COMMITMENTS FOR 2016-2018

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



IMPLEMENT COMMUNITY PLANS ON OUR DEVELOPMENTS TO FACILITATE THRIVING COMMUNITIES

Creating great places to live is as integral to what we do as it is about enabling residents to enjoy a good quality of life, now and in the future. Helping communities to thrive, both across our developments and with surrounding neighbourhoods, is key to achieving this.

Over the last two years we have undertaken social sustainability assessments on new developments and reviewed our estate management practices across the business. This has led to the creation of community plans as a structured approach to help new communities to thrive for the long-term.

To date, community plans have been initiated at three of our large developments: Kidbrooke Village, Woodberry Down and Saffron Square. We intend to further develop our approach across the breadth of our developments to understand different governance models and approaches depending on the size, location and type of development. This will enable us to implement effective community plans on our developments moving forward.



DEVELOP AND APPLY AN APPROACH TO ENSURE THAT ALL NEW DEVELOPMENTS CREATE A NET BIODIVERSITY GAIN

Biodiversity refers to the variety of plant and animal species present within a given area. It plays an important role within our towns and cities as it helps to improve air quality, provide resilience to climate change and adds amenity value. Despite this, biodiversity continues to decrease at an alarming rate.

Developments are often thought of as having a negative effect on our environment, however in reality they can enable its enhancement. This is because they often provide the opportunity for incorporating higher quality habitats which provide multiple benefits.

Enhancing biodiversity helps to build resilience. It also aids in the creation of places which offer multiple benefits to our customers, by adding greater amenity benefits and improving the micro-climate that surrounds the development. Research shows that health and wellbeing is enhanced by living near to or overlooking trees and green spaces.

We are committed to developing and applying an approach to ensure that all our new developments create a net biodiversity gain.

FOCUSING ON PLACES THROUGHOUT THE DEVELOPMENT PROCESS

At Berkeley, we focus on creating vibrant places through the design and development process. The illustration below highlights our approach to Places. Each aspect is discussed in more detail on the following pages of this report.



“I FIRMLY BELIEVE THAT PLACEMAKING IS A FORCE FOR GOOD IN OUR COUNTRY, MAKING OUR SOCIETY BETTER IN MANY DIFFERENT WAYS.”

TONY PIDGLEY, CBE,
CHAIRMAN, THE BERKELEY GROUP



SUCCESSFUL PLACES

COMMUNITY ENGAGEMENT



COMMUNITY ENGAGEMENT

Each of our developments is unique and we use the knowledge gained from other developments to continually improve the places we create. We work with external architects and leading consultants and engineers to create bespoke designs for every new scheme, however large or small.

We strive to deliver schemes which are of high quality, sensitive to their heritage and surroundings, and meet the aspirations of our customers and local and national stakeholders.

We involve the community in the development of our schemes from the outset, using our Community Engagement Strategy as a framework for the type of engagement to be applied depending on the scheme and location.

Many of our projects adopt community planning strategies where local people are involved in the design, whereas others include different types of community events to share information and encourage input.

Experience has shown that our proactive approach to engagement has improved the quality of our developments, our relationships with the community and the planning process.

During 2014-2016 our Community Engagement Strategy was followed on 91% of planning applications. The applications that did not comply were generally phases of larger schemes for which extensive consultation had already occurred. We will continue to strive to ensure that community engagement is undertaken prior to all applications being submitted.



91%

OF NEW DEVELOPMENTS FOLLOWED OUR COMMUNITY ENGAGEMENT STRATEGY

CASE STUDY



COMMUNITY ENGAGEMENT AT SOUTH QUAY PLAZA

The community consultation and engagement process for Phase 4 of South Quay Plaza on the Isle of Dogs took place over 12 months and included a range of methods to involve the community.

PUBLIC EXHIBITION AND COMMUNITY FORUM

A public exhibition was held in July 2015 to display the proposals to the local community. This was supplemented by a Community Forum, held in September 2015. These sessions were designed to maximise the opportunity for local residents and community groups to comment on the proposals and provide an ongoing level of engagement between the project team, the local community and stakeholders. Comments received from stakeholders were then used to inform the proposals. Approximately 80 members of the public attended the public exhibition and Community Forum.

BESPOKE STAKEHOLDER ENGAGEMENT EVENTS

In parallel with the wider public consultation process, the project team met with other

key local stakeholders. This included a number of meetings and bespoke workshop sessions with residents of the nearby Discovery Dock East and Pan Peninsula buildings to give individuals within the neighbouring properties further opportunities to express their views and ask questions on the scheme. These workshops continued post submission of the application to ensure that concerns raised by local residents were being addressed wherever possible. By the time the application went to committee, 8 specifically tailored workshops had been held with the neighbouring residents.

DEDICATED WEBSITE AND CONTACT DETAILS

A specific website was also set up, along with an email address and a telephone number, to enable stakeholders to view information on the proposals, ask questions and share their opinions.

PLACEMAKING

The sustainability of the wider development is as important as the individual homes we create.

The establishment of a sense of place and community within our developments is of great importance to Berkeley and our customers. When designing and creating a place, it is critical to consider the place's ability to adapt to climate change, create a thriving and enduring community, and support the local economy. That's why we look to incorporate a range of amenities and facilities on our developments to meet the communities' needs.

SOCIAL SUSTAINABILITY

At Berkeley we continue to focus on the quality of design and build as our core business practice but we go further than this and are committed to delivering a great quality of life for our residents.

On every development, we put people first. We start with a vision for the community at the planning stage. Then we plan for the things that really matter to residents: having access to shops and somewhere for children to play; knowing your neighbours; feeling safe; and being able to influence what goes on. All of these elements added together are about creating somewhere that is socially sustainable. This is what we mean by placemaking.

We have a process and a toolkit applied to every development over 100 homes to ensure we implement these principles during the design process. The toolkit ensures that we are thinking about placemaking and placekeeping (where residents take ownership of the development in perpetuity) as two elements of the same process; both must be delivered to create a strong new community.

The toolkit covers 13 indicators within three areas: amenities and infrastructure; social and cultural life; and voice and influence. The criteria reflect issues which are important to people and communities and provide us with a structure for discussing placemaking and placekeeping during the planning stage.

Since launching our toolkit in 2014, 24 social sustainability assessments have been completed across the Group. During these assessments each development team chooses which three criteria from the toolkit are most relevant and develops actions relating to these. A variety of ideas have been incorporated including: creating a residents' group; setting up a residents' gardening club; employing a 'Community Concierge' to facilitate community cohesion; setting up a community fund; and making use of spaces whilst the development is in construction by providing temporary 'meanwhile' uses such as gardens.



WE ARE COMMITTED TO DELIVERING A GREAT QUALITY OF LIFE FOR OUR RESIDENTS.

CLIMATE CHANGE RESILIENCE



Kidbrooke Village, Greenwich

CASE STUDY

COMMUNITY FUND AT LONDON DOCK

A fund was launched by St George to support the local community around its London Dock development in Wapping. In March 2015 the first round of grants were awarded as follows:

- Society Links - Equipment for a community gardening club
- Young at Heart Club - The running costs of a social club for elderly Tower Hamlets residents
- St Katharine's Sports and Social Association - Equipment for a sports club which engages with young men experiencing social exclusion and deprivation
- Cable Street Community Gardens - Funds for a poly-tunnel which will expand the sheltered growing space of allotments for community gardening

With the effects of climate change already being observed in the UK, we are taking action to ensure that our developments remain comfortable places in which to live for decades to come.

