

OUR VISION

PERFORMANCE
REPORT 2016-2018





ABOUT THIS REPORT

This report provides an overview of the Berkeley Group’s (“Berkeley’s”) Our Vision strategy, summarises performance during the May 2016 to April 2018 commitment period and introduces commitments set in May 2018 to be achieved by April 2020.

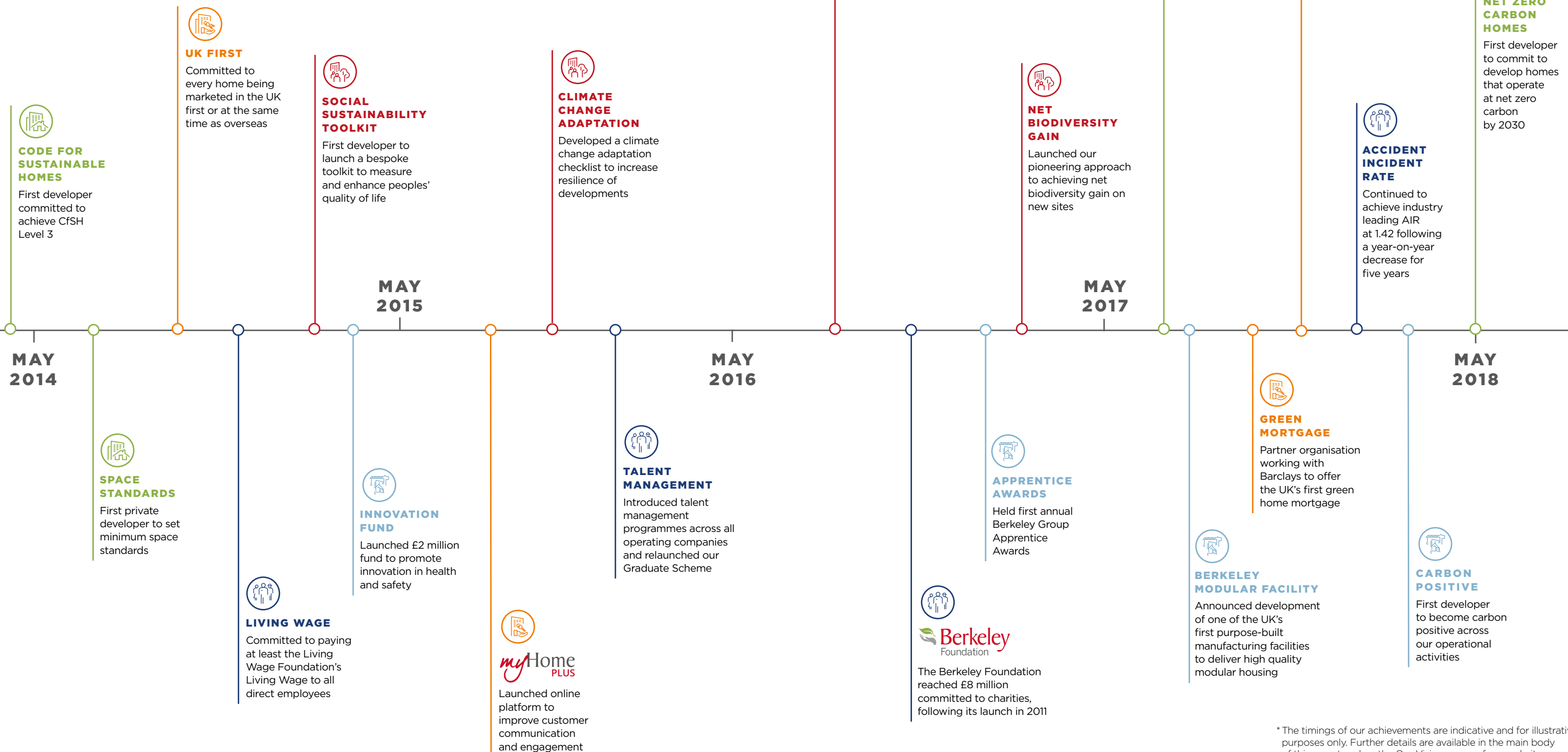
Key achievements and our evolving approach are outlined for each of our five areas of strategic focus: Customers, Homes, Places, Operations and Our People. This report also contains an overview of how Our Vision helps contribute towards the achievement of the United Nations’ Sustainable Development Goals.

Cover: Woodberry Down, Finsbury Park
Inside front cover: Chelsea Creek

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OUR LEADING ACHIEVEMENTS

Since the inception of Our Vision in 2010, Berkeley has implemented sector leading and world-class commitments across our five areas of focus. We are particularly proud of a number of achievements that have occurred since 2014. We present the highlights here*.



* The timings of our achievements are indicative and for illustrative purposes only. Further details are available in the main body of this report and on the Our Vision pages of our website.

EXECUTIVE STATEMENT

Berkeley aspires to be a world-class business, defined by the quality of the places we create, generating long-term value and having a positive impact on society. Through the framework of Our Vision we articulate our strategy across our five areas of strategic focus: Customers, Homes, Places, Operations and Our People.



We are proud to hold a Queen's Award for Enterprise for Sustainable Development, which is recognition of Berkeley's economic, social and environmental achievements. We have also been included on the FTSE4Good Index since 2003, reflecting strong environmental, social and governance (ESG) practices.

We have made great strides to progress and achieve our headline commitments in place between May 2016 and April 2018. In May 2018, we launched a new set of commitments to achieve over the next two years. This follows extensive research to understand the views of our stakeholders as well as key industry issues. We have also used the United Nations' Sustainable Development Goals to guide our approach and have identified those that we have the most material ability to influence, in recognition of the role business must play in achieving these global aims.

CUSTOMERS

Our customers' experience remains central to our strategy and we use the independently assessed Net Promoter Score (NPS) to drive and measure progress in this area. Our six-month rolling average NPS of 73.9 (on a scale of -100 to +100) at March 2018 is sector leading and within the top quartile for retail brands across all sectors. 97% of our customers would recommend us to a friend, surpassing the industry average of 86%.

We are delighted that Berkeley achieved the Investor in Customers Gold Award in 2018, following an independent assessment of our customer service.

HOMES

The quality of the homes we deliver is fundamental to the success of our business, and we believe our core value of excellence through detail is a key differentiator. We are delighted that our homes continue to be recognised externally via various award schemes.

We have taken action over the past two years to future-proof our homes in a number of areas, such as incorporating adaptation measures to minimise the effects of climate change and providing infrastructure to support smart technology. Building on the steps we have taken to become a carbon positive business, over the next two years we will be focusing on the homes we build by setting out plans to ensure that they can operate at net zero carbon by 2030.

Following the Grenfell Tower tragedy we undertook a thorough review of all of our high-rise buildings, including engaging with the local fire authorities, fire safety experts, residents and the Ministry of Housing, Communities and Local Government (MHCLG). We have ensured that all our buildings are safe whilst the future regulatory approach is clarified following the outcomes of the Hackitt Review and subsequent Government consultation.

PLACES

Building strong communities can transform people's wellbeing and their quality of life. Sometimes it happens naturally, but it often takes years, if not decades, to evolve. Since 2012 we have been working on a structured approach to investing time, money and care in accelerating the process. On every site with more than 100 homes we undertake an assessment pre-planning to clarify what kind of community we are trying to create. Over the last two years we have trialled the implementation of bespoke community plans at 12 occupied developments to drive an events programme and a digital forum, and create a system of community governance.

We recognise that our impact is wider than just the developments we create. We have supported on average 30,000 jobs annually over the last two years, directly and through our supply chain. In the same period, £0.92 billion was provided in affordable housing subsidies



Wimbledon Hill Park

and community and infrastructure benefits. During 2018/19 we will be investigating how to quantify the wider financial and non-financial impacts generated by our activity — known as social value — on a development scale.

We are proud to be the first housebuilder to have an approach for achieving net biodiversity gain on each site; put simply, this means there will be more nature after development than before. In May 2018, we introduced a new commitment to sustainable transport, which builds upon our existing requirements for electric car charging points and cycle storage, to understand and respond to future changes in the transport mix and our customers' needs.

OPERATIONS

We are pleased to have become the first carbon positive housebuilder by decreasing our 2017/18 operational carbon emissions intensity by 22% compared to a 2015/16 baseline, and offsetting more than our remaining emissions. We recognise the risks climate change presents to our business and are responding to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, whilst continuing to participate in the CDP Climate Change Programme in which Berkeley achieved an 'A-' rating in October 2017.

A considerate approach to construction is critical to maintaining good relationships with the communities in which we work as well as with our employees and wider workforce. Around 60% of our sites were recognised at the 2018 Considerate Constructors Scheme National Site Awards, compared to just 11% nationally. Our average audit score of 43/50 is testament to the efforts of our site teams in maintaining high standards.

Making our contribution to tackling the industry's skills crisis continues to be an area of focus; in the two-year period there have been over 850 apprentices working on our sites and in our offices. Overall, people in apprenticeships or training now make up around 10% of the workforce.

After successful completion of a number of homes using modular methods of construction, in January 2018 we were delighted to be granted planning permission for our new manufacturing facility. This will enable us to deliver high quality homes through off-site manufacture, alongside other benefits including reduced time on-site and reduced environmental impact.

OUR PEOPLE

There is nothing more important to Berkeley than the health and safety of our people. Our health and safety record has improved year-on-year for five years,

with fewer than 1.5 accidents per 1,000 people in 2017/18. In July 2017, we were delighted that Berkeley East Thames were the first housebuilder to win the prestigious Sir George Earle Trophy; an international award from the Royal Society for the Prevention of Accidents (RoSPA) for premier performance in occupational health and safety.

Our emphasis on safety has been strengthened in recent years with a focus on health and wellbeing in the workplace, and this will be further supported by work on mental health over the next two years. Attracting and retaining talent is key and we continue to improve our approach to talent management, alongside specific initiatives such as the Graduate Scheme, apprenticeship programmes and specialist academies.

We continue to support the charitable work of the Berkeley Foundation and are thankful for the dedication and enthusiasm of our staff who continue to raise large amounts of money and give their time to support such valuable causes.

ROB PERRINS
CHIEF EXECUTIVE



Customers at Royal Wells Park, Royal Tunbridge Wells



Berkeley apprentice



Roof garden at Merano Residences, Albert Embankment



Berkeley Oxford and Chiltern staff completing a 20 mile sponsored walk



Community event at Royal Arsenal Riverside, Woolwich



Play area at Woodberry Down, Finsbury Park



Beehive on the green roof at Goodman's Fields, Aldgate



INTRODUCTION TO OUR VISION

BERKELEY ASPIRES TO BE A WORLD-CLASS BUSINESS,
DEFINED BY THE QUALITY OF THE PLACES WE CREATE, GENERATING
LONG-TERM VALUE AND HAVING A POSITIVE IMPACT ON SOCIETY.

TO ENSURE THAT WE REMAIN FIRMLY FOCUSED ON ACHIEVING OUR GOAL,
OUR STRATEGIC PLAN IS ARTICULATED THROUGH THE FRAMEWORK OF
OUR VISION. OUR VISION IS STRUCTURED AROUND FIVE AREAS OF
FOCUS AND A CORE SET OF COMPANY VALUES.

OUR AREAS OF FOCUS

<p>CUSTOMERS Provide exceptional service to all of our customers and put them at the heart of our decisions</p>	<p>HOMES Deliver high quality homes with low environmental impact where people aspire to live</p>	<p>PLACES Create strong communities where residents can live an enjoyable, sustainable life</p>	<p>OPERATIONS Make the right long-term decisions, run the business efficiently and work collaboratively with our supply chain</p>	<p>OUR PEOPLE Develop highly skilled teams that work together in a safe, healthy and supportive environment and contribute to wider society</p>
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OUR VALUES

<p>HAVE INTEGRITY Build trust by being open, clear and credible</p>	<p>RESPECT PEOPLE Work together, empower people and value their contribution</p>	<p>THINK CREATIVELY Find individual solutions for every site and situation</p>	<p>BE PASSIONATE Take pride in what we do and the impact we make</p>	<p>EXCELLENCE THROUGH DETAIL Deliver the best through attention to detail in everything we do</p>
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GOVERNANCE

Our Vision gives our employees clear direction across every discipline of the business and enables them to contribute to its ongoing success. Each of our employees is responsible for helping to deliver Our Vision within their role and working practices. To provide support, and to help monitor progress and promote action, we have a network of Our Vision champions across the business.

Ultimate responsibility for Our Vision lies with the Main Board; Karl Whiteman is the Executive Director with specific responsibility for Our Vision. The Main Board is provided with an update on Our Vision at each meeting, including progress against our commitments.

DRIVING THE BUSINESS FORWARD

We review and develop our strategy every two years to drive continual improvement and to ensure that we address emerging global, industry or business issues and opportunities.

Development of new commitments is informed by in-depth research followed by a materiality assessment to understand the views of our employees and key external stakeholders. The regular review of our strategy enables a consistently strong approach in key areas through the following mechanisms:

Integrating new themes

The regular review of Our Vision commitments enables us to identify and integrate new areas of focus for the business. In May 2016, we introduced net biodiversity gain and healthy workplaces as key themes. In May 2018, off-site manufacture, industry image and sustainable transport feature.

Continuing themes

A number of themes remain high level priorities for Berkeley to take action on at each review. These feature within headline commitments for recurring periods, in recognition of the need to drive incremental change. Continuing headline themes in recent commitment periods include climate change mitigation and adaptation, community and social value, and customer service levels.

As our understanding and action under our headline commitments become embedded into our everyday activities, these become supporting commitments and we introduce new headline commitments. Themes from the May 2016 to April 2018 headline commitments that will continue to underpin our business activities include customer insight and training and development.



Green Park Village, Reading

OUR VISION COMMITMENTS

We set new headline commitments every two years to help drive the business towards being world-class.



CUSTOMERS

Berkeley is pleased to have achieved its headline commitments in place during May 2016 to April 2018. More detail on our performance during this period is provided on pages 16 to 103.

In May 2018, we launched a new set of 10 stretching commitments to achieve by April 2020. The headline commitments are underpinned by leading commitments, either within the industry or out of sector, and by business-as-usual commitments. These help us to ensure a consistently strong approach in key areas.

Materiality

To inform the development of the May 2018 to April 2020 commitments, a materiality assessment was undertaken. With the support of an objective external party, all employees were invited to provide their views; responses were received from approximately 1,200 people, representing 45% of the business. Views from key external stakeholders were also requested via both an online survey and detailed interviews.

We used the results of this work to shortlist topic themes for further consultation with each of our autonomous businesses and specialist committees. Workshops were run on each of the focus areas to debate and refine the commitments before sign-off by the Main Board.



Learn more about Our Vision at:
www.berkeleygroup.co.uk/about-berkeley-group/our-vision



HOMES

Our approach in this area has developed from a long-standing focus on quality to also ensuring that the homes are healthy and environmentally-sound as well as being fit for the future.

2016-2018 HEADLINE COMMITMENTS

PERFORMANCE

Net Promoter Score

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



Customer insight

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



2018-2020 HEADLINE COMMITMENTS

Net Promoter Score

Establish Berkeley amongst the top performing companies for customer service, as evidenced by the Net Promoter Score.

Mortgage lending

Make the case for a proportionate approach to lending, including two-year mortgage offers, so that every purchaser has a fair chance in the new build market.

 See pages 16 to 29

2016-2018 HEADLINE COMMITMENTS

PERFORMANCE

Climate change adaptation

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



Smart homes

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



2018-2020 HEADLINE COMMITMENTS

Safe and healthy homes

Launch a design framework to contribute to the wellbeing of our customers, including safety, air quality and thermal comfort.

Net zero carbon

Develop a transition plan for each new development which enables the homes to operate at net zero carbon by 2030.

 See pages 30 to 47



PLACES

Our approach in this area has developed from a focus on the public realm, to developing an understanding of how to build communities and enable our customers to live sustainable lifestyles.

2016-2018 HEADLINE COMMITMENTS

PERFORMANCE

Community plans

Implement community plans on our developments to facilitate thriving communities.



Net biodiversity gain

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



2018-2020 HEADLINE COMMITMENTS

Community and social value

Understand the social value generated by new development and embed a coherent approach to building communities on all our sites.

Sustainable transport

Explore future transport trends and encourage a modal shift away from an over-reliance on petrol and diesel cars.

 See pages 48 to 65



OPERATIONS

Our approach in this area has evolved from established financial success to ensuring that, at the same time, we work with our supply chain to make a positive contribution to both society and the environment.

2016-2018 HEADLINE COMMITMENTS

PERFORMANCE

Carbon positive

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



Apprentices and training

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



2018-2020 HEADLINE COMMITMENTS

Off-site manufacture

Deliver the Berkeley Modular facility and ensure that 30% of construction value is delivered through off-site assembly by 2020.

Waste and plastics

Work with our supply chain to develop a zero waste strategy, focusing on key wastes including plastics.

 See pages 66 to 83



OUR PEOPLE

Our approach in this area has evolved from ensuring safe working environments to also promoting health, wellbeing and inclusion alongside talent management initiatives.

2016-2018 HEADLINE COMMITMENTS

PERFORMANCE

Healthy workplaces

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



Talent management

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



2018-2020 HEADLINE COMMITMENTS

Industry image

Engage with young people, education providers and employers to transform perceptions of careers in the built environment.

Diversity and inclusion

Implement a programme to create an inclusive environment where employees can reach their full potential, irrespective of their identity or background.

 See pages 84 to 103

SUSTAINABLE DEVELOPMENT GOALS



SUPPORTING THE UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS THROUGH OUR VISION

Our vision is to be a world-class business, and therefore it is important that we help to address global challenges. In 2015, all 193 Member States of the United Nations adopted a plan for achieving a better future for all — laying out a path to end extreme poverty, fight inequality and injustice, and protect our planet. This plan is called 'Agenda 2030' and at the heart of it are 17 Sustainable Development Goals (SDGs).

We have reviewed the goals, and the targets that sit beneath them, to understand how they relate to our business and where we can make the biggest contribution. All the goals are important and interconnected. We focus our efforts on eight that we have the most material ability to influence. These are outlined on the following pages, along with an overview of why they are important to Berkeley and how, through Our Vision, we can contribute to their achievement.



Further information on how we address each of the prioritised SDGs can be found at:

www.berkeleygroup.co.uk/sustainability



Woodberry Down, Finsbury Park

SUSTAINABLE DEVELOPMENT GOAL	WHY IT IS IMPORTANT TO US	OUR CONTRIBUTION
<div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div><div></div></div> <div>Make cities inclusive, safe, resilient and sustainable</div>	<p>Over the last five years, we have built almost 20,000 homes across London and the south of England. The nature of our business provides the opportunity to have a positive impact on the places where we operate.</p>	<p>Create well-designed, high quality, safe and sustainable places.</p> <p>Develop complex brownfield sites that carry high operational risk, which others are usually not willing or able to take on.</p> <p>Design and build homes and developments that are resilient to climate change.</p> <p>Ensure that there is more nature on our sites than before we started developing.</p> <p>Incorporate features into homes that make it easier for residents to live a sustainable lifestyle.</p> <p>Understand the social value generated by new development, and have a coherent approach to building communities.</p>
<div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div> <div>Ensure sustainable consumption and production patterns</div>	<p>We recognise that we have the potential to have a negative impact through the use of products and services from a global marketplace. Through careful consideration and management of our supply chain, we seek to minimise these impacts and have a positive influence where possible. We also recognise our role in encouraging residents to use resources responsibly.</p>	<p>Target reduced energy and water consumption and waste production on our development sites.</p> <p>Register all development sites with the Considerate Constructors Scheme.</p> <p>Apply our Sustainable Specification and Procurement Policy.</p> <p>Provide customers with a Living Guide, including information on energy and water efficiency measures.</p>
<div><div>13</div><div>CLIMATE ACTION</div><div></div></div> <div>Take urgent action to combat climate change and its impacts</div>	<p>We have a role to play in mitigating climate change through our operations, and in helping our residents to use energy and water responsibly.</p> <p>With climate change we are expected to experience more extreme weather patterns, including wetter winters, hotter summers and more frequent heatwaves. We recognise the importance of building homes where people can live comfortably now and in the future and are focused on addressing the risks most relevant to the design of our developments: flooding, water shortage and overheating.</p>	<p>Reduce operational carbon emissions and be carbon positive.</p> <p>Install low carbon and renewable technologies within homes and developments.</p> <p>Design features into our developments to increase resilience to climate change impacts, including rainwater harvesting, low water use fittings and measures to ensure thermal comfort.</p> <p>Incorporate green infrastructure into our developments, such as open space and living roofs.</p>
<div><div>15</div><div>LIFE ON LAND</div><div></div></div> <div>Sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss</div>	<p>Through our activities we make a lasting contribution to the landscape. We recognise the importance of protecting and enhancing biodiversity and believe that new developments can create places with more nature afterwards than before. We also recognise the importance of using responsibly sourced timber, which is a common material in the construction of many of our homes.</p>	<p>Aim for every new site to create a net biodiversity gain.</p> <p>Require timber to be certified to the Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) schemes.</p>

SUSTAINABLE DEVELOPMENT GOAL	WHY IT IS IMPORTANT TO US	OUR CONTRIBUTION
<div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div> <div>Ensure access to affordable, reliable, sustainable and modern energy for all</div>	<p>Energy is a key part of our business; we rely on it to operate. It is important that we take steps to reduce our operational energy use and look to use more sustainable options.</p> <p>How we design our buildings affects the energy use of our customers. We provide energy solutions to enable homes to operate efficiently.</p>	<p>Promote energy reduction initiatives across our operational activities.</p> <p>Install low carbon and renewable technologies within homes and developments.</p> <p>Provide homes with low energy use fittings and fixtures.</p> <p>Enable our developments to achieve zero operational carbon emissions in the future.</p>
<div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div> <div>Ensure healthy lives and promote wellbeing for all at all ages</div>	<p>Individuals spend a notable amount of time in the workplace. As an employer, we have the potential to influence the wellbeing of our employees.</p> <p>Research shows that sustainable, well-designed homes can lead to better health and wellbeing outcomes for residents.</p>	<p>Deliver health and wellbeing programmes across our autonomous businesses.</p> <p>Ensure that our workplaces are safe, and continue to aspire to operate incident and injury free.</p> <p>Provide cycle storage on developments to encourage residents to cycle.</p> <p>Design homes to Berkeley's minimum space standards.</p> <p>Design homes to contribute to the wellbeing of our customers.</p>
<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div> <div>Promote inclusive and sustainable economic growth, employment and decent work for all</div>	<p>As a major employer and a successful company, we support around 30,000 jobs annually directly and through our supply chain, and have contributed over £5 billion to UK GDP in the last two years. Our people are key to the development process, and we understand the importance of supporting all of our employees. Developing and retaining our workforce enables us to deliver our objectives and grow as a business. The skills crisis presents a significant risk to our industry, so it is important that we encourage new people into the industry and upskill the workforce.</p>	<p>Provide a variety of routes through which people seeking to improve their skills can join the business, including through apprenticeships, industrial placements and our Graduate Scheme.</p> <p>Provide the right environment and support to enable employees to fulfil their potential.</p> <p>Take action to ensure that slavery and human trafficking does not take place within our business and throughout our supply chain.</p>
<div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div> <div>Reduce inequalities within and among countries</div>	<p>Our industry is known for its lack of diversity. We believe there are real benefits in ensuring diverse views, skills and perspectives are represented, as these can lead to creative thinking and more effective problem solving.</p> <p>We also recognise the disparity between the national living wage and the 'real' living wage, as calculated by the Living Wage Foundation, and believe that there are both business and societal benefits in paying the Living Wage Foundation's Living Wage.</p>	<p>Attract and retain a diverse workforce, and create an inclusive environment.</p> <p>Pay all direct employees at least the Living Wage Foundation's Living Wage.</p>



CUSTOMERS

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



CUSTOMERS

2016-2018 HIGHLIGHTS



**Investor in
Customers®**
Gold 2018

ACHIEVED ACROSS
ALL OF OUR OPERATING
COMPANIES



97%

CUSTOMERS IN 2017/18
WOULD RECOMMEND
US TO A FRIEND

GREEN MORTGAGE

PARTNER ORGANISATION
WORKING WITH BARCLAYS
FOR THE FIRST GREEN HOME
MORTGAGE IN THE UK

73.9

NET PROMOTER
SCORE (SIX-MONTH
ROLLING AVERAGE
AT MARCH 2018)

LONDONERS FIRST

SIGNATORY TO THE MAYOR
OF LONDON'S INITIATIVE
TO OFFER LOWER VALUE
NEW-BUILD HOMES WITHIN
LONDON AND THE UK FIRST

**myHome
PLUS**

USED TO ENGAGE WITH
CUSTOMERS DIGITALLY

OUR APPROACH

Our customers are at the heart of every decision we make. We are always mindful that we are building someone's home; the place they will enjoy, relax in and feel secure. This extends beyond customer-facing activities, from the initial purchase of land through to the design of each home and the wider development. We aim to understand our customers' needs and consistently meet or exceed their expectations, whilst promoting sustainable lifestyles.



Customers at Fitzroy Gate, Old Isleworth

2016-2018 PERFORMANCE

Performance against our 2016-2018 commitments is as follows:



NET PROMOTER SCORE

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



CUSTOMER INSIGHT

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



MYHOME PLUS

Ensure 'MyHome Plus' is used as an interactive way of communicating with our customers.



UK FIRST

Market all our developments in the UK first.



OUR VISION AND CUSTOMER SATISFACTION

Include information on Our Vision and the Berkeley Customer Satisfaction Commitment in marketing material.



SUSTAINABLE LIVING

Include information on specific sustainability features of our homes and developments in marketing material.



LIVING GUIDES

Include information in all Living Guides that enables occupants to understand and operate their home efficiently and make the best use of local facilities.

PROVIDING EXCEPTIONAL CUSTOMER SERVICE

We understand that buying a home is one of the most important decisions a person will make. That's why we pride ourselves on exceptional customer service; devoting time to help find the right home for our customers.

OUR COMMITMENT TO OUR CUSTOMERS

Our customers are provided with a commitment that when they buy a new home from us, they 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 they will enjoy an exceptional customer experience. This is our Customer Satisfaction Commitment, which is featured within our marketing materials and on our website to demonstrate our commitment openly and transparently.

To give our customers complete confidence, we also comply with the Consumer Code for Home Builders at every stage in the buying process. This gives protection and rights to purchasers of new homes. The purpose of the Code is to ensure that homebuyers are treated fairly, know what service levels to expect and are fully informed about their purchase.

THE CUSTOMER EXPERIENCE

We aim to exceed our customers' expectations, starting from the moment they first enquire about a property. Each customer is provided with a dedicated point of contact throughout the customer journey to ensure that we can respond to their individual needs, and the information received by each customer is tailored to their purchase.

To help us provide exceptional customer service, we have created a 'customer first' mind-set that empowers teams to think and act differently. This is supported by a range of employee training programmes and our Sales Academy, which brings talented individuals from other industries into the business. In addition to our Sales, Customer Relations and Customer Services teams, who have day-to-day interaction with our customers, all of our employees are given training and responsibility in the area of customer service.

Our new publication, The Berkeley Difference, outlines to our customers the exceptional level of service they can expect from us.

BENCHMARKING PERFORMANCE

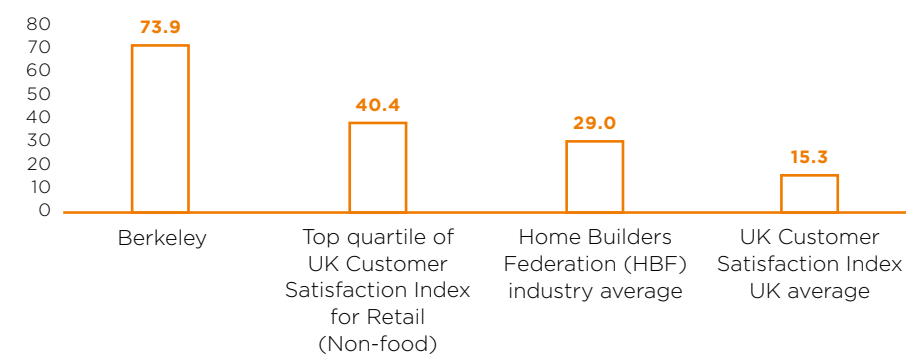
Our levels of customer service aim to be comparable to other top performing companies. We use the Net Promoter Score (NPS) to benchmark the level of service we provide against well-regarded companies across all sectors. The NPS is an indicator of customer satisfaction, taking the percentage of customers 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 improve, measure and publish Berkeley's NPS, we have seen our six-month rolling average NPS increase from 70.0 (March 2016) to 70.8 (March 2017) to 73.9 (March 2018). 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. Our NPS compares favourably against the industry average of 29.0 and overall UK Customer Satisfaction Index average of 15.3.

We are delighted to have achieved the Investor in Customers Gold award across all of our operating companies. This follows an independent assessment of customer service, from understanding and meeting customer needs, to delighting customers and engendering loyalty. Customer feedback showed a high level of customer satisfaction and loyalty and employee feedback showed that staff in all roles and at all levels understand the needs of the customer, and are committed to delivering an excellent customer experience.

Net Promoter Score

(on a scale of -100 to +100)



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.

OUR CUSTOMER SATISFACTION COMMITMENT



Sales and marketing suite at St Joseph's Gate, Mill Hill

CASE STUDY

EQUIPPING OUR PEOPLE WITH THE SKILLS TO PROVIDE EXCEPTIONAL CUSTOMER SERVICE

We have worked with an external consultant to develop a one-day workshop to help improve customer service, specifically focused on handling customer queries, concerns and issues over the telephone and face-to-face. Topics covered include telephone behaviour, handling complaints and approaching difficult conversations.

To date, the course has been made available to Customer Relations Managers and Customer Service Managers. Three online modules have also been developed to make the training available to all employees. The online modules cover writing letters and emails, complaint handling and data protection.



GAINING CUSTOMER INSIGHT

We are always looking to improve what we do; key to this is that we listen to, understand and respond to the needs of our customers. Over the last two years we have implemented a range of new initiatives to gain customer insight. We seek to engage with customers and understand their needs throughout the purchasing process and after completion.

CUSTOMER FEEDBACK

Our customers are given the opportunity to provide feedback at every stage of the customer journey and via a short survey post completion; this helps us to identify areas for improvement. Findings are discussed by the Customer Service Committee and shared with project teams to further develop both our products and services. In 2017/18, a new data tool has been used to provide further insight from existing customer surveys, and we have developed an online portal to share lessons learnt across Berkeley.

Customer focus groups have been run at many of our developments, including the Skyline apartments at Woodberry Down, giving customers an opportunity to provide feedback on the homes and places in which they live. This provides us with invaluable information to help inform future improvements both on site and across other developments.

We also recognise the value in obtaining feedback from potential customers who chose not to purchase a property. Since May 2016, surveys of around 170 potential customers have been undertaken at seven developments. This has enabled us to better understand purchaser expectations and priorities. Going forward, we will undertake this for all developments.

Development-specific information is supported by annual brand research of 500 people from our target market on what is important to people when selecting a new home.



CASE STUDY

USING DATA TO FURTHER UNDERSTAND CUSTOMER FEEDBACK

A sophisticated text analysis programme has been used to review the past eight years of verbatim comments received via customer surveys. Whilst customer verbatims have always been of critical importance to us, this is the first time that such a detailed and consolidated trend analysis has been completed, allowing us to turn the comments into actionable insight.

Information is now available at a consolidated group level, as well as for our autonomous businesses and individual developments. This provides invaluable information to assist us in the continual improvement of our product and service offering.



COMMUNICATING WITH CUSTOMERS

Our relationships with our customers can last for many years, from the moment they first enquire about a property through to them living in the home.

KEEPING CUSTOMERS INFORMED THROUGHOUT THE CUSTOMER JOURNEY

We communicate with our customers regularly, appropriately and genuinely to keep them informed. This does not end when they purchase their home; following exchange, we ensure dedicated service up to legal completion and beyond. From exchange until completion, our customers will receive updates on how the construction of their home is progressing. Once settled into their new home, customers are offered a full home demonstration, so that they know how everything works.