We have been developing our approach to increasing the resilience of our developments to climate change, including understanding the most significant risks. These have been identified as flooding, overheating and water shortage. Based on this research we developed a climate change adaptation checklist for our development teams to identify the most pertinent issues to address, based on the type of development planned and its location. This enables us to prioritise the issues and ensure that measures are incorporated into the designs during the planning stage.

In 2014-2016, 91% of our new developments submitted to planning were designed to incorporate climate change adaptation measures over and above typical requirements of the planning process. A number of developments did not meet this commitment because, although they had used the checklist, it was too early in the design stage for the measures to be incorporated. We will continue to work with our teams to ensure that adaptation measures are considered at the earliest feasible stage.

Through our commitment to climate change adaptation we have worked with the Zero Carbon Hub to develop a greater understanding of the potential effects of climate change on our homes. This has resulted in a new commitment under our Homes focus area to consider future climate change to ensure continued thermal comfort, further details of which can be found in the Homes' report.

SUSTAINABLE INFRASTRUCTURE AND AMENITIES

SUSTAINABLE TRANSPORT

We look to design our developments to ensure they encourage walking, cycling and travel by public transport wherever possible. When acquiring sites, locality to transport links is a key consideration.

To further encourage residents to use more sustainable transport methods, we provide cycle storage on our developments. During 2014-2016, 98% of completed developments provided cycle storage.

We understand that some of our residents will own and need to use cars and there are ways which we can help to make car journeys more sustainable. Of the developments completed during 2014-2016, 85% that have communal car parks have incorporated at least one electric charging point for electric cars. There is still room for improvement so we will continue to work on this over the next two years.



WATER USE

The availability of water is set to become scarcer in the future due to changes in our weather patterns and because of population growth. To future proof our developments we have a commitment to harvest rainwater for use. Rainwater harvesting systems can vary from water butts for individual homes to rainwater storage systems for apartment blocks or larger schemes, where the water can provide irrigation for landscaped areas across the development. Of the applications that went into planning in 2014-2016, 76% committed to include rainwater harvesting systems.

GREEN INFRASTRUCTURE

Green infrastructure is incorporated into our developments through the provision of open space, parks, gardens, trees and living roofs. Of our current live sites we are creating 214 acres of public open space which is more public open space than Battersea Park and we will be creating a further 12 parks on our consented sites.

Green and brown roofs can provide a number of benefits including the attenuation of rainfall to help mitigate against surface water flooding and the creation of a habitat for wildlife and plant species. During 2014-2016, 68% of our apartment schemes submitted to planning outlined that living roofs would be incorporated. The exceptions to this were generally where living roofs were intended to be included in designs post planning or where living roofs were not considered viable by the development team.

We are pleased that the new linear park and tree planting at Kidbrooke Village were highlighted as a best practice case study within the UK Green Building Council's (UK-GBC) report on Green Infrastructure in 2015. We also presented our work on green infrastructure as a best practice case study at the UK-GBC City Conference in February 2016.

We want to ensure that the green infrastructure that we install provides multiple benefits including improving amenity and enhancing biodiversity.

CASE STUDY

ELECTRIC CAR CHARGING POINTS AT BARNES GREEN

Following research into the growth of the electric car industry and electrical charging infrastructure, Berkeley Southern decided to provide upgraded cabling to the garages at Barnes Green. This addition allows the home owner to take advantage of Government grants with minimal cost and charge an electric vehicle at a quicker speed than a standard cable. An information sheet for customers was produced to explain the provision and the drawing detail included as part of the customer's home information pack so that, should they wish to purchase an electric vehicle, their chosen installer would not need to carry out a survey of their property prior to installation. A fully working example of a charging point was also installed in the show house to allow the sales team to discuss the charging point facility with customers.

98%

OF COMPLETED DEVELOPMENTS PROVIDED CYCLE STORAGE

85%

OF COMPLETED DEVELOPMENTS WITH COMMUNAL CAR PARKS INCLUDED AT LEAST ONE ELECTRIC CAR CHARGING POINT

76%

OF NEW DEVELOPMENTS DESIGNED TO INCLUDE RAINWATER HARVESTING SYSTEMS

214 ACRES

OF PUBLIC OPEN SPACE IS BEING CREATED ACROSS OUR CURRENT LIVE SITES WITH ANOTHER 12 PARKS ON OUR CONSENTED SITES

CASE STUDY

WOODBERRY WETLANDS

As part of our estate regeneration programme at Woodberry Down, we have worked with the London Wildlife Trust to restore an 11 hectare wetland. This is now a free, beautiful, public amenity. In the first five days after the opening by Sir David Attenborough on 21 April 2016, 4,500 people visited.



Woodberry Wetlands
Finsbury Park



Green Park Village

BIODIVERSITY

Biodiversity is the variation within wildlife, species and habitats. It plays an important role within our towns and cities as it helps to improve air quality, provide resilience to climate change and adds amenity value.

We recognise that our activities can have a number of direct and indirect impacts on biodiversity and are committed to enhancing the biodiversity of our developments. During 2014-2016, we consulted with an ecologist on 97% of planning applications prior to submission. The only exception to this was one scheme, which formed part of a wider development, whereby the ecology report was completed after the planning application was submitted.

To develop our approach further in 2016-2018 we have set ourselves an ambitious commitment to develop and apply an approach to ensure that all new developments create a net biodiversity gain. This means ensuring our developments have a positive impact on the local environment through the creation of an overall enhancement for biodiversity. We are the first property developer to do this.

97%

OF NEW DEVELOPMENTS
UNDERTOOK AN ECOLOGY
ASSESSMENT PRE-PLANNING

CASE STUDY

BEEHIVES AT ONE
TOWER BRIDGE

One Tower Bridge is a luxury, mixed-use development in the London Borough of Southwark. Following discussions with Bermondsey Street Bees, a local honey producer, the Berkeley team decided to install four hives on the roof of one of the completed apartment blocks.

A key objective was to ensure the good health of the One Tower Bridge beehives. To do this, Berkeley also sponsored the planting of bee forage in the nearby St. John's churchyard to ensure sufficient food was available within a 2.5 mile radius of the hives.

Two members of Berkeley staff are being trained by Bermondsey Street Bees to become beekeepers and manage the hives over the long-term.

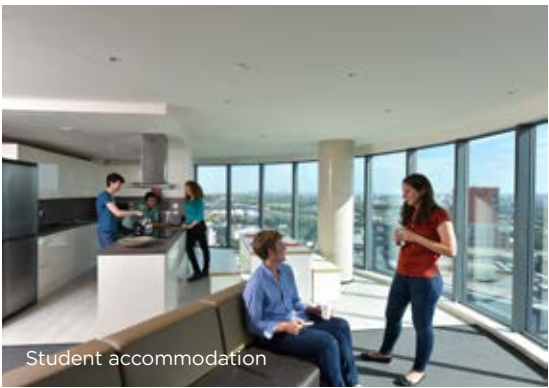
The project has complimented the aims of Southwark's Biodiversity Action Plan, particularly in relation to enhancing biodiversity through the built environment.