MYHOME PLUS

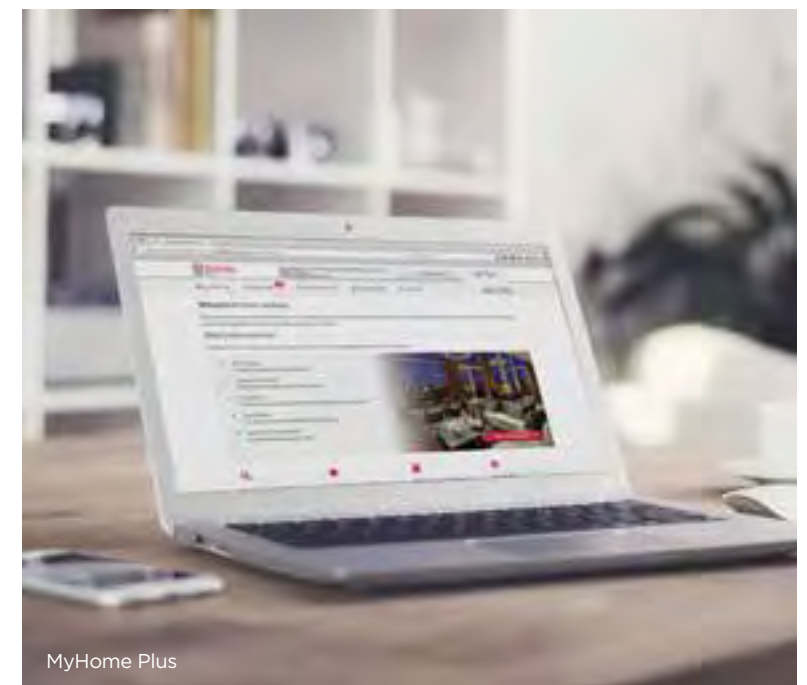
In May 2016, we committed to continue evolving 'MyHome Plus' as an interactive way of communicating with our customers.

MyHome Plus is an online platform which aims to improve customer engagement to allow customers to interact with us when it best suits them. It enables a seamless communication journey throughout the pre-purchase and post-purchase process, making customers feel valued and informed at all stages. Over the last two years, we have further developed the MyHome Plus portal and have used it to engage with customers on 95% of our developments. Three developments did not use MyHome Plus due to the customer journey for these being considered to be too progressed.

The MyHome Plus 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 information that enables residents to understand and operate their home.



Sales and marketing suite at Brompton Gardens, Ascot



MyHome Plus

MARKETING DEVELOPMENTS IN THE UK FIRST

We recognise the importance of giving UK customers a level playing field and every chance to compete in the new build market.

UK AND LONDON FIRST

Since the launch of our UK First Policy in 2014, all of our developments have been 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.

This enables UK customers to have the opportunity to buy our homes, whilst also appreciating the vital role that international investors play in generating the cash flow and confidence required to begin construction.

Since February 2018, we have been pleased to support the Mayor of London's initiative to offer lower-cost new properties exclusively to Londoners and UK-based buyers first. The sale of any new-build home within London of up to £350,000 is being restricted to UK buyers for three months before any overseas marketing takes place.



Residents at Holborough Lakes

PROMOTING SUSTAINABLE LIVING

We continue to promote sustainable living through the inclusion of information on sustainability features within marketing and handover materials provided to our customers.

COMMUNICATING OUR VISION AND SUSTAINABILITY

Sales staff receive sustainability training and relevant information is contained within marketing brochures, including information relating to Our Vision and the sustainability features of the homes and developments. Between May 2016 and April 2018, details on Our Vision were included in the marketing material for 90% of our developments, with the remainder not including content in line with our marketing guidelines.

Specific sustainability features were highlighted in the marketing material of 99% of our developments, with one in the process of incorporating these details. The Sustainability Guide forming part of One Blackfriars' marketing material outlines how the building has been designed for improved thermal performance, including through the double skin façade, which limits heat loss, and through the inclusion of louvers, which help to naturally cool the building.

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. Between May 2016 and April 2018, all of our developments provided Living Guides to customers; these include information to help residents operate their home efficiently and make the best use of local facilities.

ENCOURAGING THE PURCHASE OF ENERGY EFFICIENT HOMES

Berkeley is aware that we have a wider role to play in promoting sustainable living. We were delighted to be one of five partner organisations supporting Barclays with its launch of the UK's first green mortgage in April 2018. If a customer is purchasing an energy efficient new build home with an Energy Performance Certificate (EPC) rating of B or above, they will be eligible for a Barclays Green Home Mortgage which offers discounted rates compared to standard mortgages.

CASE STUDY

ENGAGING CUSTOMERS ON SUSTAINABILITY USING AN INTERACTIVE PLATFORM

Our homes and developments have many sustainability features incorporated. However, articulating what sustainability is and engaging customers on the topic can be challenging.

To bring the sustainability features of our homes and places to life, Berkeley Southern has created an interactive presentation platform for their sales and marketing suites. The sustainability platform, which has been designed to run on tablets, provides information on a broad range of topics, including energy, water, waste recycling and biodiversity.



Interactive platform created at Berkeley Southern

WHAT'S NEXT? 2018-2020 NEW COMMITMENTS

On 1 May 2018, we renewed our commitment to the Net Promoter Score and launched a new ambitious commitment on mortgage lending to deliver by April 2020.

NET PROMOTER SCORE

Establish Berkeley amongst the top performing companies for customer service, as evidenced by the Net Promoter Score.

Having high levels of customer satisfaction is critical to our business and we aim to exceed our customers' expectations, starting from the moment a customer first enquires about a property.

For the last four years, we have used the Net Promoter Score to benchmark the levels of service we provide against well-regarded companies across all sectors to help drive improvements. We will continue to monitor our performance, share good practice, and implement new initiatives to ensure that our customers receive excellent levels of service.

MORTGAGE LENDING

Make the case for a proportionate approach to lending, including two-year mortgage offers, so that every purchaser has a fair chance in the new build market.

We want every homebuyer to have the same chance as an investor to purchase a property in the new build market. Mortgage offers today typically last for six months, but this does not lend itself to buying off-plan because the offer has usually expired before the new property is completed.

Through this commitment we will encourage lenders to introduce mortgage offers which give every purchaser a fair chance of buying a new build home. Through research, debate and fresh thinking, we want to create a level playing field for every purchaser.



Edenbrook, Fleet

SUPPORTING THE UN'S SUSTAINABLE DEVELOPMENT GOALS



OTHER AREAS OF FOCUS

In addition to the two headline commitments, we have specific targets to:

- Understand and respond to customers' emotional journeys
- Promote the use of MyHome Plus
- Market homes in the UK and London first
- Meet minimum standards for sales and marketing suite set-up
- Communicate Our Vision
- Communicate sustainable living
- Promote digital and sustainable communication
- Undertake sales and marketing suite exit interviews



Royal Wells Park, Royal Tunbridge Wells



HOMES

DELIVER HIGH QUALITY
HOMES WITH LOW
ENVIRONMENTAL
IMPACT WHERE PEOPLE
ASPIRE TO LIVE



HOMES

2016-2018 HIGHLIGHTS



WhatHouse? Awards 2016

Best Luxury Development (Bronze)
Best Apartment Scheme (Bronze)
One Tower Bridge



MORE THAN
7,400
HOMES COMPLETED
IN THE TWO YEAR
PERIOD

ACCESS TO ULTRAFAST
BROADBAND ON
ALL DEVELOPMENTS
IN 2017/18



International Property
Awards 2017
Best Architecture
Multiple Residence
190 Strand



73%

COMPLETED HOMES IN 2017/18
SUPPLIED WITH ENERGY
FROM LOW CARBON OR
RENEWABLE SOURCES



The Sunday Times British
Homes Awards 2017
Innovative Living
Berkeley Urban House



London Evening Standard
New Homes Awards 2018
Best Apartment
Wimbledon Hill Park
Best Family Home
Fitzroy Gate

OUR APPROACH

Building high quality, well-designed homes with low environmental impact where people can live comfortably now and in the future is fundamental to our business; it is demanded of us by our customers and differentiates Berkeley. We build homes for everyone; families, first-time buyers, students, and for senior citizens including those who need care. We continually undertake research and development to evolve the design of our homes and encourage innovation at every stage of the development process.



Chiswick Gate

2016-2018 PERFORMANCE

Performance against our 2016-2018 commitments is as follows:



THERMAL COMFORT

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



SMART HOMES

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



CONNECTIVITY

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



RESEARCH AND DEVELOPMENT

Continue the R&D programme to drive innovation across the business including through improved design and performance.



SPACE STANDARDS

Guarantee space standards for all new homes by ensuring 2.5m ceiling heights and by following the nationally described storage and principal bedroom requirements.



INTERNAL RECYCLING FACILITIES

Provide internal recycling facilities for every home.

DEVELOPING HIGH QUALITY HOMES

The quality of the homes we deliver is fundamental to the success of our business, and we believe our core value of excellence through detail is a key differentiator. Our specifications are planned to meet the varied requirements of all types of homebuyers, and we have high design and construction standards in place.

BESPOKE SOLUTIONS, HIGH QUALITY DESIGNS

No two Berkeley developments are the same; they range from family homes in the countryside to city apartments and vibrant mixed-use schemes, offering exciting choices for everyone. We work with the best architects to create unique and inspiring masterplans that are sensitive to their surroundings, contribute to the wider community, and stand the test of time.

We do not have any standard property types or formats; our homes are designed individually to meet customers' needs and expectations and all are tenure blind, which means that the affordable homes are designed with the same dedication and attention to detail. Whether we are creating a city penthouse or a country retreat, a modern studio or a traditional family home, there is a relentless pursuit of quality in everything we do.

ATTENTION TO DETAIL

The quality which we demand in our new homes requires a skilled workforce, thorough checks before handover, and 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. At the design stage we hold regular design team meetings to review specifications. At the construction stage we build to high standards and have deployed new technology such as Field View to improve our quality procedures. We use our sales and marketing suites as a benchmark for build quality and finish in each individual home. Every area is thoroughly checked before handover to ensure that high standards are maintained.

SAFETY

Following the Grenfell Tower tragedy we undertook a thorough review of all of our high-rise buildings, including engaging with the local fire authorities, fire safety experts, residents and the Ministry of Housing, Communities and Local Government (MHCLG). We have ensured that all our buildings are safe whilst the future regulatory approach is clarified following the outcomes of the Hackitt Review and subsequent Government consultation.

SPACE STANDARDS

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 May 2014, we were the first private developer to commit to minimum space standards covering three core aspects in every new home: master bedroom depth; floor-to-ceiling height; and storage.

Since introducing our commitment, Government has published a nationally described space standard which local planning policy can now refer to. We implement the Government's standard where requested and 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. Of the developments submitted to planning between May 2016 and April 2018, 93% implemented our enhanced space standards. Three of our developments are unable to meet the ceiling height requirements across all homes due to restrictions of the building structures.



Holborough Lakes



TRADITIONAL FAMILY HOMES

We build traditional family homes across London and the south of England. At Taplow Riverside, we have created exquisite family homes offering a range of new and refurbished luxury houses, apartments and penthouses to meet the needs of different buyers.

Image: Homes at Taplow Riverside



CITY APARTMENTS

We focus on regenerating complex sites, predominately in London, into new places with beautiful homes. The Dumont, on the south side of the River Thames, offers a selection of apartments with fantastic views over the river and the Houses of Parliament.

Image: Apartment at The Dumont, Albert Embankment



HERITAGE HOMES

We take great pride in restoring heritage assets, conserving them, and at the same time ensuring that their use evolves to meet the demands of modern life. Finding an economically viable long-term use is arguably as important as the restoration itself.

At St Joseph's Gate in Mill Hill, we have transformed the seminary college into 49 new and converted homes. At the centrepiece of this is the Chapel, a Grade II listed four-bedroom home with vaulted ceilings and views looking across the village below.

Image: The Chapel, St Joseph's Gate, Mill Hill

HOMES FOR SENIOR CITIZENS

More than ever it is important to deliver high quality homes that meet the needs of an ageing population. Highwood Mill enables the lifestyle of its residents to be as active or as tranquil as they would like. With an on-site restaurant, hair and beauty salon, exercise studio and landscaped gardens, this is a sociable and vibrant place to live.

Image: Senior living at Highwood Mill, Horsham



HOMES FOR STUDENTS

We apply the same set of qualities found in our residential developments to the student homes that we build, and have excellent relationships with universities to help bring these to the market. Green Park in Bath was built to provide accommodation to over 400 students of Bath Spa University. The development was designed using Georgian architecture to be sympathetic to its surroundings.

Image: Student accommodation at Green Park, Bath

AWARDS

We are delighted to have been recognised externally for our high standards of excellence. Management Today ranked us joint first for the quality of goods and services across all sectors in Britain's Most Admired Companies 2017 and we are honoured to have received many development-specific awards for design and quality.

DEVELOPING HOMES WITH LOW ENVIRONMENTAL IMPACT

We consider the environmental impact of our homes at every stage of the development process. Features are incorporated to reduce their impact and to provide homeowners with the opportunity to live healthy, sustainable lifestyles.

EFFICIENT DESIGN

Our homes are carefully designed to ensure that the building itself operates efficiently. We take a fabric first approach to energy efficiency, which means that we seek to maximise the performance of the elements of the building, such as the walls, roofs and floors, through measures such as insulation.

CLEAN ENERGY

We incorporate clean and renewable energy within our homes and developments. We begin by applying the energy hierarchy in design by focusing on the building fabric and then incorporate low carbon and renewable technologies. In 2017/18, 73% of completed homes were supplied with energy from low carbon or renewable technologies. These measures ensure that our homes are efficient, as demonstrated by our average EPC rating of B for homes which completed in 2017/18.

In March 2018, we were a signatory of the UK Green Building Council's letter to Government to move towards net zero carbon homes by 2030. We want our developments to be able to achieve zero operational emissions in the future and in May 2018 committed to producing a transition plan for each new development, which enables the homes to operate at net zero carbon by 2030.



CASE STUDY

APPLYING THE PRINCIPLES OF PASSIVHAUS

PassivHaus is a comfort and energy efficiency standard developed with the aim of delivering homes with such high fabric efficiency standards that they no longer need space heating and cooling to achieve comfortable internal conditions.

To better understand the changes needed to our specifications to meet the standard, we commissioned specialists to review the specifications for some of our homes.

This identified a range of areas in which our specification could be enhanced, from considering the location of Mechanical Ventilation with Heat Recovery (MVHR) units to minimise the length of ducting required, to designing thermal bridges around junctions and foundations and specifying triple glazing.



Photovoltaic roof panel array at Goodman's Fields, Aldgate



CASE STUDY

TRIALLING SMART THERMOSTATS AT KENNET ISLAND, READING

Smart thermostats enable users to control heating and hot water remotely, for example from a mobile device such as a phone or tablet, when in the home or on the go. They allow our residents the opportunity to step into their new home with a pre-established system to manage their central heating and hot water in a way that not only saves energy, but has been proven to reduce heating bills.

To better understand the benefits of smart thermostats and the infrastructure required, we trialled Nest thermostats in some of our apartments at Kennet Island, Reading. This provided us with a good understanding of the installation requirements for the devices, including the need for a revised scope of works for the electrical contractor.

SUSTAINABLE MATERIALS

A vast number of different materials go into making our homes. We recognise that we have the potential to have a negative sustainability impact through the number of products and services we use from a global marketplace. When specifying materials, we take into account environmental, social, economic and ethical aspects over their whole life cycle.

Our Sustainable Specification and Procurement Policy outlines how we seek to reduce any negative impacts and have a positive impact where possible. This includes a requirement for all timber to be certified to either Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) schemes and outlines a strong preference for all wood-based products to be either FSC or PEFC certified.

SUSTAINABILITY FEATURES

We incorporate a range of sustainability features into our homes to help future residents reduce their environmental impact. These range from energy efficient light fittings to reduce energy use, to low water use fittings and fixtures and rainwater harvesting systems to reduce potable water use.

To encourage future residents to recycle, we provide internal recycling bins to all our homes. Of the developments submitted to planning between May 2016 and April 2018, all were designed with space to accommodate internal recycling bins. The discrete and efficient design of our bin storage at Kidbrooke Village has been commended by the NHBC Foundation in their design guide.

As all of our developments are bespoke, the sustainable features included may vary from one development to another. To ensure that residents are aware of the sustainability features within their home and how to operate them properly, we provide Living Guides tailored to each individual home.

DEVELOPING HOMES FOR THE FUTURE

Our aim is to build homes where people can live comfortably now and in the future. We are taking action to future-proof our homes, including incorporating adaptation measures to address the effects of climate change and installing infrastructure to support smart technology.

THERMAL COMFORT

The potential for overheating in new homes has become a growing issue for the industry as an unintended consequence of improvements to regulatory standards for energy efficiency and air tightness. Overheating and high internal temperatures can result in a number of health issues, particularly for vulnerable groups such as young children, the elderly, and individuals of low mobility and/or poor health, as they are likely to spend more time in their home. We have taken action to address the issue as we want to ensure the thermal comfort of our customers, both now and in the future, with expected changes in climate.

To assist our teams in ensuring continued thermal comfort, we developed a thermal comfort risk assessment which helps to identify and mitigate any risks of overheating from the earliest stages of design through to operation of the home or building. The tool, which was based on industry research and feedback from our own employees and external experts, takes into account factors which can affect overheating, such as location, building type and ventilation strategy. It then highlights site-specific risks and suggested actions to reduce these.

We launched the tool to the business in May 2017 through a series of thermal comfort training sessions, during which specialists shared their knowledge and advice on how to prevent overheating. This provided our teams with details on how to complete the risk assessment and further information on design measures that can be incorporated to mitigate the effects of overheating. Between May 2017 and April 2018, over 20 developments completed the risk assessment tool. We are the only developer to apply such an approach consistently across all schemes.

CASE STUDY

THERMAL COMFORT AT CLARENDON

During the early planning stages of Clarendon, the thermal comfort risk assessment tool highlighted that the development was at risk of overheating as it is located within an urban area adjacent to a mainline railway and because communal heating was proposed throughout.

Dynamic thermal modelling was undertaken and a number of design measures have been incorporated to mitigate the effects of overheating, including:

- External shading from balcony overhangs and recessed balconies
- Natural ventilation measures
- Use of rain gardens and green roofs.



Computer Generated Image of Clarendon, Hornsey



Show home at South Quay Plaza, Canary Wharf

CASE STUDY

SMART HOMES AT SOUTH QUAY PLAZA, CANARY WHARF

At South Quay Plaza in Canary Wharf, we aim to create smart homes that meet homeowners' desires for connectivity while remaining user-friendly. We want to ensure that the development's services, including lighting and the door entry system, are interoperable and intuitive, giving homeowners the ability to connect their homes and devices via the Internet of Things (IoT) if desired.

We explored the smart home, IoT and integrated systems market to find a system that links digital and electrical infrastructure, whilst also meeting our customers' expectations of luxury living.

BROADBAND AND CABLING INFRASTRUCTURE

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. As our customer requirements change, we ensure that we incorporate the right infrastructure and flexibility within our homes to enable their functionality now and in the future. Incorporating the right broadband and cabling infrastructure is critical to future-proof homes and developments and enable our customers to adopt new technologies as they emerge.

Over the last two years we have developed minimum infrastructure recommendations for new developments, covering broadband and cabling provision. These enable residents to benefit from the freedom of being able to 'plug in' technologies as they become available. This would not be possible without working in close collaboration with Openreach and we were delighted to be awarded the Openreach Property Developers Award 2017 for Innovation - Most Supportive Trialist. In 2017/18, all customers have access to Ultrafast Fibre to the Premises (FTTP) broadband and we are committed to all homes having FTTP going forwards.

SMART HOMES

Technology continues to develop, from enabling us to control the temperature of our homes through a smart phone, to intelligent devices learning our behaviours and movements. We are also seeing the emergence of the smart home concept, whereby a home incorporates technology to provide residents 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. In May 2016, we committed to exploring smart technologies on the market and how these could be incorporated into our homes. This is important to ensure that we continue to meet our customers' requirements.

Over the last two years we have investigated emerging technologies which our customers may like in their home, and continue to incorporate relevant smart technologies into our developments. These range from items such as smart thermostats to more advanced systems linking the digital and electrical infrastructure within the homes. We are also undertaking research and field trials of a smart homes concept at Kidbrooke Village (see page 45).

UNDERTAKING RESEARCH AND INNOVATION

Research and innovation is key in helping us understand, meet and exceed the needs of our customers, and in helping us determine how new materials and products can influence and improve the design of our homes.

RESEARCH AND DEVELOPMENT

We undertake research and share best practice on an individual development level and across the business through our Production Committee, which includes representatives from a range of departments including Technical, Commercial and Construction. We also seek feedback from our customers and engage with external organisations to keep up-to-date with the latest thinking and research. This enables us to continually develop and improve our homes. It also helps us to improve efficiency in construction.

BUILDING INFORMATION MODELLING (BIM)

The uptake of BIM is slowly increasing within the built environment 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, we have started to use this on some of our sites, including Royal Arsenal Riverside in Woolwich.

WORKING WITH EXTERNAL ORGANISATIONS

We regularly seek to collaborate with external organisations and are pleased to have contributed to a number of initiatives. Over the past two years, we have actively fed into the UK Green Building Council's (UKGBC) guidance, Embodied Carbon: Developing a Client Brief, aimed at enabling built environment clients to write effective briefs for measuring embodied carbon, and have been part of the Construction Industry Research and Information Association (CIRIA) working group developing practical guidance on how buyers can minimise risk through the responsible procurement of key materials. We have also contributed to the Chartered Institution of Building Services Engineers' (CIBSE) Homes for the Future Group, and the UKGBC's work on healthy homes, for which we hosted the launch at Woodberry Down, Finsbury Park. Working with external organisations ensures that we keep up-to-date with the latest thinking, and provides the opportunity to contribute to research and development that benefits the business, our residents and the industry.



At a time when new homes are so desperately needed, it is encouraging to see the Berkeley Group making bold new sustainability commitments. UKGBC is calling for all new development to be net zero carbon in operation by 2030, so we are particularly pleased to see this feature within Our Vision.

JULIE HIRIGOYEN
UKGBC

CASE STUDY

RESEARCH AND INNOVATION AT THE URBAN HOUSE

To meet the demands of more high quality homes in the UK that are adaptable to lifestyle changes, we developed the innovative Urban House. Some of the homes at our Green Park Village, Reading and Kidbrooke Village developments have been built to this design type, which has adaptable space and enables high densities whilst providing low-rise back-to-back adaptable family housing.

We continue to utilise and develop our Urban House type and are pleased that our design was recognised at the Sunday Times British Homes Awards 2017 through the Innovative Living Award.

We are now collaborating with E.ON to pilot the Future Energy Home at Kidbrooke Village on an Urban House. The research initiative is trialling the integration of the latest smart home technologies to better understand how to help homeowners live a lower cost, less carbon-reliant lifestyle.

The project is the first of its kind to demonstrate innovative energy devices working seamlessly through a single, tablet-based dashboard. Together, they will give residents practical control over their energy use and the ability to power their own homes.

The Future Energy Home allows residents to generate and store electricity in a battery, helping to cut bills, to make use of in-built renewable sources to charge electric vehicles, and to relieve pressure on the power grid at times of high demand.

Solar canopy and balustrade as part of the Future Energy Home concept at the Urban House, Kidbrooke Village

WHAT'S NEXT? 2018-2020 NEW COMMITMENTS

On 1 May 2018, we launched two new ambitious commitments to deliver by April 2020.

SAFE AND HEALTHY HOMES

Launch a design framework to contribute to the wellbeing of our customers, including safety, air quality and thermal comfort.

We design a range of features into our homes that benefit residents' health and wellbeing, including good levels of daylight, insulation to reduce noise and to help regulate temperature, storage space and adaptability, so the homes can meet the needs of future residents. This is vital because people spend around two thirds of their time in their home and research shows that sustainable, well-designed homes can lead to better health and wellbeing outcomes for residents.

We will create a new Berkeley Safe and Healthy Homes Design Framework covering a range of issues including noise, air quality, overheating, materials, daylight, storage and security. This will be applied to all new sites, with the aim to positively influence the health and wellbeing of our customers.

NET ZERO CARBON

Produce a transition plan for each new development which enables the homes to operate at net zero carbon by 2030.

At Berkeley we have traditionally had a leading approach to energy efficiency in our homes, and were the first developer to commit to achieving Code for Sustainable Homes Level 3 in 2007. Whilst Government policy has moved away from the zero carbon homes agenda, there is recognition within the industry, and by the Mayor of London, that to meet our national carbon targets new build standards should be tightened.

Uncertainty remains about the right long-term technological solution for achieving zero carbon. In the interim, we will develop Low Carbon Transition Plans to identify clear routes for how the homes could operate at net zero carbon by 2030 together with future-proofing measures which will be incorporated when they are built.

SUPPORTING THE UN'S SUSTAINABLE DEVELOPMENT GOALS



OTHER AREAS OF FOCUS

In addition to the two headline commitments, we have specific targets to:

- Develop a strategic partnership with the Royal Society for the Prevention of Accidents (RoSPA) on 'safer by design'
- Undertake post occupancy evaluation
- Enable connected homes
- Specify sustainable materials
- Install recycling facilities
- Install water efficient fittings
- Install energy efficient lighting
- Meet Berkeley minimum fire ratings and energy efficiency standards for domestic appliances, which are over and above Government guidelines



Abell and Cleland, Westminster



Urban House at Kidbrooke Village



PLACES

CREATE STRONG
COMMUNITIES WHERE
RESIDENTS CAN LIVE
AN ENJOYABLE,
SUSTAINABLE LIFE





PLACES

2016-2018 HIGHLIGHTS



3

SCHOOLS
OPENED IN
SEPTEMBER
2016



**London Evening Standard
New Homes Awards 2016**

**Best Large
Development**
Goodman's Fields



**CIRIA BIG Biodiversity
Challenge Awards 2017**

**Medium Scale
Permanent Award**
Fitzroy Gate

**CIRIA BIG Biodiversity
Challenge Awards 2016**

Pollinator Award
One Tower Bridge



**The Sunday Times British
Homes Awards 2017**
Outstanding Placemaking
Woodberry Down



100%

PLANNING APPLICATIONS
SUBMITTED IN 2017/18 WILL
DELIVER A NET
BIODIVERSITY GAIN



WhatHouse? Awards 2017

Housebuilder of the Year
Berkeley Group

Best Public Realm (Gold)
Heritage Walk and Kew Bridge West

Best Regeneration Scheme (Gold)
Royal Arsenal Riverside

Best Mixed-Use Development (Gold)
One Tower Bridge

Best Partnership Scheme (Gold)
Woodberry Down



12

DEVELOPMENTS
IMPLEMENTING
COMMUNITY PLANS

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 to lead safe, fulfilling and sustainable lives. They include sustainable infrastructure and amenities, and are designed to be resilient to the effects of climate change.



London Dock, Wapping

2016-2018 PERFORMANCE

Performance against our 2016-2018 commitments is as follows:



COMMUNITY PLANS

Implement community plans on our developments to facilitate thriving communities.



NET BIODIVERSITY GAIN

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



SOCIAL SUSTAINABILITY

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



CLIMATE CHANGE ADAPTATION

Apply Berkeley's climate change adaptation checklist to all developments pre-planning and implement measures that address overheating, flooding and water shortages.



COMMUNITY ENGAGEMENT

Follow Berkeley's Community Engagement Strategy on all planning applications we submit and develop a Statement of Community Involvement.



ECOLOGIST CONSULTATION

Consult an ecologist pre-planning on all developments and implement key recommendations to protect and enhance ecology.



ELECTRIC CAR CHARGING

Provide at least one electric car charging point in all residential communal car parks.



CYCLE STORAGE

Provide cycle storage on all new developments.



RAINWATER HARVESTING

Harvest rainwater for reuse on all new developments.



BREEAM

Ensure that all commercial space, student accommodation and senior living housing (where relevant), achieves at least BREEAM Very Good.



LIVING ROOFS

Install living roofs on all residential apartment roof spaces.

CREATING NEW PLACES AND STRONG COMMUNITIES

Our ambition is to create safe and inclusive places that remain great for decades to come, where people feel proud of their home, connected to each other, and able to influence what goes on. Our approach puts people first, and goes beyond placemaking and placekeeping, to creating strong communities where people from all walks of life live comfortably together.

COMMUNITY ENGAGEMENT

From the outset, we consider the site's location and potential to support a community. We talk to local residents to understand what is already in the area and what people want, using our Community Engagement Strategy as a framework for the type of engagement to be applied depending on the scheme and location. Good community engagement creates a sense of ownership for the development, which helps with long-term support and stewardship of the place.

Our Community Engagement Strategy was followed on 93% of developments submitted as full or outline planning applications between May 2016 and April 2018. The applications that did not comply were generally phases of larger schemes, for which extensive consultation had already occurred, or applications where community engagement was led by the Council rather than proactively led by Berkeley. We will continue to strive to ensure that community engagement is undertaken prior to all applications being submitted.

CASE STUDY

NORTHFIELDS: CREATED WITH THE COMMUNITY, FOR THE COMMUNITY

Since acquiring Northfields in April 2017, St George has undertaken extensive consultation with the community in a number of ways, starting with pop-up street interviews and 'walks and talks'. A Community Liaison Group was established, and meetings, design workshops and exhibitions held.

Ongoing communication has been established through newsletters, a website and the building of the Northfields Community Information Centre, which has held over 24 open days where community members could put their questions to St George.

The extensive consultation process allowed local residents to have their say. Their input on topics, such as the introduction and design of the community centre and the type and use of public open spaces in the development, has made the masterplan design what it is today.



Public exhibition at Northfields, Alperton



Community design workshop at Northfields, Alperton



Community event at Royal Wells Park, Royal Tunbridge Wells

CASE STUDY

BUILDING COMMUNITY AT ROYAL WELLS PARK

As part of the community plan at Royal Wells Park, we prompted the residents to form a social committee. They organised a summer party and as a result, developed the appetite and confidence to get directly involved in estate management and decision-making. We then took them to meet and share ideas with a more established group on another of our developments, and there is now an increasingly strong and empowered community at Royal Wells Park.

SOCIAL SUSTAINABILITY ASSESSMENTS

Social sustainability assessments help us to prioritise specific actions that will help us to create a fantastic place to live and realise a shared vision. This is in tandem with, and informed by, extensive local consultation and masterplan preparation.

We use our Creating Successful Places toolkit as a framework pre-planning to ensure that the right facilities and mechanisms are in place to enable a thriving community.

The toolkit applies a set of 13 criteria which reflect what academic research tells us are the building blocks of a strong community. They include links with neighbours, feelings of safety, local identity, and ability to influence.

All our developments of over 100 homes, submitted as full or outline planning applications between May 2016 and April 2018, completed a social sustainability assessment.



COMMUNITY PLANS

Sometimes a sense of community develops naturally, but it often takes years, if not decades, to evolve. We recognise that our customers and our managing agents play a key role in creating communities, so we are increasingly putting structures in place to support them to do so.

Over the last two years we have been developing and piloting community plans on 12 of our developments, ranging from rural villages and suburban neighbourhoods to London regeneration schemes, as part of a structured approach to building communities.

Each community plan is different, reflecting local needs and aspirations. The community plan provides the structure to enable the community to mix and meet, usually through an events programme and an online forum. Through this, we are seeing community governance systems beginning to form, ranging from social clubs to residents' committees. These help to embed a sense of shared-ownership and self-management.

Whilst we initially lead the plans, it is our residents and estate managers who will look after the place in the long-term, so it is important that they help to inform, influence, develop and own the plan.



In the early stages you need a plan and real passion. Not everything works so you also need some grit. The Stanmore Place community plan gave us clear objectives we could measure and report to Berkeley. Now most events are run by residents and local businesses provide the funding. It's completely sustainable.

MARC GOMES,
ESTATE MANAGER,
RENDALL & RITTNER

DELIVERING EXCELLENT FACILITIES AND BEAUTIFUL PUBLIC REALM

Our aim is to develop great places where people can live, work and visit. This means ensuring that there is a good mix of facilities on our developments to benefit both the existing community as well as new residents, and to help establish a sense of place.

PLACES TO ENJOY

Each of our developments are unique, and the facilities and amenities that we provide are carefully considered and designed to meet local needs and contribute to the wider area. We see our developments sitting at the heart of the wider community. We provide facilities on or close to our developments, and look for opportunities during construction to create temporary facilities to benefit the community, such as the pop-up park at London Dock which has hosted street food markets.

Creating the right place requires significant up-front investment in infrastructure, public realm and landscaping. This is important to set the tone and establish a sense of place. A variety of facilities have opened on our developments in the last two years for residents and visitors to enjoy. These range from outside areas, including a new public square at London Dock and parkland at Kidbrooke Village and Woodhurst Park, to places to eat and places to exercise.

In addition we provide cultural assets, from public pieces of art to a four-screen cinema at Goodman's Fields and The Bridge Theatre at One Tower Bridge, which is the first theatre delivered in central London in over 100 years. We have also opened places to learn, including three new schools on our developments in September 2016 at 375 Kensington High Street, Royal Wells Park and Woodhurst Park.