One Tower Bridge beehives



Senior living



Student accommodation

BREEAM CERTIFICATION

In our developments we also incorporate facilities, from commercial space to student accommodation and senior living housing. We want to ensure that all the buildings within our developments are sustainable.

To achieve this, we require these types of buildings to be designed and assessed in accordance with the BREEAM sustainability assessment methodology.

All commercial space, student accommodation and senior living housing applications submitted to planning during 2014-2016 were designed to achieve BREEAM Very Good or above.



100%

OF NEW COMMERCIAL SPACE
DESIGNED TO ACHIEVE BREEAM
VERY GOOD OR ABOVE



Safe and secure places

SAFE AND SECURE PLACES

Ensuring our developments are safe and secure places where people feel comfortable living and visiting is of paramount importance to us.

Over the last two years we have consulted with a Crime Prevention Design Advisor (CPDA) or Police Architectural Liaison Officer (ALO) or Designing Out Crime Officer (DOCO) on 59% of our developments submitted to planning.

We recognise that local authorities are more resource constrained; this has meant that our design teams have found it more difficult to meet our target of all of our developments consulting with a DOCO, CPDA or ALO.

Eight developments did not consult a DOCO, CPDA or ALO before submitting their planning application and a further three developments only completed this post planning. Nonetheless our design teams aim to follow the principles of Secure by Design.



ENSURING OUR DEVELOPMENTS
ARE SAFE AND SECURE IS OF
PARAMOUNT IMPORTANCE TO US.



CREATING A COMMUNITY

ESTATE MANAGEMENT AND COMMUNITY PLANS

We want to ensure that our developments remain great places in which to live for decades to come. Over the last two years we have reviewed our estate management practices across the business and have tested new forms of community governance and estate management at three of our developments: Kidbrooke Village, Woodberry Down and Saffron Square.

This has led to the creation of community plans as a structured approach to help communities to thrive for the long-term, where people are happy and self-reliant.

The exact contents of a community plan will be different on every development. On some developments, aspects of design might influence the shape of a community whilst on others a calendar of events may be just as important.

We are committed to further developing our approach across the breadth of our scheme types and sizes so that community plans can be implemented consistently on our developments moving forward. That is why we have set a new stretching headline commitment to implement community plans on our developments to facilitate thriving communities.

CASE STUDY



PLACEKEEPING AT KIDBROOKE VILLAGE

At Kidbrooke Village, the intention is to develop the community to a point where the Berkeley team can hand the Village over to the community themselves to manage in perpetuity. To achieve this, the team have developed the Kidbrooke Village Community Action Plan, which includes: implementing a strategy to communicate with residents; employing a dedicated community officer; setting up an events committee; providing a dedicated community resource centre; and setting up a Development Trust.



CASE STUDY



OUTSIDE CINEMA SCREENING AT WOODBERRY DOWN

In 2014, we applied our social sustainability framework to the Woodberry Down development to understand how both existing and new residents feel about living here.

There were a number of positive outcomes from the report, for example 90% of residents were satisfied with their life overall compared to the UK average of 60% and 77% in comparable areas. The report did however highlight areas for improvement, including links with neighbours.

To address this, the Berkeley team created a Social Sustainability Action Plan for Woodberry Down which contained a number of initiatives to help encourage links with neighbours, one of which was the summer screen initiative.

In July 2015, Woodberry Down hosted a number of film screenings and the Wimbledon final. Families and friends gathered outside to watch the showings, which were open to the public allowing people to visit Woodberry Down and enjoy the open space.

Events like this help to build a sense of community and place, not only for the local residents but also for the surrounding communities.

CASE STUDY



LIVING AT SAFFRON SQUARE

In early 2016, LSE London undertook research at Saffron Square to understand residents' experiences of living within the development. The research was based on our social sustainability framework and found that 86% of respondents feel 'reasonably happy', compared to 68% of people in similar areas.



WE WANT TO ENSURE THAT OUR DEVELOPMENTS REMAIN GREAT PLACES IN WHICH TO LIVE FOR DECADES TO COME.



Royal Arsenal Riverside
Woolwich

CONTRIBUTING TO THE LOCAL ECONOMY

Our aim is to develop great places where people can live, work and visit. This means ensuring there is a good mix of facilities on our developments. Through Section 106 agreements with local authorities we help to pay for a wide range of facilities and services in the community. Over the last five years, this has amounted to £396 million of direct payments for sports and community facilities; healthcare; transport and highways; public realm and in education through the delivery of schools. This includes building five schools two of which completed in the last two years; Holborough Lakes and Barns Green.

CASE STUDY

FARMERS' MARKET AT ROYAL ARSENAL RIVERSIDE

On the second Saturday of every month, Royal Arsenal Riverside hosts a Farmers' Market, which provides quality, locally sourced artisan food for residents and visitors.

The market is set up in the central part of the development using the open space, providing a focal point for residents to meet. Around 75% of the stalls are run by local businesses that are within four miles of the development. This provides businesses in the local area an opportunity to trade and promote their produce.

This is part of RARE (Royal Arsenal Riverside Explore), Berkeley's exciting vision for the commercial and community offering at Royal Arsenal Riverside. Other RARE facilities on the development include: an Academy for Performing Arts; a Heritage Centre; a brewery and various eating and drinking establishments.

RARE

ROYAL ARSENAL RIVERSIDE EXPLORE

CASE STUDY

ANNUAL JOB FAIRS AT IMPERIAL WHARF

In March 2016, St George hosted their ninth annual Imperial Wharf Job Fair in partnership with the London Borough of Hammersmith and Fulham. The free event enabled attendees to find out more about employment opportunities across a wide range of industries, including media, health and fitness, landscape architecture, retail, leisure, hospitality, maintenance and property management. The event also enabled local businesses to benefit from the wealth of talent in and around the borough, with the chance to expand their employee base with new recruits.



Job Fair at Imperial Wharf

75%

OF THE STALLS AT THE RARE FARMERS' MARKET ARE RUN BY LOCAL BUSINESSES

£396M

HAS BEEN SPENT BY THE BERKELEY GROUP OVER THE LAST FIVE YEARS ON SPORTS AND COMMUNITY FACILITIES, HEALTHCARE; TRANSPORT AND HIGHWAYS; PUBLIC REALM AND SCHOOLS

OPERATIONS

MAKE THE RIGHT LONG-TERM
DECISIONS WHILST RUNNING THE
BUSINESS EFFICIENTLY AND WORKING
WITH OUR SUPPLY CHAIN



CUSTOMERS



HOMES



PLACES



OUR PEOPLE



OPERATIONS

HIGHLIGHTS, AWARDS AND ACCOLADES 2014-2016



CIRIA's BIG Biodiversity Challenge Awards 2015: Temporary Category Winner for Chiswick Gate



94%

site waste reused or recycled

20%

reduction in office carbon emissions per person since 2014



Considerate Constructors Scheme Awards 2015: Most Considerate Site for Roman House

390

apprentices working on our sites in April 2016

HEAD START

Give time. Get ahead.