Green space at Woodhurst Park, Warfield



The Bridge Theatre at One Tower Bridge



Kensington Primary Academy

BREEAM

We want to ensure that all the buildings within our developments are sustainable. To achieve this, we require commercial space, student accommodation and senior living housing to be designed and assessed in accordance with the BREEAM sustainability assessment methodology. We have also explored other sustainable building schemes, to see how these could be applied to our developments. Of the applications including commercial space, student accommodation and senior living housing submitted to planning between May 2016 and April 2018, 94% were designed to achieve BREEAM Very Good or above. One of our developments was unable to meet the requirement as it was not deemed feasible for the development.

CONTRIBUTING TO THE LOCAL ECONOMY

Local facilities not only offer places for people to live, work and visit – they can also help to contribute to the local economy. For example, at Dickens Yard, Kidbrooke Village and Royal Arsenal Riverside, frequent farmers' markets provide quality, locally sourced artisan food for residents and visitors. This provides businesses in the local area an opportunity to trade and promote their produce.



Artisan market at Dickens Yard, Ealing

PROVIDING SUSTAINABLE INFRASTRUCTURE

Infrastructure plays an integral part in shaping the places that we create. It links communities, opens up opportunities, and creates connections. The infrastructure that we provide in our developments influences the everyday lives of our residents: from how much physical activity they do; to how long and pleasant their daily journeys to work, school and around town are; and even whether they consider it to be a desirable place to live.

PROMOTING SUSTAINABLE TRAVEL

We design our developments with infrastructure that enables and promotes sustainable travel. We create pleasant pedestrian routes to encourage walking, cycle storage to encourage cycling, and locate our developments, where possible, close to public transport. Of the developments submitted to planning between May 2016 and April 2018, all provided cycle storage, with 98% providing the number of cycle storage spaces in line with Berkeley requirements, which are generally above local planning requirements.

Cars are still an important transport method and will continue to be, so we are committed to providing more sustainable options within our developments. Of the developments submitted to planning between May 2016 and April 2018, 84% that have communal car parks have incorporated at least one electric car charging point. Since obtaining planning permission, one site which previously had not included an electric car charging point has now committed to providing one. This is a growing area where technology and infrastructure is rapidly changing, so we will continue to work on this over the next two years through our sustainable transport commitment (see page 65).



CASE STUDY

CROSSRAIL CONNECTING LONDON

Crossrail is due to support 15 million journeys annually, which is critical to keeping London moving and ensuring that it is one of the most desirable places in the world to live, work and do business. Berkeley has supported the delivery of Crossrail through many of our projects across London.

At Royal Arsenal Riverside, we are building a Crossrail station which, once operational, will provide connections from Woolwich to Bond Street in just 20 minutes. This is a result of a 10 year public-private partnership.

We are also supporting Crossrail at South Quay Plaza, where we are contributing nearly £4 million to support the delivery of projects including the Foster + Partners designed Crossrail station, and at Southall where the new Crossrail station will be critical in providing a fast link to central London.



Computer Generated Image of the Crossrail station at Royal Arsenal Riverside, Woolwich



Woodhurst Park, Warfield

MAKING SPACE FOR NATURE AND BEAUTY

Biodiversity and green infrastructure plays an important role within our towns and cities as it helps to improve air quality, provides resilience to climate change, adds amenity value and supports wellbeing. Despite this, biodiversity continues to decrease at an alarming rate. New development can help to reverse this trend, by providing the opportunity to incorporate green infrastructure and enhance biodiversity.

NET BIODIVERSITY GAIN

In May 2016, we were the first developer to set ourselves an ambitious commitment to develop and apply an approach to ensure that all new developments create a net biodiversity gain. Through this commitment, we ensure that our developments make a positive impact on their local environment by creating an overall enhancement for biodiversity. Put simply, there should be more nature afterwards than before we began.

Our Biodiversity Toolkit, which we developed and launched in spring 2017, enables project teams and their appointed ecologist to baseline the biodiversity of a site before any work occurs. Through the design process, project teams use the toolkit to identify features that will create a net gain. To provide practical advice on how to design for biodiversity net gain, we have published a guide 'The Nine Concepts: Making Space for Nature and Beauty'.

Of our developments submitted to planning between May 2016 and April 2018, 98% consulted an ecologist. Following the launch of our Biodiversity Toolkit, all of our new developments submitted to planning between May 2017 and April 2018 targeted a net gain through the landscape design.



Natural England welcomes the development of the Berkeley Group Biodiversity Toolkit. Bringing key ecological information and data together into a single and easy to use template, this should help all involved in the process readily and easily access information needed to help design in a biodiversity net gain outcome to the project.

NICK WHITE
NATURAL ENGLAND



CASE STUDY

KIDBROOKE WETLANDS PROJECT WITH THE LONDON WILDLIFE TRUST

Berkeley East Thames and the London Wildlife Trust have been working together to enhance biodiversity in Kidbrooke Village by transforming the parkland, delivered as part of the early phases of the project, into a wetland area that will attract wildlife and people. The landscape enhancements being implemented are expected to create a net biodiversity gain, as calculated using the Biodiversity Toolkit.

The project also includes a series of events to connect the local community with the green space on their doorstep. The community engagement strategy 'Wild About Kidbrooke Village' has reached over 600 local people from the development, local schools, and the surrounding area. The aim is to encourage community spirit and pride, ensuring Kidbrooke Village remains loved and well managed in the long-term.

Wetland area at Kidbrooke Village

GREEN INFRASTRUCTURE

Green infrastructure has multiple benefits, including the creation of habitats for wildlife and the attenuation of rainfall to help mitigate against surface water flooding. We incorporate green infrastructure into our developments through the provision of open space, parks, gardens, trees and sustainable urban drainage systems (SuDs), including living roofs.

Of the apartment schemes submitted to planning between May 2016 and April 2018, 86% incorporated living roofs. Three sites that went into planning between May 2016 and April 2018 were unable to incorporate living roofs due to their location or because the development team opted to provide other forms of green infrastructure instead. For example, at Sunningdale Park the site is incorporating significant amounts of green infrastructure so living roofs would have added little benefit.



The green roof at Goodman's Fields is a delight. I've tramped across many green roofs over the past 18 years, and this one is up with the very best. It's remarkable for the richness of its habitat diversity in such a highly built up part of the city, with hints of woodland and grasslands demonstrating good ecological quality for their age and location. Singing wren and blackbird, starling bathing in the pools, and flutters of goldfinch flitting between the roofspaces at over 8 storeys are testimony to a biodiverse roof that lives brilliantly up to the promise.

MATHEW FRITH
LONDON WILDLIFE TRUST



Wildlife Sky Gardens at Goodman's Fields, Aldgate



CASE STUDY

GREEN ROOFS AT GOODMAN'S FIELDS

Finding space to provide green infrastructure in dense urban areas is challenging. At Goodman's Fields, on the edge of the City of London, an innovative approach to green roofs has been taken, resulting in a tower block roof unlike any other.

The Wildlife Sky Gardens at Goodman's Fields, designed and implemented by landscape architects Murdoch Wickham and Fabrik, with guidance from the London Wildlife Trust, are made up of a network of biodiverse habitats which are not usually found on high-rise developments. This includes a 'wet' garden containing pebble beds, to collect rainwater, and woodland planting, increasing the habitat area for insects and birds.

By collecting rainwater the roofs help to reduce surface water run-off, whilst also benefiting biodiversity and providing an attractive roof for residents to look out to.

DESIGNING FOR CLIMATE CHANGE

Truly sustainable places are great places now, but also stand the test of time. Climate change could adversely affect the places we create, and our customers living within them. Changing weather patterns are likely to cause wetter winters, hotter summers and more frequent heatwaves. We are focused on addressing the risks most relevant to the design of our developments: flooding, water shortage and overheating.

CLIMATE CHANGE ADAPTATION

We have developed a climate change adaptation checklist to help us identify the most pertinent issues to address, based on the type of development planned and its location. This enables our teams to identify issues and ensure that measures are incorporated into the design during the planning stage. Of the developments submitted to planning between May 2016 and April 2018, 93% completed the climate change adaptation checklist and incorporated measures to adapt to climate change. Three developments did not disclose information on the completion of the checklist.

Our work in this area has developed since 2014 and has intensified in the last two years; we now have specific commitments which address the risks most relevant to the design of our developments, including our commitment on overheating (see page 42), and our new commitment to integrated water management, which will focus on improving the design of our developments to cope with the future pressures of flooding and water shortages.



INTEGRATED WATER MANAGEMENT

We incorporate a range of features into the design of our developments to increase resilience to climate change impacts, such as sustainable urban drainage systems, rainwater harvesting and green infrastructure. These help our developments to manage water effectively. They also provide a cooling effect, which has a wider benefit of helping to reduce the urban heat island in dense urban areas.

Of the developments submitted to planning between May 2016 and April 2018, 70% incorporated rainwater harvesting systems, which varied from water butts for individual homes to rainwater storage systems for apartment blocks or larger schemes, where the water could be used to provide irrigation for landscaped areas across the development. We recognise that there is more work to do and are committed to developing an approach to integrated water management to ensure the sustainable management of water on all new developments.

WHAT'S NEXT? 2018-2020 NEW COMMITMENTS

On 1 May 2018, we launched two new ambitious commitments to deliver by April 2020.

SUPPORTING THE UN'S SUSTAINABLE DEVELOPMENT GOALS



SUSTAINABLE TRANSPORT

Explore future transport trends and encourage a modal shift away from an over-reliance on petrol and diesel cars.

The way we travel is changing; more people are choosing to cycle and in the future there is likely to be less travel per person, but more logistics traffic. We are likely to see fewer conventional petrol and diesel cars and more electric and autonomous vehicles.

In order to design developments fit for the future, we need to understand our customers' needs and expectations, as well as how the transport mix is likely to change over time. Research undertaken through this commitment will ensure that we put the right infrastructure and services in place to meet customer expectations and promote sustainable travel. This builds on our existing commitments to provide cycle storage and electric car charging points on all developments.

COMMUNITY AND SOCIAL VALUE

Understand the social value generated by new development and embed a coherent approach to building communities on all our sites.

We have developed an approach to building communities on our schemes over many years. Through our new commitment we will seek to further embed this work on every site.

We will also explore how we quantify and explain our wider impacts. New development generates benefits for local communities, the local economy and the environment. This is often termed 'social value' and is focused on maximising public benefit and outcomes that support the public good. Stakeholders demand real value creation in the local area yet it can be difficult to define, measure and deliver.

OTHER AREAS OF FOCUS

In addition to the two headline commitments, we have specific targets to:

- Achieve net biodiversity gain
- Develop an approach to integrated water management
- Explore temporary meanwhile uses during construction works
- Achieve BREEAM Very Good
- Install living roofs
- Review the performance of managing agents and the durability of schemes



Electric car charging at Fitzroy Gate, Old Isleworth



OPERATIONS

MAKE THE RIGHT
LONG-TERM DECISIONS,
RUN THE BUSINESS
EFFICIENTLY AND WORK
COLLABORATIVELY WITH
OUR SUPPLY CHAIN



OPERATIONS

2016-2018 HIGHLIGHTS

MATERIAL EXCHANGE BOARD

LAUNCHED TO ENABLE THE INTERNAL SHARING OF EXCESS MATERIALS

95%

CONSTRUCTION WASTE REUSED OR RECYCLED IN 2017/18

22%

REDUCTION IN OPERATIONAL CARBON EMISSIONS INTENSITY AND A CARBON POSITIVE PROGRAMME IMPLEMENTED

5%

REDUCTION IN SITE WATER CONSUMPTION PER OPERATIVE

45%

REDUCTION IN OFFICE PAPER PURCHASES PER PERSON

850+

APPRENTICES WORKED ACROSS OUR SITES AND OFFICES IN THE TWO YEAR PERIOD

A-

LEADERSHIP SCORE ACHIEVED IN CDP'S 2017 CLIMATE CHANGE PROGRAMME

25

AVERAGE NUMBER OF DAYS TAKEN TO PAY SUPPLIERS IN 2017/18, COMPARED TO 30 DAYS OUTLINED IN THE CONSTRUCTION SUPPLY CHAIN PAYMENT CHARTER

OFFSITE AWARDS

Off-site Construction Awards 2018
Housing Project of the Year
Urban House, Kidbrooke Village

60%

SITES RECOGNISED AT THE CONSIDERATE CONSTRUCTORS SCHEME 2018 NATIONAL SITE AWARDS, COMPARED TO A NATIONAL AVERAGE OF 11%

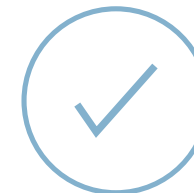
OUR APPROACH

Running our operations effectively and considerably is fundamental to the long-term success of the business. Each of our developments is led by a dedicated project team responsible for all aspects of design and delivery, including the coordination of professional teams of consultants and contractors; the discussion and incorporation of innovative ideas; and the environmentally efficient and socially considerate conduct of our day-to-day activities. We continue to work with our supply chain, to ensure that the necessary skills, quality services and materials are available to help us deliver the pipeline of work.



2016-2018 PERFORMANCE

Performance against our 2016-2018 commitments is as follows:



CARBON POSITIVE

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



APPRENTICES AND TRAINING

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



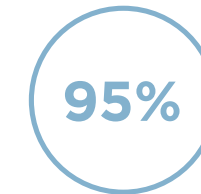
INNOVATION FUND

Broaden the scope of Berkeley's Innovation Fund.



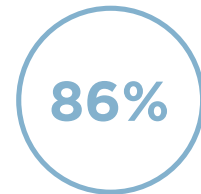
SUSTAINABLE SPECIFICATION AND PROCUREMENT

Continue to understand the risks in our supply chain and implement a sustainable specification and procurement strategy.



BEST OVERALL VALUE

Procure all contractors on best overall value rather than cost alone.



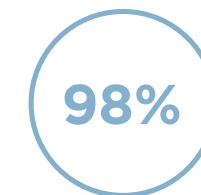
CONSIDERATE CONSTRUCTORS SCHEME

Register all sites with the Considerate Constructors Scheme and achieve a minimum of 38/50 points in every site audit.



SUSTAINABILITY ASSESSMENTS

Undertake sustainability assessments at least every three months on all construction sites.



CERTIFIED TIMBER

Ensure that all timber purchased by Berkeley and by our contractors is certified.



WASTE REDUCTION AND RECOVERY

Reduce construction waste by 10% and reuse or recycle at least 90% of total waste produced on site.



WATER EFFICIENCY

Implement water efficiency measures across our activities and target a site reduction of 5% per site operative by April 2018.



PAPER EFFICIENCY

Implement paper saving measures across our activities and target a permanent office reduction of 20% per office employee by April 2018.



OFFICE SUSTAINABILITY REVIEWS

Conduct a sustainability review of each permanent office every two years and implement at least three key recommendations for improvement.

WORKING WITH OUR SUPPLY CHAIN

The support of a reliable and competent supply chain is critical to our success. It is vital for us to communicate our aims and to work with our varied supply chain to deliver high quality homes and places.

CONTRACTOR ENGAGEMENT

Engagement with our suppliers is key to remaining a client of choice and achieving high quality outcomes, on time and on budget. It is recognised that many of our impacts occur indirectly through our supply chain. Ensuring that we communicate our standards and ambitions, and collaborate with our contractors and suppliers to meet these, is therefore essential.

Our requirements are outlined at the earliest stages of appointing a contractor. We continue to use our online Supply Chain Portal to ensure those looking to work with us are aware of the latest requirements that are applicable across all Berkeley sites, including health and safety and sustainability standards. By housing all the pertinent documents that contractors need to be aware of when tendering and working with us, the portal has simplified the initial communication process and enabled smaller businesses to be more easily engaged.

Project specific communication occurs throughout the tender process to ensure that contractor teams understand the expectations for a project prior to appointment and start on site. We are committed to procuring all contractors on best overall value rather than cost alone and request details to enable a broad assessment, such as previous performance around quality, delivery, health and safety and sustainability. Between May 2016 and April 2018, 95% of projects procured on best overall value rather than cost alone. Projects that did not meet this commitment provided insufficient evidence to demonstrate that purchasing decisions were made on the basis of a range of criteria.



We continue to engage regularly throughout each project and at wider supplier days and conferences. Our Supply Chain Task force holds trade specific meetings and internal senior sponsors have been allocated for key trades, to maintain good working relationships and address feedback from the supply chain.

We recognise that ensuring prompt payment is imperative and are pleased to confirm that suppliers are paid within an average of 25 days, less than the new 30 day period outlined as part of the Construction Supply Chain Payment Charter.

PROMOTING WORKFORCE DEVELOPMENT

We consider the skills crisis to be one of the most significant risks facing the industry and recognise that we have a key role to play in encouraging new people into the industry and upskilling the workforce. We engage with students, educational establishments and industry partners to attract and retain talented individuals.

APPRENTICES AND TRAINING

Training the next generation of workers is key to tackling the skills crisis in the built environment industry. In the last two years alone, more than 850 apprentices have worked across Berkeley's sites and offices, whilst over 1,200 additional people have undertaken other types of formal training. To promote action in this area we have a network of dedicated staff across the business who provide day-to-day support to our project teams and contractors in offering appropriate training.

In 2017/18, we progressed our work with West London College to develop the West London Construction Academy at Southall Waterside, which will be used to train its first intake of apprentices from autumn 2018.

By locating the new training facility at the heart of this site, apprentices will be able to directly relate classroom-based learning to on-site delivery. A dedicated practical training structure will further ensure that the necessary skills to succeed in the industry are attained.

To recognise individuals and businesses who have demonstrated an extraordinary commitment to apprenticeships across our supply chain, the first Berkeley Group Apprentice Awards were held in November 2016, with this continuing as an annual event.



Berkeley Group Apprentice Awards 2017

INDUSTRY IMAGE

In addition to upskilling the workforce, there is a strong need to encourage new people into the industry. Currently, young people and their advisors do not rate the built environment industry as one to be a part of. It is therefore essential to work with young people and educational establishments, to transform perceptions and to demonstrate the breadth of opportunities and attractive career options. We engage with students from primary school age through to college attendees, with the aim of broadening understanding of how the industry operates and the opportunities available. We hope that this will inspire young people to consider a career in construction.

Partnering with key organisations is also key to delivering an impact and transforming the image of the industry. We are now a client member of Build UK, which we see as playing a pivotal role in reversing the current trend of more people leaving the industry than joining it. As part of Build UK's Open Doors initiative, members of the public are provided with the opportunity to visit our active building sites across London. In March 2018, visits at nine of our sites enabled people to see what goes on behind the hoardings of some of the UK's landmark, large-scale residential building projects, such as One Blackfriars.

To increase focus in this area, we have introduced a headline commitment on industry image in May 2018 (see page 102).



CASE STUDY

THE REACH APPRENTICESHIP PROGRAMME

In autumn 2016, the first intake of Berkeley Capital's REACH Apprenticeship programme joined the business. During the two year programme, apprentices are directly employed and, in collaboration with our supply chain, are placed with contractors on a Berkeley site for on-the-job training. Since its launch, more than 40 apprentices have been directly employed in a number of on-site trades, including dry lining, steel fixing, bricklaying and tiling.

In addition to on-site learning and development, and to equip the apprentices with a broad range of valuable skills for both life and work, Berkeley Capital has partnered with The Outward Bound Trust to provide REACH apprentices with access to adventurous and challenging outdoor learning programmes.



REACH Apprentices

DRIVING OPERATIONAL CHANGE

At every stage of the development process we aim to innovate and work with our supply chain to ensure that we can create a high quality product using more efficient and safer methods.

INNOVATIVE DESIGN AND CONSTRUCTION

The built environment industry faces a range of pressures and demands, including the drive for improved construction speed whilst maintaining and improving quality and environmental performance. There is growing recognition within the industry that new and innovative methods of design and construction are needed to meet these demands.

Innovation occurs continually on a project-by-project basis. For example, considerable research and development has occurred over the past few years to develop the Urban House type and, more recently, to deliver it using a fully-fitted modular system built off site. The use of off-site construction reduces disruption to neighbours, improves health and safety, and increases efficiency, with minimised material management and waste on site. There is scope to broaden the use of off-site methods at Berkeley in the future, which we will be reviewing as part of a new commitment from May 2018 (see page 83), including the delivery of our Berkeley Modular facility.



CASE STUDY

HIGH QUALITY MODULAR HOUSING

From our purpose-built, technologically advanced manufacturing facility in Northfleet, Kent, our multi-skilled workforce will produce a range of modular housing products designed to the high specification and excellent build standards that customers demand from Berkeley.

Construction work is now underway and we intend to begin manufacturing the first live scheme by 2020. The key driver for us is build quality. The facility will also enable improved construction productivity, whilst at the same time ensuring the efficient use of resources.

Learn more about Berkeley Modular at:
www.berkeleygroup.co.uk/about-us/our-brands/berkeley-modular



Computer Generated Image of the Berkeley Modular facility

INNOVATION FUND

We have continued to work with the external projects supported by our Innovation Fund. An example initiative awarded funding is fuseAware, which provides an app for workers and a dashboard for employers that provides real-time data in order to improve productivity, worker safety and wellbeing. In addition to receiving funding, the fuseAware app and system has been trialled at a number of Berkeley sites for development before being launched to the industry.

BUILD QUALITY

Each of our sites and homes has strict procedures to ensure a high quality of build, but we recognise that the industry as a whole needs to take action to reduce avoidable errors.

We support the work on the industry's Get It Right Initiative (GIRI) which aims to increase productivity significantly by reducing error and its associated consequences. One of our Operations Directors has specific responsibility for leading the Skills and Training workstream, which aims to develop innovative training courses in relation to error reduction through the management of interfaces during the design process and on site.



Site operations at Prince of Wales Drive, Battersea

ADDRESSING ENVIRONMENTAL AND SOCIAL IMPACT

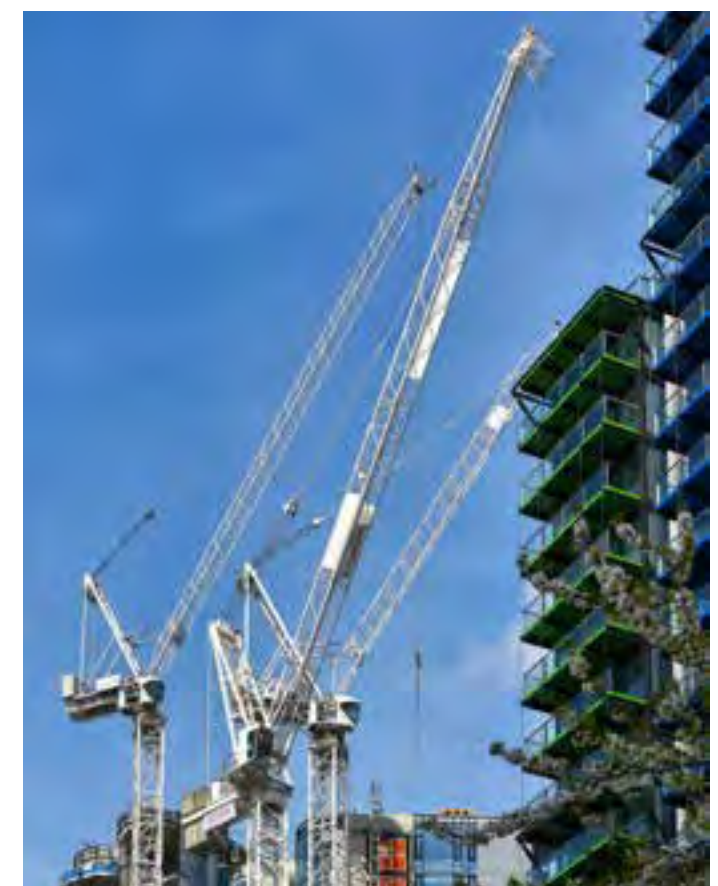
We endeavour to continuously manage and operate development sites with consideration of the environment, our workforce and the local community. This is to ensure that negative impacts associated with development works are minimised and that our activities have a positive effect.

SUSTAINABILITY MANAGEMENT

Our sites and offices are managed in a way that allows us to minimise environmental and social impacts wherever possible. Berkeley's Sustainability Management System (SMS) outlines our approach to a range of sustainability topics relating to our business activities and aims to ensure that all employees have a clear understanding of their responsibilities. Local teams are accountable for sustainability performance on a day-to-day basis and each autonomous business is supported by a dedicated sustainability professional who provides advice and guidance on managing risks, together with promoting good and best practice.

Our approach to sustainability is outlined to our supply chain within the Berkeley Group's Sustainability Standard: Sustainability Management on Construction Sites, which brings together the requirements of Berkeley's sustainability policies and management systems in one central point of reference. All operatives are provided with information on sustainability as part of their site induction and regular toolbox talks are used to reinforce understanding around key areas such as waste management and pollution prevention. As a partner of the Supply Chain Sustainability School, we have been an active participant of the Homes Leadership Group, including assisting in determining the direction and priority topics for supply chain resources.

In addition to providing support on an ongoing basis, the internal sustainability team complete formal assessments of compliance with legal requirements, planning conditions, internal procedures and industry good practice on each site. Between May 2016 and April 2018, sustainability assessments were undertaken at least every three months for 99% of sites. One project received sustainability assessments on a four-monthly basis.



Sustainability reviews have also been undertaken at each of our permanent offices between May 2016 and April 2018, to identify areas for improvement and to highlight and share best practice.

Berkeley uses an online data management system to capture and report key data, such as energy and water use, measuring progress against our targets in real-time and subsequently promoting local action to improve performance. Our reporting system and supporting processes are regularly reviewed to ensure they remain robust.

CARBON POSITIVE

We are delighted to have become the first carbon positive housebuilder in 2017/18 by decreasing our operational carbon emissions intensity by 22%* compared to a 2015/16 baseline and by offsetting more than our remaining emissions.

Since setting our commitment to become carbon positive in May 2016, we have prioritised increasing our understanding of energy consumption across our day-to-day activities. Our construction sites are the main contributor to our carbon emissions, so guidance has been issued on how to address out-of-hours consumption, together with minimum recommendations for site set up and operation.

Sites now complete a Carbon Management and Action Plan (CMAP) to detail key energy consuming activities and to identify efficiency measures implemented or under investigation.

Many sites have retrofitted more energy efficient measures or have included these from site start, as a result of the minimum recommendations, the CMAP, and increased sharing of best practice and lessons learnt. The use of energy from renewable sources has also been encouraged, either through the purchase of renewable energy tariff supplies or on-site generation such as the welfare facility solar photovoltaic panels at London Dock.

We are pleased that our efforts have led to a reduction in operational carbon emissions, but recognise that the continued and significant decrease of emissions through changes in behaviours, procedures and technology will be an ongoing process for a number of years. We are therefore committed to being carbon positive by supporting projects that offset our remaining emissions.

* This figure excludes Southall Waterside, where one-off soil remediation hospital and concrete batching plant activities occurred on site in the year. Including Southall Waterside, our operational emissions intensity was 5% lower in 2017/18 compared to 2015/16; an absolute reduction of 12%.



Photovoltaic panels on the roof of the site welfare facilities at London Dock, Wapping



Barbosa Ceramic Fuel Switching Project, Brazil



Darfur Low-Smoke Stoves, Sudan

CASE STUDY

BECOMING CARBON POSITIVE

In 2017/18, Berkeley became carbon positive by decreasing operational carbon emissions by 22%* compared to a 2015/16 baseline and by offsetting more than our remaining emissions.

To become carbon positive, Berkeley has purchased Deep Green Renewable Energy Guarantee of Origins (REGOS) from hydro, wind and solar photovoltaic projects based in the UK, and supported verified offsetting projects. These have been selected based on the projects aligning to Berkeley's business activities, key areas of focus under Our Vision and/or the Sustainable Development Goals (SDGs) which have been identified as the business having the most material ability to influence.

Offset projects supported in 2017/18 were:

- **Barbosa Ceramic Fuel Switching Project in Brazil;** focused on improving biodiversity through innovation in the ceramics industry in Brazil, along with local employee development. This project has been selected as it is industry related and aligns to Berkeley's own commitments under Our Vision on biodiversity, and employee wellbeing and training.
- **Madre de Dios REDD Project in Peru;** focused on the protection and enrichment of communities, flora and fauna in the Peruvian Amazon. This project has been selected as it aligns to Berkeley's own commitment under Our Vision to ensure there is a net biodiversity gain on the developments we create and has a focus on SDG 15: Life on Land.
- **Darfur Low-Smoke Stoves in Sudan;** focused on reducing indoor air pollution and empowering women and low-income households through low-smoke cook stoves. This project has been selected as it aligns to Berkeley's own commitment under Our Vision to contribute to the wellbeing of our customers through safe and healthy homes, and has a focus on SDG 3: Good Health and Wellbeing.
- **Wind Power Generation in India;** focused on improving renewable energy supplies in India. This project has been selected as it has a focus on SDG 7: Affordable and Clean Energy.

Learn more about our carbon positive approach for 2017/18 at:

www.berkeleygroup.co.uk/about-us/sustainability/reports-and-case-studies



CASE STUDY

HARD HAT RECYCLING

With no UK recycling scheme previously available for hard hats, Berkeley has partnered with Yes Recycling to introduce specialist machinery to process the hard plastic into pellets. These pellets are planned to be used in the future manufacture of new hard hats, leading to a circular economy approach.

As hard hats are required to be replaced on a regular basis for health and safety reasons, this is a key waste stream to address, with one Berkeley site alone having collected 150 hard hats to be recycled in a three month period.

We are delighted that this innovative partnership has been recognised as Best Practice by the Considerate Constructors Scheme (CCS) and has been shared with others in our industry to enable their take-up of the initiative.

WASTE REDUCTION AND RECOVERY

The UK construction industry produces significant volumes of waste and we recognise that Berkeley's activities contribute to this. In November 2016, an internal waste campaign was held to raise awareness of the quantity produced and to encourage practices that lead to reductions. During the campaign, we launched our new internal Material Exchange Board, which allows all sites, offices and sales and marketing suites across Berkeley to share excess materials. The online platform is designed to be easy to use and accessible to all employees; through the Material Exchange Board we are able to reuse anything from crushed concrete and soils from our sites, to furniture from our offices and show homes. The ultimate aim is to reduce waste disposal costs, material procurement costs and environmental impacts.

In 2017/18, 111,000 tonnes of construction waste was produced, of which 95% was reused or recycled. These results are testament to initiatives implemented by our project teams.

For example, each Berkeley Eastern Counties site was tasked with approaching strategic partners for the donation of spare materials. A wide range of materials, from spare doors and timber, to toilets and basins, have since been donated by the sites to Kent Wildlife Trust and Sevenoaks Scout Group amongst others.

We are aware that, like other businesses, Berkeley needs to take action to address plastic waste. In the last year, the St George team at Beaufort Park has worked with contractors to eliminate the use of plastic wrapping around materials that are to be stored internally. At Berkeley East Thames, the use of a take-back scheme to recycle key protective materials has been encouraged through collaboration with contractors and their suppliers.

Through our new commitment on waste and plastics, we will look to increasingly work with our supply chain to support ideas that evolve our design, development and management processes to reduce waste and improve the recovery of key materials, particularly plastics.

RESOURCE EFFICIENCY

Following the reported increase of water consumption in the previous commitment period (May 2014 to April 2016), we have taken action to reverse this trend over the last two years. Many of our operating companies have implemented measures to reduce site water use, including the installation of more efficient site cabins with low flow and sensor-activated taps, dual flush toilets and rainwater harvesting. We are pleased that our efforts have led to a 5%** reduction in site water consumption per person in 2017/18 compared to a 2015/16 baseline. We will continue to raise awareness and to implement measures to become more efficient in the use of water.

To reduce print wastage and ensure efficient print settings as standard, we have been rolling out a print release system since autumn 2017. Computer equipment linked to screens has also been installed in many meeting rooms and tablets provided to minimise the need for printed meeting packs. These measures, along with awareness raising and reviews of our printing practices over the last two years, has led to a reduction in office paper purchases per person of 45% in 2017/18 compared to 2015/16.

** This figure excludes Southall Waterside, where one-off soil remediation hospital and concrete batching plant activities occurred on-site in the year. Including Southall Waterside, our site water consumption per person was 1% lower in 2017/18 compared to 2015/16.



Considerate Constructors Scheme event at Woodberry Down, Finsbury Park

SUSTAINABLE PROCUREMENT

We define sustainable specification and procurement to be the responsible selection and sourcing of products and services, taking into account environmental, social, economic and ethical aspects over the whole life cycle. We recognise that we have the potential to have a negative sustainability impact through the use of a vast number of products and services from a global marketplace. Through careful consideration and management of our supply chain, we seek to reduce any negative impacts and have a positive impact where possible.

We have identified 15 key materials for the business and, over the last two years, have been working to develop guidance and information for the business on how to specify and procure sustainable options for these.