Partner of the Mayor of London's 'HeadStart London' programme

£1.5M

committed to over 12 projects through the Innovation Fund



1st

housebuilder to become a partner of the Supply Chain Sustainability School's 'Homes School'

18%

higher average Considerate Constructors Scheme score than the industry (2016)

SILVER

Mayor of London's Business Energy Challenge 2015: Silver Award Winner



OPERATIONS

MAKE THE RIGHT LONG-TERM DECISIONS
WHILST RUNNING THE BUSINESS EFFICIENTLY
AND WORKING WITH OUR SUPPLY CHAIN

WHY FOCUS ON OPERATIONS?

Running our operations effectively and considerably is fundamental to the long-term success of the business. We need a skilled and reliable supply chain to help us deliver the pipeline of work and good relationships with local stakeholders are essential to maintain our reputation for quality.

OUR APPROACH

Through recognition that the property market is inherently cyclical we make decisions with a focus on the long-term. We understand the operational risks in trying to successfully identify, design, build and sell homes and create new places.

We continue to develop and build upon the good relationships we have with our supply chain and within the communities that we work to help us gain planning permissions, to build and to sell our developments and remain a developer of choice.

Each of our developments is led by a dedicated project team responsible for all aspects of the design and delivery on the project, including the coordination of professional teams of consultants and contractors ensuring strong communication throughout. The dedicated team on each project enables innovations and new ideas to be discussed and incorporated throughout the project process.

We aspire to maintain excellent partnerships with our supply chain to ensure that high quality services and materials are consistently provided. Furthermore, we support and engage with our supply chain, through which we help to provide employment.

We conduct our day-to-day operations in an environmentally efficient manner and with consideration to our neighbours.

2014-2016 PERFORMANCE

Achieve a 50% increase in site-based apprenticeships and training	✓
Launch a £2 million fund for the supply chain to support innovation in health and safety	✓
Map our supply chain risks and develop a sustainable specification and procurement strategy	92%
Communicate our health and safety and sustainability requirements to our contractors through our Management Rules	95%
All contractors should be procured on best overall value rather than cost alone	92%
Register all sites with the Considerate Constructors Scheme and achieve a minimum of 38 points in every site audit	86%
Undertake regular health and safety assessments on all construction sites	✓
Undertake regular sustainability assessments on all construction sites	93%
Ensure that all timber purchased by Berkeley and by our contractors is certified	90%
Implement at least three water and three carbon efficiency measures on each construction site and target a 3% reduction per site operative by April 2016	96%
Conduct a sustainability review of each permanent office every two years. Target a 20% reduction in paper, a 10% reduction in carbon and a 5% reduction in water per person by April 2016	75%



Vista
Battersea



Promoting apprenticeships and vocational training

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 Operations.



REDUCE OUR OPERATIONAL CARBON EMISSIONS INTENSITY BY 10% AND INTRODUCE A PROGRAMME TO BECOME CARBON POSITIVE

It is widely recognised that the global increases in carbon released into the atmosphere are having, and will continue to have, an effect on our climate. As a result of climate change, the UK is expected to witness more varied weather patterns and extreme weather events, including hotter, drier summers, and milder, wetter winters. This poses risks to our business and to our customers.

The energy that Berkeley consumes to power our activities releases carbon into the atmosphere. Like other companies, Berkeley must therefore take action to reduce these carbon emissions to ultimately reduce our impact on climate change.

We are committed to reducing operational carbon emissions per person by 10%. To achieve this, we intend to become more efficient in the use of energy across our development sites, offices and sales suites. Recognising that significantly reducing our emissions through changes in behaviours, procedures and technology will be an ongoing process over a number of years, we intend to simultaneously increase the number of our energy supplies that are on renewable tariffs. In addition to this, we are committed to investing in projects that reduce or prevent carbon emissions elsewhere. By implementing a programme that prevents a greater value of emissions than we produce, we aim to go beyond carbon neutral and become carbon positive.



ENSURE AT LEAST 1,500 PEOPLE ACROSS OUR DIRECT AND INDIRECT WORKFORCE UNDERTAKE AN APPRENTICESHIP OR VOCATIONAL TRAINING

The construction industry is facing a significant skills shortage, with more employees expected to retire in the next 10 years than the number joining. There is increasing concern over the lack of talent emerging in the industry, with a sharp fall in the number of apprenticeships completed and a decrease in the number of young people looking for careers in the sector.

Over the last two years, Berkeley has implemented several initiatives to address this key risk facing our industry. This includes the introduction of a Group-wide forum to share best practice; providing support to our supply chain through the production of an employer's guide to apprenticeships; and the launch of the Berkeley Apprenticeship Scheme at Kidbrooke Village.

We are committed to take further action during 2016-2018 through our commitment to ensure at least 1,500 people undertake an apprenticeship or vocational training across our direct and indirect workforce. The aim of this commitment is to help secure the future of the industry by developing the skills needed for the sector to flourish. In recognition that apprenticeships and vocational training are key to all departments across the development process and not just those that are site-based, increased uptake across our direct workforce will be a key focus.

MANAGING OUR OPERATIONS

At Berkeley, we run our operations to ensure business efficiency and collaboration with our supply chain. The illustration below highlights our approach to Operations. Each aspect is discussed in more detail on the following pages of this report.

Supply chain: We are dependent on the support of a reliable and competent supply chain as this is critical to our success. Our supply chain is wide and varied so it is important for us to work with our suppliers to meet our requirements.

Innovation: At every stage of the development process we aim to innovate. In our operations it is important to work with our supply chain to understand the innovations that they can help deliver to ensure that we create a high quality product using more efficient methods.

Workforce development: Bringing young talent into the industry is critical to its future success, to ensure that we develop the next generation of construction workers to meet the rising demand in production. We provide opportunities within our business and also promote the industry through our engagement activities with schools, colleges and universities.

Sustainable practices: All our sites and activities follow procedures to ensure that environmental and social impacts are minimised during the construction process. We work with our site teams and our supply chain to ensure that we continue to improve performance.

Considerate Constructors Scheme: As many of our sites are located near to existing communities it is vital that we build with consideration to our neighbours. We manage our operations on site to ensure that any potential disruptions or nuisances are minimised, whilst developing and maintaining good relations with local people and authorities.

WE ARE DEPENDENT ON THE SUPPORT OF A RELIABLE AND COMPETENT SUPPLY CHAIN.



SUPPLY CHAIN



We continue to work with and support our supply chain

The support of our supply chain is critical to the success of our business. Engagement with our suppliers is therefore key to remaining a client of choice and achieving high quality outcomes, on time and on budget. As a result, we are further increasing our engagement with suppliers, particularly through our Supply Chain Taskforce. Through the Taskforce, trade specific meetings have been held with over 100 contractors and internal Group sponsors have been allocated for key trades, with sponsors being a senior contact to maintain good working relationships and address feedback from the supply chain.

It is recognised that many of our impacts occur indirectly through our supply chain. Ensuring that we communicate our high standards and ambitions, and collaborate with our contractors and suppliers to meet these is therefore essential. To ensure those working with us are aware of the latest health and safety and sustainability requirements that are applicable across all Berkeley sites, an online portal was launched in 2015. By housing all the pertinent documents that contractors need to be aware of when tendering and working with us, the portal has simplified the communication process and enabled smaller businesses to be more easily engaged.

CASE STUDY

SUPPLY CHAIN SUSTAINABILITY
SCHOOL

**PARTNERING WITH
THE SUPPLY CHAIN
SUSTAINABILITY
SCHOOL**

We are proud to have been the first housebuilder to become a partner of the 'Homes School' which was launched by the Supply Chain Sustainability School in November 2015. The Homes School provides suppliers with free resources to enable consistent messaging and encourage more sustainable practices. Through the Homes School, Berkeley has collaborated with other residential developers, contractors and trade organisations to provide a comprehensive, free learning resource addressing sustainability issues specifically relevant to the homes market.



ENSURING THAT WE COMMUNICATE OUR HIGH STANDARDS AND AMBITIONS, AND COLLABORATE WITH OUR CONTRACTORS AND SUPPLIERS, IS ESSENTIAL.





TAKING ACTION TO PREVENT MODERN SLAVERY

Berkeley is undertaking a number of steps to ensure the business and our supply chain are free of slavery in line with the Modern Slavery Act. The first action has been to develop an approach on how we work with our supply chain. Key steps that we have taken include updating the Group's Application for Inclusion to better understand the measures being taken by all our potential suppliers to combat modern slavery. This is being supplemented by a specific survey and assessment for suppliers who are deemed to have a higher risk from instances of modern slavery. To increase awareness across our sites, posters and training sessions are to be rolled out across the business.

IDENTIFYING AND ADDRESSING SUPPLY CHAIN RISK

There are growing stakeholder expectations about the accountability, transparency and legitimacy of construction industry operations in regards to the responsible sourcing of materials and products. Over the last two years we have undertaken work to map our supply chain risk which has included forming an internal working group to improve our knowledge in the area. Through this group we identified fifteen key materials which are commonly used across the business to gain a better understanding of how these materials can be sourced more sustainably. We developed a toolkit for the sourcing of materials that was trialled in a number of divisions and we worked with external consultants to undertake a heat mapping exercise to gain a greater understanding of what the key considerations are when procuring materials in relation to the following: energy use; waste and resources; pollution; ecology; social and ethical; and economic impacts including local supply chains.

During the 2014-2016 commitment period, 92% of projects applied sustainable procurement practices in line with our requirements. Our knowledge and understanding has evolved and it is a commitment that we will continue to work on with the aim of producing a new material standard for the business.

To achieve more sustainable solutions in the sourcing of materials we understand that we need to work with our supply chain and collaborate with industry. To support the industry in achieving this we have supported CIRIA's research on responsible sourcing in the construction industry.

WE WORKED WITH EXTERNAL CONSULTANTS TO UNDERTAKE A HEAT MAPPING EXERCISE TO GAIN A GREATER UNDERSTANDING OF WHAT THE KEY CONSIDERATIONS ARE WHEN PROCURING MATERIALS.

92%

OF PROJECTS APPLIED SUSTAINABLE PROCUREMENT PRACTICES IN LINE WITH OUR REQUIREMENTS

CASE STUDY

MAPPING THE SUPPLY CHAIN OF RYEWOOD MEADOWS

In 2015, the Berkeley Eastern Counties sustainability, buying and specification teams collected detailed supply chain information to map the origin of both internal and external materials for Phase 5 of its Ryewood Meadows development. The aim of the study was to inform the procurement process, highlighting the need to consider location, transport costs and security of supply.

To create the supply chain map, a series of questionnaires were completed by both the internal buying team and suppliers, to map the supply chain back to the raw materials used. Suppliers were asked about raw material origins, processing locations, storage locations and the different transport methods used from source to site.

By using an infographic, the complexity of the supply chain is immediately realised by any audience, meaning this can be shared with customers, buyers and specification teams without amendment. The aims being to promote the support of local or UK based suppliers, and to identify potential risks.



INNOVATION



In 2014, we committed to make £2 million available to our supply chain to facilitate the realisation of innovative ideas which lead to the reduction of construction related risk, drive the industry forward, and improve health and safety performance.

Berkeley's Innovation Fund was launched in January 2015 and, although primarily focused on our supply chain, applications have been welcomed from staff, industry bodies and educational establishments. The fund had a clear statement and three focus areas which are described in the Innovation Fund Vision.

As of April 2016, £1.5 million has been committed to 12 projects ranging from research studies through to product development. The case studies to the right highlight three projects supported by the Innovation Fund.

INNOVATION FUND VISION

To be a world-class business achieving industry-leading Health and Safety performance. Making a real difference by supporting our people, our supply chain, the broader industry and facilitating the realisation of innovative ideas which lead to the elimination or reduction of construction related risk.

3 FOCUS AREAS: 2014 – 2016

IMPROVING THE WORKING ENVIRONMENT	DEVELOPING PEOPLE	IMPROVING HEALTH AND WELLBEING
Raising standards of the physical working environment	Promoting a positive culture, attitudes, behaviour and focus on risk	Improving health awareness, developing arrangements which have a positive impact
Working practices / methods	Young People / Apprentices	Health initiatives
Product development	Training / Competence	Wellbeing programmes
Site infrastructure	Communications	Personal protective equipment /
Research	Worker engagement	Product development
Learning from incidents	Risk planning / Management	Education / Awareness
SUPPLY CHAIN	STAFF	INDUSTRY BODIES
		EDUCATION ESTABLISHMENTS



THE BERKELEY GROUP'S £2 MILLION INNOVATION FUND'S VISION IS TO SUPPORT THE PROPERTY AND CONSTRUCTION INDUSTRY TO DELIVER IMPROVED STANDARDS.



CASE STUDY



REACTEC'S HAVWEAR MONITOR

When operating hand-held or guided power tools, such as road breakers and grinders, vibration is transmitted into workers hands and arms. Regular and frequent exposure to this hand-arm vibration can lead to permanent health effects.

Reactec is the industry leader in hand-arm vibration monitoring and management. Berkeley's Innovation Fund supported Reactec in developing and trialling a new concept of monitoring hand-arm vibration risk; locating monitors on the user of the tool as opposed to the tool itself.

The HAVWEAR product was successfully launched in January 2016 and is a wrist worn device to inform workers of tool vibration risk and exposure in real-time. Sound and vibration alerts inform the wearer if their personalised thresholds have been exceeded, prompting action to be taken to reduce or eliminate additional vibration exposure.

We plan to continue with the Innovation Fund following its success. For more information see www.berkeleygroup.co.uk/innovation-fund.

Details on other actions taken to improve the health, safety and wellbeing of our workforce are covered within the Our People report.

CASE STUDY



SAFETY SHIELD SYSTEMS' ANTI-COLLISION DEVICE

Safety Shield Systems has developed an anti-collision device for heavy goods vehicles (HGVs) which incorporates recognition technology to distinguish between machinery and people. This technology is currently being trialled across London to reduce collisions between HGVs, pedestrians and cyclists.

Berkeley's Innovation Fund is supporting the development of Phase II which will adapt the current system for use on construction sites. The new software will have additional recognition technology to distinguish site personnel from members of the public and warn the operator if a collision is imminent. Additionally, it will incorporate a 360 degree bird's eye view camera, giving the operator a clear view around the plant with no blind spots and a disabling function in the event of a potential collision.

It is hoped that this technology will be used to eliminate collisions between plant and pedestrians, leading to a safer work environment.

CASE STUDY



LIGHTHOUSE CLUB'S SAFETY IMPROVEMENT HELPLINE

Reporting incidents and implementing best practice on construction sites requires reporting time and financial resource. Small to medium enterprises (SMEs) in the construction industry often do not have the resources to provide a reporting infrastructure in-house.