In July 2017, we updated our Sustainable Specification and Procurement Policy to ensure that it encompasses both the sourcing and procurement of our materials. Between May 2016 and April 2018, 99% of projects applied a sustainable specification and procurement strategy in line with this policy. Insufficient evidence was provided by one project to confirm achievement of this commitment.

Ensuring that we prevent deforestation by only using timber from sustainably managed forests has been a key focus area for Berkeley and we have been working to ensure that we have the right procedures, processes and guidance in place to meet our requirement for all timber to be certified to either the Forest Stewardship Council (FSC) or Programme for Endorsement of Forest Certification (PEFC) schemes. We have a timber working group which meets to improve understanding, produce guidance (for example, at risk species and delivery note guides) and undertake specialist timber audits to review performance and progress. In March 2018, we held an internal campaign to coincide with the International Day of Forests to raise awareness and highlight our commitment to procuring certified timber.

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. Between May 2016 and April 2018, 98% of our sites demonstrated that timber delivered was certified.

CONSIDERATE CONSTRUCTORS SCHEME (CCS)

In addition to our internal sustainability and health and safety assessments, we register each of our sites to the Considerate Constructors Scheme (CCS) to gauge our performance against the Code of Considerate Practice through regular assessments by independent monitors. 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.

Between May 2016 and April 2018, 86% of sites registered to the CCS and achieved scores above our target of 38/50 for all audits. Four projects achieved a score less than our target, with these since having improved to scores exceeding this. Seven sites were deemed not to have registered for the full duration of works. We will continue to work with our project teams to ensure our registration requirements are followed in all instances.

We are pleased that Berkeley's average score under the CCS has increased once again in 2017/18, reaching 43/50 and demonstrating performance beyond the industry average of 36/50. Berkeley's efforts continue to be recognised at the CCS National Site Awards; 60% (33) of our sites received awards in April 2018, significantly above the national average of 11% of eligible sites being presented with awards.

CASE STUDY

REDUCING CONSTRUCTION TRAFFIC MOVEMENTS AND INCREASING ROAD SAFETY AWARENESS

Our Southall Waterside regeneration project has responded to the challenge of limiting vehicle movements in the local residential area by building a temporary soil remediation hospital and concrete batching plant on site.

In the region of 70,000 lorry movements are estimated to be eliminated due to the soil remediation hospital alone. Soils are being processed over a two year period to make them suitable for reuse, meaning that soils do not have to be transported off and then back onto the site.

The canal adjacent to Southall Waterside is also being used to reduce road traffic; raw materials are being imported via the canal to the on-site concrete batching plant, diverting approximately 25 vehicle movements a day during peak capacity.

These solutions have multiple benefits, including reduced emissions to air and congestion on local roads.

Acknowledging that construction traffic remains, the Berkeley team partnered with FM Conway,

a contractor on the Southall Waterside site, to raise road safety awareness at the three local primary schools. Over a three day period, the team engaged with over 800 young children to highlight construction traffic road safety. In order to identify risks in an engaging manner and in a realistic environment, a heavy goods vehicle (HGV) was used to point out key dangers such as blind spots.



Raw material delivery via the canal at Southall Waterside

WHAT'S NEXT? 2018-2020 NEW COMMITMENTS

On 1 May 2018, we launched two new ambitious commitments to deliver by April 2020.

OFF-SITE MANUFACTURE

Deliver the Berkeley Modular facility and ensure that 30% of construction value is delivered through off-site assembly by 2020.

Off-site manufacture brings a number of potential benefits including improved quality, reduced build time on site and minimised environmental impacts.

In January 2018, Berkeley Modular obtained planning permission for a manufacturing facility in Kent. It will produce modules complete with plumbing, electrics and internal finishing, including flooring and fittings, that can be configured to form new homes. At the same time, the availability of off-site components is continually increasing with more products coming to market.

Through this commitment we will be delivering the Berkeley Modular facility and developing an approach considering both volumetric off-site manufacture and the use of off-site components within the homes of all new projects.

WASTE AND PLASTICS

Work with our supply chain to develop a zero waste strategy, focusing on key wastes including plastics.

The construction industry continues to be the UK's largest user of natural resources and produces vast amounts of waste. The need to drastically reduce the amount of plastic waste in particular has become a topical issue.

Through this commitment we seek to better understand the waste streams produced across our activities, with a particular focus on the type, recyclability and management of plastic wastes.

Working with our supply chain, we will seek opportunities to improve, and will take action to address key issue areas through design, procurement and behavioural change. In addition, we will aim to eliminate avoidable plastic waste across our offices and sites.



Construction works at Taplow Riverside

SUPPORTING THE UN'S SUSTAINABLE DEVELOPMENT GOALS



OTHER AREAS OF FOCUS

In addition to the two headline commitments, we have specific targets to:

- Reduce carbon emissions and evolve our carbon positive programme
- Use and provide feedback from our Tender Scoring Matrix
- Reduce water use
- Use paper efficiently and source it sustainably
- Source materials responsibly, including certified timber
- Undertake office sustainability reviews and site sustainability assessments
- Sign up to the Considerate Constructors Scheme
- Enhance procedures for build quality and quality assurance



OUR PEOPLE

DEVELOP HIGHLY
SKILLED TEAMS THAT
WORK TOGETHER IN
A SAFE, HEALTHY
AND SUPPORTIVE
ENVIRONMENT AND
CONTRIBUTE TO
WIDER SOCIETY



Employees and contractors at Chiswick Gate



OUR PEOPLE

2016-2018 HIGHLIGHTS

DIAMOND AWARD 2018
PAYROLL GIVING

Awarded by



PAYROLL GIVING
DIAMOND AWARD
2018 ACHIEVED

100%

DIRECT EMPLOYEES
PAID THE LIVING
WAGE FOUNDATION'S
LIVING WAGE

1.42

ACCIDENT INCIDENT
RATE IN 2017/18

41%

REDUCTION COMPARED
TO 2015/16

0.06

ACCIDENT FREQUENCY
RATE IN 2017/18

45%

REDUCTION COMPARED
TO 2015/16

AN AVERAGE OF
30,000

JOBS SUPPORTED
ANNUALLY DIRECTLY AND
THROUGH BERKELEY'S
SUPPLY CHAIN

OVER
£13 Million

COMMITTED SINCE 2011
VIA THE BERKELEY
FOUNDATION TO SUPPORT
YOUNG PEOPLE, THEIR
FAMILIES AND
COMMUNITIES



Third Sector Business
Charity Awards 2017
Corporate Foundation Award
Berkeley Foundation



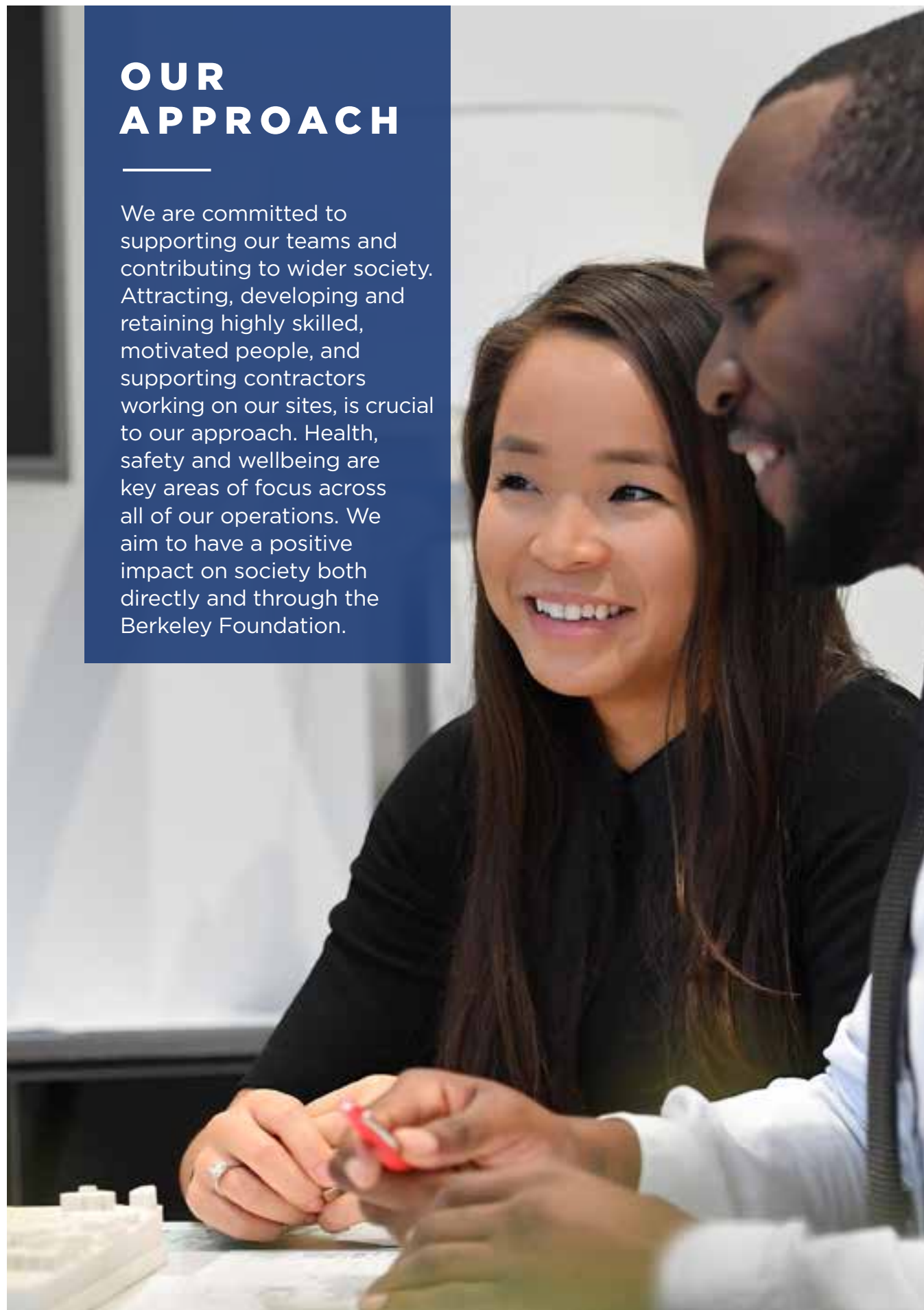
RoSPA Health and
Safety Awards 2017
Sir George Earle Trophy
Berkeley East Thames



NHBC Health and
Safety Awards 2016
National Best Site Awards
Highwood (Large Builder)
Vista (Multi-Storey Builder)

OUR APPROACH

We are committed to supporting our teams and contributing to wider society. Attracting, developing and retaining highly skilled, motivated people, and supporting contractors working on our sites, is crucial to our approach. Health, safety and wellbeing are key areas of focus across all of our operations. We aim to have a positive impact on society both directly and through the Berkeley Foundation.



2016-2018 PERFORMANCE

Performance against our 2016-2018 commitments is as follows:



HEALTHY WORKPLACES

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



TRAINING AND DEVELOPMENT

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



LIVING WAGE

Pay at least the Living Wage Foundation's Living Wage to all direct employees.



INDIVIDUAL TRAINING ASSESSMENTS

Provide all direct employees with an individual training assessment and allocate training based on their job role/function.



HEALTH AND SAFETY ASSESSMENTS

Use targeted high risk criteria for one of the Group health and safety assessments, two of which occur each quarter.



DIRECTOR HEALTH AND SAFETY VISITS

Ensure Directors undertake weekly H&S visits to all live projects under construction.



GROUP HEALTH AND SAFETY STANDARDS

Annually review the Group Health and Safety Standards and implement these locally.



HEALTH AND SAFETY PERFORMANCE

Continue to aspire to operate incident and injury free and target an AIR of 3.00 and an AFR of 0.14.



BERKELEY FOUNDATION

Encourage and support every member of staff in contributing every year to the Berkeley Foundation.

OUR STRUCTURE, CULTURE AND VALUES

A devolved business structure is at the heart of our strategy, and our recognised brands and autonomous operational teams carefully manage each individual business and scheme to ensure that an entrepreneurial spirit continues. Everything that we do is underpinned by our 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. The autonomous nature of our business enables our operating companies to operate and maintain an SME (Small Medium Enterprise) culture.

Each of the brands and companies which operate within them 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 members of the Berkeley Group:

Berkeley
Designed for life

St Edward
Designed for life

St George
Designed for life

St James
Designed for life

St Joseph
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 people who reflect these values. This culture informs how we work, the way we lead the business, and what we deliver to our customers.

ATTRACTING, DEVELOPING AND RETAINING TALENT

The UK built environment is facing a skills shortage as more people are leaving the industry than joining it; this presents a significant risk to our industry. To ensure that we attract, develop and retain talented teams at every level, we promote diversity and inclusion, foster future talent, pay all employees the Living Wage Foundation's Living Wage and run talent management programmes. We also look to support training and apprenticeships within the wider workforce.

ATTRACTING AND FOSTERING FUTURE TALENT

In September 2015, we relaunched our Graduate Scheme to help address the skills shortage in the built environment industry, and are delighted to be recognised as one of the top 100 graduate employers by TheJobCrowd. Our successful Graduate Scheme brought 23 young people into the business in autumn 2016, and a further 26 in autumn 2017. The scheme includes a thorough induction followed by a period of rotation across our departments and an opportunity to pursue professional accreditation.

Our industrial placements allow undergraduates to gain essential experience as part of their studies, and provides them with an opportunity to secure a graduate role with Berkeley before they complete their final year at university. We are also focusing on increasing the number of directly employed apprentices in a range of specialisms, including construction management, surveying, project management and business administration.

Our Customer Service and Sales Academies further enable us to attract and foster talent by bringing in talented individuals from other industries. Each academy provides participants with an extensive mix of theory based training and on-site practical learning to ensure that the necessary knowledge and skills are developed to thrive at Berkeley.

Over the next two years, we will be focusing on improving the industry's image by engaging with young people, education providers and employers to transform perceptions of careers in the built environment.

TALENT MANAGEMENT

Our talented employees are our strongest resource; it is vital that we provide the right opportunities within the business to enable people to grow and flourish. A real strength has been identified in the opportunities available for progression and the focus to promote from within the business.

In May 2014, we set a commitment to launch a talent management programme to recognise employees' performance and potential, and to provide support and further development. As a result, a range of talent management programmes have been introduced across all of our operating companies. In May 2016, we committed to developing this further by investing in training and development programmes, to realise the potential of our people across all areas of the business.

As a minimum, everyone should have a thorough induction to the company and training in core areas, including health and safety and sustainability. This should be followed by a training assessment and annual personal development review. Between May 2016 and April 2018 all of our operating companies met this requirement. All employees, but particularly those in the early years of their career, are encouraged to pursue professional accreditation to bodies such as the Royal Institution of Chartered Surveyors (RICS). This is then supplemented by more detailed local programmes, ranging from informal lunch and learns to leadership courses.

Our operating companies have developed approaches tailored to suit their businesses and staff. For example, within Berkeley St Edward, a range of programmes are in place, focusing on developing all levels of staff, from junior employees through to senior managers.



CASE STUDY

PERSONAL CAREER DEVELOPMENT AT ST GEORGE

In spring 2017, St George launched a new career development programme to provide further structure around job descriptions and progression to ensure that staff have the tools they need to deliver in their roles and to pursue their development goals.

Every individual has a discussion with their manager to agree clear, motivating goals and to identify support that will help them perform and grow.

To support employees further, a 'Personal Career Development at St George' booklet has been created. This provides a basic foundation of guidance and support to assist employees in driving their own development. It can be used by anyone at any time, and prompts employees to learn more about their working style and to set development goals.

Feedback from the programme has been positive; staff said their discussion with their manager was valuable and a positive experience. The new career development programme is now an annual process that supports St George's training and development offering and succession planning, with managers providing ongoing feedback and additional coaching throughout the year.

LIVING WAGE

In May 2014, we made a commitment to pay all of our direct employees the Living Wage Foundation's Living Wage. Since then, all of our direct employees have been paid at least this rate of pay, going beyond Government's mandatory national living wage which was introduced in April 2016 and is updated each year. The Living Wage Foundation's rate of pay is higher because it is independently calculated based on what people need to get by. We encourage our contractors to pay the Living Wage Foundation's Living Wage also.

DIVERSITY AND INCLUSION

We have in the region of 2,700 direct employees working in a range of roles across over 60 live construction sites and 24 permanent offices. We understand the benefits a diverse workforce can bring and recognise that the industry as a whole faces under-representation of women as well as those from a broad range of backgrounds. Our Equality and Diversity Policy Statement sets out our goal of ensuring that all employees, potential employees, and other individuals receive equal treatment.

As at 30 April 2018, 38% of our direct employees are women, as are a quarter of our Board of Directors and one third of senior management. The median pay gap for the Berkeley Group is 37.9% and, like much of our industry, this is primarily driven by the shape of our workforce, with a lower proportion of women in senior, higher paid roles. We published our Gender Pay Gap Report in March 2018; further information can be found on our website. We are already taking steps to increase the proportion of women overall and at senior levels in the business.

Diversity and inclusion is broad and we recognise that there is more we can do; over the next two years we will be implementing a programme to create an inclusive environment where employees can reach their full potential, irrespective of their identity or background.

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. Where appropriate, staff also receive targeted bespoke training on key topics such as working at height and pollution prevention.



	FEMALE	MALE	TOTAL
Total Employees	1,017	1,672	2,689
Reporting to Senior Management	41	183	224
Senior Management	2	4	6
Board of Directors	4	12	16

At 30 April 2018

We aim to support the supply chain in providing employment and training. In May 2016, we made a commitment to ensure at least 1,500 people across our direct and indirect workforce undertake an apprenticeship or vocational training. We are pleased to have achieved this commitment (see page 73) and will continue to take action in this area.

On a broader level, we continue to take action to ensure that the business and our supply chain are free of slavery in line with the Modern Slavery Act. We strengthened our due diligence processes by improving procurement requests and have increased awareness through training and posters on site. Our Modern Slavery Statement, available on our website, provides more detail.



REACH apprentice

HEALTH, SAFETY AND WELLBEING

The health, safety and wellbeing of our people and contractors is paramount. Working with our supply chain we aim to achieve industry-leading performance, demonstrate clear and unequivocal leadership to others in the construction sector, and never knowingly compromise on health, safety and wellbeing.

HEALTH AND SAFETY

We are Proud to be Safe and aim to demonstrate this through our culture and behaviour; we are committed to operating incident and injury free and aspire to have a positive health impact on all those employed and affected by what we do. Over the last 10 years we have worked hard to ensure that our people, contractors, suppliers and partners share this commitment. Showing effective leadership is critical, as is empowering our workforce to take responsibility for their own safety as well as the safety of others.

Proud to be Safe

Our Group Health and Safety Strategy and Standards set clear direction across all of our business and supply chain. These are reviewed annually and are implemented locally by all of our operating companies. There is an emphasis on strong leadership and continual improvement, together with a focus on high risk operations.

Through our 'Good Order', 'Good Work', and '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.



We measure and monitor performance continually, and where necessary, review arrangements to ensure that the required standards are met. We recognise that strong leadership is fundamental to delivering successful health, safety and wellbeing management and industry-leading performance. Autonomy and ownership, coupled with adequate finances and resources, are also key. Between May 2016 and April 2018, all 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.

THE GROUP HEALTH AND SAFETY STRATEGY OUTLINES EIGHT STRATEGIC OBJECTIVES



CASE STUDY

COLLABORATING TO IMPROVE HEALTH AND SAFETY STANDARDS

Over the past two years we have been leading on the production of new health and safety guidance on the planning, design and construction of tall buildings as part of the Health and Safety Executive's Construction Industry Advisory Network (HSE's CONIAN).

We also funded thought leadership research by Glasgow Caledonian University focusing on the effectiveness of the worker engagement model.

Site entrance at Royal Arsenal Riverside, Woolwich

SAFETY PERFORMANCE

We aim to achieve industry-leading performance and have seen a year-on-year decrease in our Accident Incident Rate (AIR) for five years; in 2017/18 this was 1.42 (compared to the Health and Safety Executive's industry average of 3.97), down from 1.83 in 2016/17. This means that during 2017/18, there were fewer than 1.5 incidents for every 1,000 people working on our sites and in our offices. In the same period our Accident Frequency Rate (AFR) was 0.06, down from 0.08 in the previous year.

Our commitment to health and safety is regularly recognised externally. In July 2017, Berkeley East Thames won the Sir George Earle Trophy, an international award from the Royal Society for the Prevention of Accidents (RoSPA) for premier performance in occupational health and safety; the first time this prestigious award has been won by a housebuilder. We were also delighted that Berkeley East Thames won a Sector Award at the RoSPA Health and Safety Awards 2018.

HEALTHY WORKPLACES

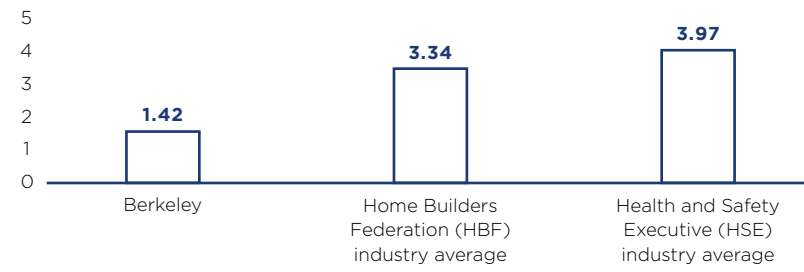
As an employer, we recognise that we have the potential to significantly influence the wellbeing of our employees. In May 2016, we committed to launching and implementing a new programme to promote the wellbeing of our staff and create healthy workplaces.

Through our commitment, we seek to improve the quality of life of our employees, staff satisfaction and productivity. A checklist has been developed to provide an approach based on recognised frameworks, such as the Mayor of London's Healthy Workplace Charter and the WELL Building Standard. We have also utilised our links with Bupa to set out a framework which our operating companies can adopt to encourage employees to monitor and manage their individual health.

Health and wellbeing programmes are now in operation across all of our autonomous businesses and include a variety of initiatives such as health assessments, exercise classes, encouragement of healthy eating and sessions on managing stress and personal finances. Many of our operating companies run health and wellbeing weeks to raise awareness further, such as Berkeley Oxford and Chiltern's programme of activities to boost health and mental wellbeing in November 2017.

Accident Incident Rate

Number of RIDDOR reportable injuries per 1,000 people



CASE STUDY

'YOUR ROAD TO HEALTH AND WELLBEING' PROGRAMME AT BERKELEY EASTERN COUNTIES

To support health and wellbeing at Berkeley Eastern Counties, a new programme, called Your Road to Health and Wellbeing, was launched in summer 2017.

The programme, which has been well received, features nine initiatives that include an online platform offering discounts and rewards, Bupa health assessments and financial advice workshops.

A communications campaign was developed to engage and raise awareness around the programme; this included the creation of a flyer, email campaign and series of posters with current staff and new starters in mind.



THE BERKELEY FOUNDATION

The Berkeley Foundation is a registered charity launched by Berkeley in 2011 to support young people, their families and communities in London, Birmingham and the south of England. Its work has four themes: homes, jobs, skills and care.

Now in its eighth year, the Foundation works in close partnership with other voluntary sector organisations, providing funding, volunteering, and capacity building support. The Foundation builds long-term, impactful partnerships with the voluntary sector on three levels:

- **Strategic Partnerships:** Seven long-term partnerships, including Crisis, Imperial College London, The Lord's Taverners, MyBnk, The Change Foundation, Mayor's Fund for London and The Prince's Trust.
- **Designated Charities:** We work with 18 charities chosen by the employees in our operating companies which are local to their offices and developments.
- **Community Investment Fund:** We have targeted funding programmes focused on specific issues, such as improving young people's mental health.

Since its inception, the Berkeley Foundation has committed more than

£13 million to support young people, their families and communities. Its work has reached more than 16,500 people, helping them to move out of homelessness, build their skills, move into work or access new opportunities.

The Foundation is a vital part of life at Berkeley, marrying the Berkeley Group's ambition to build strong communities with a clear sense of social purpose. Berkeley provides the core funding for the Foundation, which covers its overheads and the cost of specific fundraising events. All financial contributions are matched by Berkeley, pound for pound. This support means that every penny raised for the Foundation is spent on charitable activities.

We encourage all employees to do something every year for the Foundation. We are proud that Berkeley employees continue to support the Foundation, with 60% of people getting involved in 2017/18.

Give As You Earn rates are high at 33%. We are delighted that, for the past four years, we have received a Payroll Giving Platinum Award from the Charities Aid Foundation in recognition of the contributions made by our employees through the Give As You Earn scheme. This year, we were one of just 27 companies to receive the new Diamond Award.

The Berkeley Foundation has been recognised for its commitment to society through a number of awards. Most notably, the Foundation was named Best Corporate Foundation at the 2017 Business Charity Awards. It also received the Commitment to the Community award at the 2016 Better Society Awards and the Street Elite programme, delivered in partnership with The Change Foundation, won the Sport for Employability and Enterprise category at 2016 Beyond Sport Awards.

Learn more about the Berkeley Foundation at:

www.berkeleyfoundation.org.uk



CASE STUDY

STREET ELITE

Street Elite is a sport for development programme delivered by The Change Foundation in partnership with the Berkeley Foundation. It provides coaching and mentoring for young people, helping them to re-engage with employment, education or training over a period of nine months.

Street Elite works with two groups of young people: the Intervention programme targets those who are unemployed, aged 18-24 years and on the edge of gangs and crime, while the Academy programme works with a younger cohort of 14-17 year-olds at risk of falling out of the education system.

In 2016/17, 8 young people took part in the programme. Out of the 40 unemployed young men and women in the Intervention programme, 33 went into employment or education: an 83% success rate. Within the Academy, 56 out of 68 young girls and boys aged 14-17 completed the programme.

The Berkeley Group offers a two week work placement to every young person who completes Street Elite, and 13 Street Elite graduates are currently employed by Berkeley.



Street Elite graduates with ambassador Angellica Bell



CASE STUDY

CREATIVITY WORKS

Creativity Works, the Berkeley Foundation's partnership with the Mayor's Fund for London, empowers young Londoners from disadvantaged backgrounds to acquire new skills and get closer to the employment market.

The creative sector is one of London's biggest growth areas, but also one of the most difficult to achieve employment in without significant experience and skills.

Creativity Works helps to break down these barriers by offering young people the soft skills, technical know-how, experience and networks to enable them to access these

opportunities. Delivered in partnership with A New Direction and Media Trust, the programme has achieved great success in its first three years, with almost 300 unemployed young people moving successfully into employment, education or training.

Young people engage in the programme for 12 weeks, during which time they work on a creative project, attend masterclasses with industry professionals, take part in work experience and build their CVs. Many of the young people are matched with volunteer mentors from Berkeley.

In 2017/18, 153 young people have taken part in a range of exciting projects, including photographing London Fashion Week alongside professional photographers from the British Fashion Council, and developing a campaign to encourage young people to vote.

The Berkeley Foundation has renewed its support for Creativity Works for a further year, ensuring that even more young Londoners will have the opportunity to access the programme.



Creativity Works Multimedia Genius Training graduation

WHAT'S NEXT? 2018-2020 NEW COMMITMENTS

On 1 May 2018, we launched two new ambitious commitments to deliver by April 2020.

INDUSTRY IMAGE

Engage with young people, education providers and employers to transform perceptions of careers in the built environment.

The UK built environment is facing a skills shortage as more people are leaving the industry than joining it; this forms a genuine threat to future levels of production.

Through this commitment we seek to encourage young, talented people into the industry by showing the breadth of viable, attractive career opportunities that exist. To help achieve this, we will undertake a range of activities including ensuring that existing material for the industry includes clear pathways for progression and by developing a programme for school and further education engagement. We will encourage our employees, across all roles and levels, to act as role models and mentors for the industry.



Demonstration to local school pupils at the Kidbrooke Construction Skills Centre

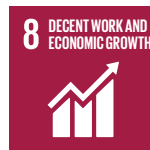
DIVERSITY AND INCLUSION

Implement a programme to create an inclusive environment where employees can reach their full potential, irrespective of their identity or background.

The industry is known for its lack of diversity and we believe there are real benefits in ensuring diverse views, skills and perspectives which can lead to creative thinking and more effective problem solving.

Through this commitment we seek to attract and retain a diverse workforce. To help us achieve this, we will develop guiding principles for diversity and inclusion, to be applied by each of our autonomous companies. This will be supplemented by a range of additional activities, which could include a wider review of our policies, processes and procedures to ensure that we create an inclusive environment.

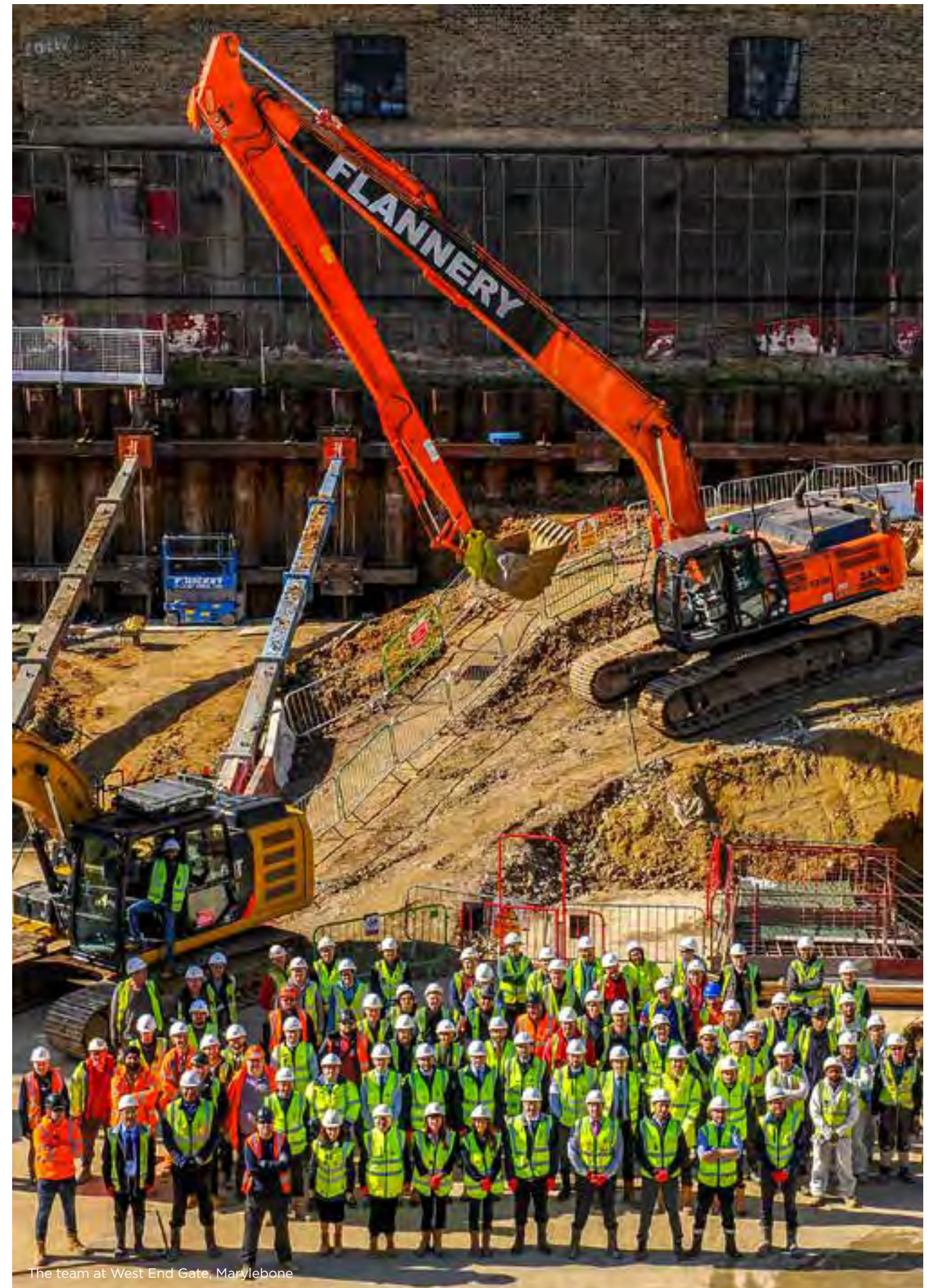
SUPPORTING THE UN'S SUSTAINABLE DEVELOPMENT GOALS



OTHER AREAS OF FOCUS

In addition to the two headline commitments, we have specific targets to:

- Develop and implement a strategy for mental health
- Maintain programmes for healthy workplaces
- Ensure that each employee has opportunities for learning and development
- Promote early stage careers
- Promote apprenticeships and training to our supply chain
- Raise awareness of modern slavery
- Pay the Living Wage Foundation's Living Wage
- Undertake Director health and safety visits
- Reduce health and safety incident rates
- Support the Berkeley Foundation



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