The Lighthouse Club Charity are developing a Construction Industry Safety Improvement Initiative with support from Berkeley's Innovation Fund. This initiative will offer a 24/7 telephone service to thousands of SME construction companies. People working on registered sites will be able to use the helpline to report near misses and suggest ideas for safety improvement.

WORKFORCE DEVELOPMENT



Increasing the capacity of the workforce, to ensure that there are enough people with the right skills to deliver the pipeline of future work, is a key challenge facing the industry. Berkeley recognises this and is committed to taking action.

To drive our performance in this area across the Group, a dedicated Graduate and Apprentice Manager joined the business in 2015. Many of our operating companies have additionally introduced Workplace Coordinators who specifically focus on workforce development for their individual sites, arranging apprenticeships and work experience placements and promoting job opportunities at careers fairs.

Some of our key activities to date include: the development of a Group-wide booklet for the supply chain to highlight the benefits of employing apprentices; a breakfast briefing for the business about the industry drivers and why Berkeley is committed to supporting apprentices; and a Group-wide forum to share best practice and to work closely with our supply chain and educational establishments to meet our targets. Many initiatives have taken place to highlight career opportunities and to support the supply chain in encouraging more young people to join the industry. This has ranged from inviting local college students to our Highwood site to gain practical experience of learning how to build a brick wall, to setting up the Berkeley Apprenticeship Academy at Kidbrooke Village.

We are pleased to report that we met our commitment to increase site-based apprenticeships and training by 50%, with over 10% of our almost 13,000 strong site workforce in an apprenticeship or completing training in April 2016.

We plan to further strengthen our actions in this area over the next two years, with greater focus on direct apprenticeships not only across site-based roles, but also those in our offices. In addition, there will be increased emphasis on encouraging the uptake of advanced training, such as National Vocational Qualifications (NVQs), national diplomas, part-time university degrees and professional charterships.

APPRENTICESHIPS AND TRAINING

Our commitment for 2014-2016 was to increase site-based apprenticeships and training by 50%. To meet this commitment we developed an action plan which included six key areas:



The Berkeley Apprenticeship Academy

CASE STUDY

BERKELEY APPRENTICESHIP ACADEMY – KIDBROOKE VILLAGE

Berkeley East Thames has developed two of the largest regeneration projects in the UK; Kidbrooke Village and Royal Arsenal Riverside. Both of these projects are located in the Royal Borough of Greenwich and are each projected to last for over 10 years and employ in excess of 2,000 workers. At the same time, the construction industry is facing a future skills gap; many people have left the industry or are due to retire soon and fewer young people are joining.

To support efforts to recruit and train the workforce of the future, Berkeley East Thames has worked in partnership with Greenwich Community College and Greenwich Local Labour and Business to develop the 'Berkeley Apprenticeship Scheme'. The scheme aims to offer career opportunities to local young people and to help increase the level of skilled workers within the Greenwich borough. Apprenticeships are offered in a range of trades, including: painting and decorating; bricklaying; plastering; site carpentry; electrical engineering; and plumbing.

The Berkeley Apprenticeship Scheme at Kidbrooke Village illustrates how Berkeley helps the industry address the skills gap, by collaborating with the parties necessary to create high quality apprenticeships: contractors; colleges; and the local authority.

390

APPRENTICES WORKING ON OUR SITES IN APRIL 2016

10%

OF OUR ALMOST 13,000 STRONG SITE WORKFORCE IN AN APPRENTICESHIP OR COMPLETING TRAINING IN APRIL 2016



Participants of the HeadStart programme



PROMOTING THE INDUSTRY

We are passionate about promoting the industry, as encouraging young people to join is vital. A greater understanding of the career opportunities available in our industry is key to attracting new talent. We therefore collaborate and communicate with schools, colleges, universities and other strategic partners to promote the diverse roles that are available across our business.

In 2015, Berkeley became the construction partner of the Mayor of London’s ‘HeadStart London’ programme which seeks to bridge the employability gap between school and work. As part of the programme, 16-18 year olds who are still in full-time education are encouraged to commit to volunteering in their local areas to develop key skills in communication, team work, organisation and self-discipline. Upon completion of volunteer work, participants are offered employability workshops including interview preparation, communications coaching and are guaranteed an interview. In support of the programme, Berkeley has provided several work experience placements and our staff have volunteered at employability workshops.

IT IS GREAT TO SEE YOUNG PEOPLE GETTING EXCITED ABOUT WHAT WE ARE DOING.

PAUL VALLONE,
EXECUTIVE CHAIRMAN, ST EDWARD



CASE STUDY

ST EDWARD TEAMS UP WITH OASIS ACADEMY

Employees of St Edward have worked with a local school, Oasis Academy South Bank, to develop a six week programme aimed at educating 11-12 year olds about the development process and careers within the construction industry. Since its inception in September 2014, 240 pupils have been involved.

The programme is centred around a brief for the students to design, build, market and sell their own scheme. The methods and skills to achieve this are learnt throughout the programme which involves weekly sessions around every stage of the construction process, from planning to design, and construction to sales. Pupils also have the chance to visit a live development site, with the programme culminating in the students presenting their schemes to a judging panel formed of St Edward staff.

“It is great to see young people getting excited about what we are doing. The construction industry is always on the lookout for talented individuals to work towards the transformation of London so it is encouraging to see the future generation showing such an interest.”
Paul Vallone, Executive Chairman, St Edward.

“At Oasis Academy we place great importance on teaching our pupils about their future career options. Our partnership with St Edward gives the children an exciting opportunity to learn about the construction industry, and gives them a rare first-hand look behind the scenes of how the built environment is brought to life.” Carly Mitchell, Principal, Oasis Academy South Bank.

SUSTAINABLE PRACTICES

MANAGING SUSTAINABILITY

Our sites and offices are managed in a way that allows us to minimise environmental and social impacts wherever possible. Local teams are responsible for sustainability performance on a day-to-day basis and are supported by an ever-increasing internal team of sustainability professionals who provide advice and guidance on managing risks, together with promoting good and best practice.

In addition to providing support on an ongoing basis, the sustainability team complete formal audits of compliance with legal requirements, planning conditions, internal procedures and industry good practice on all our sites at least every three months. Reviews of our offices also take place every two years to identify areas for improvement and to highlight best practice from across the Group.

Our approach to sustainability within our supply chain is outlined from the outset, starting with our commitment to procure all contractors on best overall value rather than cost alone. During 2014-2016, 92% of our developments were procured on best overall value. Developments that did not meet this commitment generally provided insufficient evidence to demonstrate that purchasing decisions were made on the basis of various criteria, other than cost alone.

Our approach to sustainability is also outlined to our supply chain within the Group's Sustainability Standard: Sustainability Management on Construction Sites. All operatives are provided with an induction covering sustainability topics and regular toolbox talks are used to reinforce understanding around key areas such as waste management and pollution prevention.

RESOURCE EFFICIENCY

MONITORING

Energy and water usage continues to be monitored monthly across our sites, offices and sales suites. In 2015, we introduced a new online system to improve the accuracy of data collection and reporting, to measure progress against our targets in real-time and subsequently to promote local action to improve performance. The implementation of a more robust reporting system and supporting processes has enabled us to obtain independent external assurance over our carbon emissions for the first time from PwC. Further details of the assurance provided over our 2015/16 data can be found at www.berkeleygroup.co.uk/sustainability/reports-and-case-studies.

ENERGY PERFORMANCE

We are pleased that efforts to improve energy efficiency over the last two years have resulted in a 7% reduction in carbon emissions per operative on our construction sites and a 20% reduction in carbon emissions per office employee in our offices (2015/16 figures compared to a 2013/14 baseline). Initiatives to reduce energy consumption have included awareness campaigns promoting behavioural change and the retrofitting of more efficient lighting and equipment.

In 2015, energy audits were carried out by a third party across our activities to comply with the requirements of Government's Energy Savings Opportunity Scheme (ESOS). The recommendations resulting from this process are being further investigated, with many planned to feature within new minimum standards which are to be introduced for the set up and operation of our offices, sites and sales suites. These new standards are aimed to assist the Group in further improving our energy efficiency and in meeting our 2016-2018 commitment to reduce normalised operational carbon emissions by 10% when compared to 2015/16.

PAPER PERFORMANCE

We also monitor paper consumption in our permanent offices, with consumption per person having reduced by 27% between 2013/14 and 2015/16. This has been achieved primarily as a result of employee behavioural change supplemented by adjusted computer and printer settings. We aim to further reduce our paper consumption through the use of print management software and are currently trialling this in one of our permanent offices.

WATER PERFORMANCE

Conversely to our performance in regards to energy and paper, water consumption per person across our activities has increased since 2013/14. This is partially due to changes in the nature of our works, with wastage through temporary water leaks also playing a part. We aim to take significant action to reverse this trend over the next two years.

CASE STUDY



IMPROVING OFFICE EFFICIENCY

In 2015, a full renovation of one of St James' offices based in Finchley was completed. All lighting was replaced with more efficient LED fittings and passive infrared (PIR) sensor controls installed. Boiling water taps substituted less efficient kettles and an Energy Reduction Fortnight campaign was held to raise staff awareness and promote behaviour change. Since the retrofit and awareness campaign, monthly electricity consumption has reduced by approximately 40%. As the electricity at this location is paid for by the landlord of the leased space, the business has not seen any direct cost savings from these initiatives. However, we are pleased that our actions will result in reduced carbon emissions and act as an example to our other offices.

CASE STUDY



ENERGY AWARENESS WEEK

In March 2016, a number of our operating companies held an Energy Awareness Week. Each day, employees were sent a fact of the day to raise awareness of energy consumption and to tackle some common myths around energy use. A number of activities were also held, including site energy audits, a quiz, monitor checks and a photo competition. At the head offices of Berkeley Southern and Berkeley Eastern Counties, meter readings were taken before the campaign and after and showed a small reduction in energy use per office.

27%

REDUCTION IN PAPER CONSUMPTION PER PERSON BETWEEN 2013/14 AND 2015/16

20%

REDUCTION IN OFFICE CARBON EMISSIONS PER PERSON BETWEEN 2013/14 AND 2015/16

7%

REDUCTION IN SITE CARBON EMISSIONS PER OPERATIVE BETWEEN 2013/14 AND 2015/16



We strive for excellent site waste management



WASTE MANAGEMENT

Almost 900,000m³ of waste was produced as a result of our site activities during 2015/16. Of this, 94% was reused or recycled. We increasingly look at demolition, excavation and construction wastes as materials, aiming to reuse anything from crushed concrete and soils from our sites, to furniture from our offices and show homes. Our internal Material Exchange Board, which is accessible to all employees, assists with this.

Implementing measures to reduce waste is a first priority and we have increasingly looked at options such as off-site manufacturing as a key method of achieving this. Off-site manufacture under controlled factory conditions not only decreases waste production on site, but also reduces wastage due to damage as materials do not have to be stored. Pre-fabricated bathroom pods are the main elements that have historically been implemented within a number of our designs, but we are progressively looking at whole structure solutions such as the Urban House; Berkeley's modular off-site housing concept (see the Homes' report for more information on the Urban House).



SUSTAINABLE TIMBER

We are committed to ensuring that all timber that is purchased either directly or through our supply chain for use on our sites is either Forest Stewardship Council (FSC) or Programme for Endorsement of Forest Certification (PEFC) certified. We undertake measures to ensure that our timber is certified at the procurement stage and when it is delivered to site.

Each of our sites is responsible for ensuring that all timber delivered is certified and different approaches are taken to ensure this commitment is achieved. They range from a timber tracker capturing all the details of the timber delivered to site, to a dedicated internal intranet site where all the information is uploaded to one central location.

For 2014-2016, 90% of our sites demonstrated that the timber delivered to site was certified. In some cases the correct paperwork was not available to provide confirmation so we are working with these sites and developing more detailed procedures for them to follow.

94%
OF SITE WASTE REUSED
OR RECYCLED IN 2015/16

90%
OF TIMBER DELIVERED TO
OUR SITES WAS FSC OR
PEFC CERTIFIED

CONSIDERATE CONSTRUCTORS SCHEME (CCS)

Berkeley endeavours to continuously manage development sites with consideration of our workforce, the local community and the environment. To monitor our performance in this area, we register each of our sites to the Considerate Constructors Scheme (CCS) and in August 2014, were recognised as the first housebuilder to reach the milestone of 500 sites registered.

Through the CCS' Code of Considerate Practice we commit to ensuring that we take pride in our appearance, respect our local communities, protect the environment, secure people's safety and value our workforce. Our sites are regularly assessed against the Code of Considerate Practice by independent CCS Monitors.

We are pleased that Berkeley's average score of 42.0/50 in 2015/16 demonstrates performance beyond the industry average of 35.5/50 and is an improvement on the previous year's score of 41.6/50 (industry average: 35.7/50).

Berkeley's efforts to build with consideration to our neighbours and our workforce continue to be recognised at the CCS National Site Awards, with more than half of our sites receiving awards in 2016 and Roman House winning the prestigious accolade of Most Considerate Site across the UK in 2015.



CASE STUDY



MOST CONSIDERATE SITE 2015 - ROMAN HOUSE

"The team at Roman House ran the site with exceptional cleanliness and presentation and showed real imagination in their approach. Site workers received visits from an occupational nurse every two months and they trialled hi-vis jackets with built-in back support. Over 20 tonnes of wood was donated to a community recycling project. They helped disadvantaged local teenagers learn about construction and worked in partnership with Shelter and Street Elite."

Rob Perrins, Chief Executive,
the Berkeley Group.

"This [Roman House] is an exceptional site in all aspects of the Scheme and serves as an example site for the whole industry. The site management are pushing forward the ethos of being a considerate constructor in many innovative ways including site safety and the community - and its active commitment to helping young people into the industry through employment."

Colin Straker, Monitor, Considerate
Constructors Scheme

42.0/50

AVERAGE CCS SCORE IN 2015/16 ACROSS
THE GROUP (INDUSTRY AVERAGE: 35.5/50)



Roman House
City of London



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



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



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

0.11

Accident Frequency Rate of 0.11 in 2016



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



100%

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



£7.9M

committed to over 85 charities and worthy causes via the Berkeley Foundation



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



2.40

Accident Incident Rate of 2.40 in 2016

OUR PEOPLE

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

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	
Reduce energy costs by up to £500,000, investing 50% of the saving in new health and wellbeing initiatives	
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	
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



The skills and knowledge 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.



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



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 the key principles of our business model. Through 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, enabling the people that are part of the business to direct and schedule their work.



Proud to be a member of the Berkeley Group of Companies

Berkeley
Designed for life

St Edward
Designed for life

St George
Designed for life

St James
Designed for life

St William
Designed for life

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.

We continue to monitor staff retention rates and benchmark 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 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

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).

We also support a large workforce through our 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.

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



CASE STUDY

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



THE SKILLS, EXPERTISE
AND KNOWLEDGE OF OUR
STAFF IS PARAMOUNT TO
SECURING THE LONG-TERM
SUCCESS OF THE BUSINESS.



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 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 multi-storey category, with Paul Dunnett of Saffron Square achieving the accolade in 2016, following the success of Damian Bates of One Tower Bridge in 2015.



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.



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



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.”



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:



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.



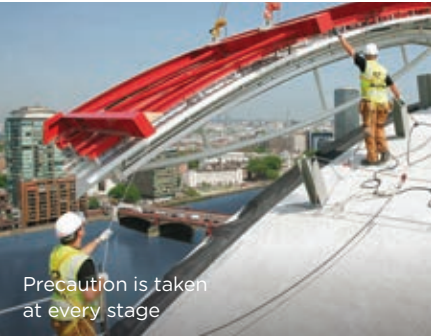
Our strategic objectives (as outlined on the left) are applied across our sites. Leadership is key and is demonstrated by Directors and senior managers who are actively involved in health and safety in all areas of the business, including weekly visits to construction sites. During 2014-2016, 98% of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

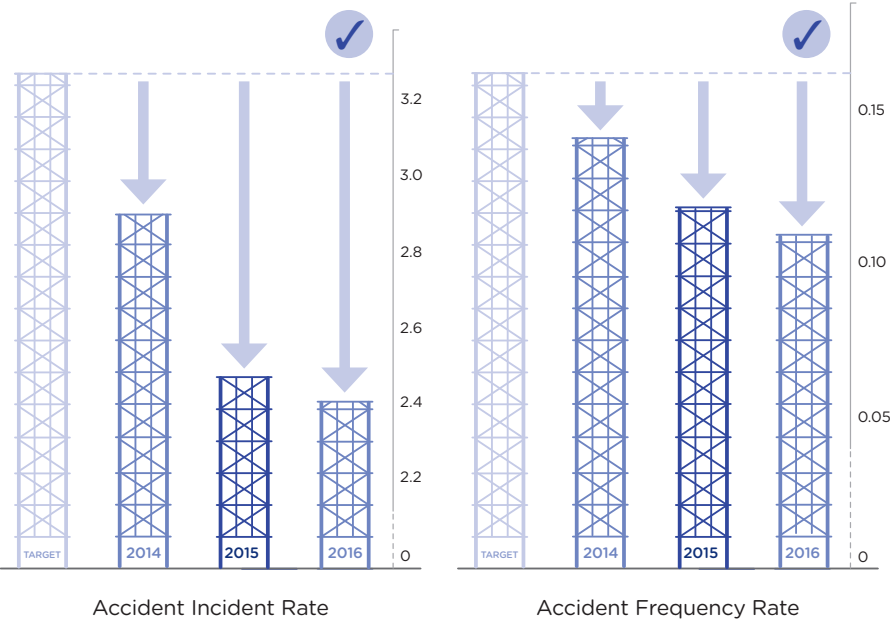


WORKING WITH THE SUPPLY CHAIN

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 qualification 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’.



98%

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.

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.

Monday	Tuesday	Wednesday	Thursday	Friday
Fuelling Up (Nutrition) <i>Over 400 staff received Graze boxes and information on healthy eating.</i>	Getting to Work Safely (Cycle Safety) <i>30 staff attended cycle safety talks held on four different sites. Each was offered a personalised route planning service to help them plan quieter and safer routes to work.</i>	Learning to Relax <i>137 staff enjoyed a 10 minute massage (43 hours conducted over 12 locations).</i>	Getting Fit <i>12 people attended personalised training sessions across four locations. They were taught how to warm up, completed high intensity interval training and warm down.</i>	Enjoying Outdoors (London Wildlife Trust) <i>22 people attended London Wildlife Trust (LWT) days across two locations. They learned how to protect the Capital's wildlife by clearing hedgerows, creating glades, clearing out ponds and removing weeds.</i>
				

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

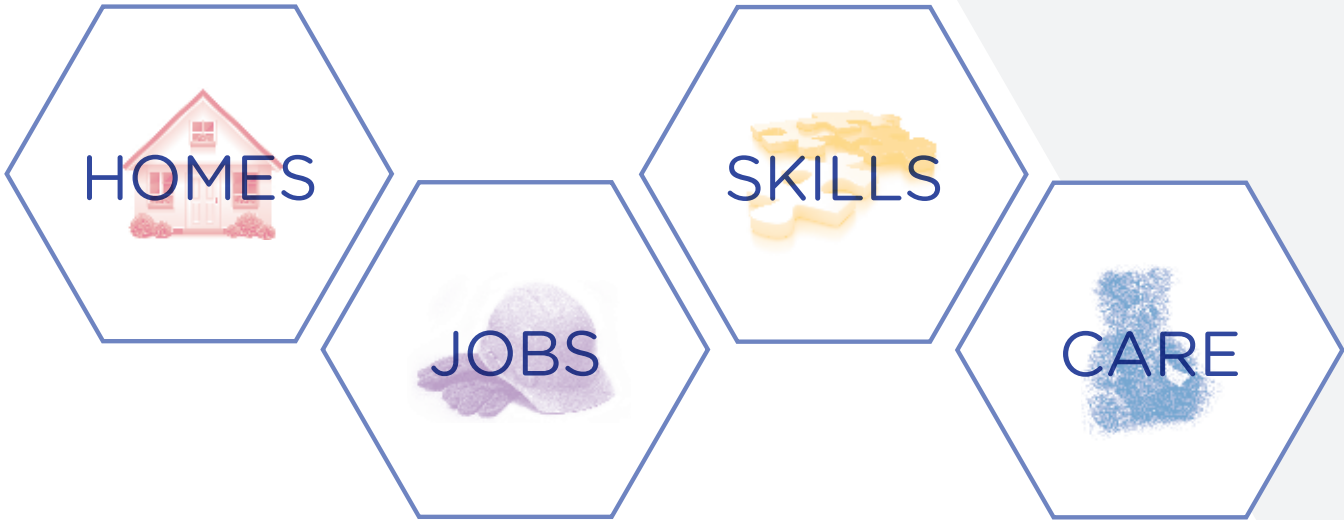
the division, including quarterly massages and a repeat of the London Wildlife Trust day.



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.

£7.9M

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

£2.7M

OF THE £7.9 MILLION COMMITTED BY THE BERKELEY FOUNDATION RAISED BY EMPLOYEES

33%

OF EMPLOYEES DONATE THROUGH THE GIVE AS YOU EARN SCHEME

68%

OF EMPLOYEES ENGAGED WITH THE BERKELEY FOUNDATION IN 2015/16



The Third Sector's Business Charity Awards 2016



Street Elite



One-to-one support



HeadStart workshop

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.



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