Our
vision

2017

OUR VISION

Our vision for the future

OUR VISION

BERKELEY ASPIRES TO BE A MODERN, WORLD-CLASS BUSINESS. THROUGH THE FRAMEWORK OF OUR VISION WE ARTICULATE OUR STRATEGY ACROSS OUR FIVE AREAS OF STRATEGIC FOCUS: CUSTOMERS; HOMES; PLACES; OPERATIONS; AND OUR PEOPLE.

By focusing on these areas, we ensure that we continue to provide customers with an exceptional service, whilst delivering high quality homes and places where communities can thrive. We also recognise that the skills, knowledge and dedication of our people, alongside the efficient management of our operations, are fundamental to the ongoing success of our business.

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

WE CONTINUALLY REVIEW AND DEVELOP OUR STRATEGY TO ADDRESS THE KEY CHALLENGES AND OPPORTUNITIES FACING BERKELEY, OUR INDUSTRY AND OTHER BUSINESS SECTORS.

This report provides an overview of the Our Vision strategy and summarises performance during the period 1 May 2016 to 30 April 2017. It is an extract from the Berkeley Group Holdings Plc 2017 Annual Report. The full report can be found at www.berkeleygroup.co.uk/investor-information/latest-annual-report.

EMBEDDING COMMITMENTS INTO OUR BUSINESS

HEADLINE COMMITMENTS

New commitments launched every two years to ensure Berkeley continues to aspire to be a leading and world-class business

LEADING COMMITMENTS

Existing commitments that were previously headline commitments and are still considered leading, either within the industry or across wider business sectors

BUSINESS-AS-USUAL COMMITMENTS

Commitments that are no longer considered leading but that continue to push the company to ensure it is consistently a top performer within the industry or across wider business sectors

NORMAL PRACTICE

Actions that are fully integrated as part of business activities and that do not necessarily set Berkeley apart from others within the industry or across wider business sectors

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

OUR VISION

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

FIVE FOCUS AREAS

Provide exceptional service to all of our customers and put them at the heart of our decisions.

Develop individually designed, high quality homes with low environmental impact.

Create great places where residents enjoy a good quality of life, now and in the future.

Make the right long-term decisions whilst running the business efficiently and working with our supply chain.

Develop a highly skilled workforce who run autonomous businesses, operate in a safe and supportive working environment and contribute to wider society.

OUR CULTURE AND VALUES

HAVE INTEGRITY	BE PASSIONATE	RESPECT PEOPLE	THINK CREATIVELY	EXCELLENCE THROUGH DETAIL

CHAIRMAN'S STATEMENT

"BERKELEY HAS BUILT 19,000 NEW HOMES IN THE LAST FIVE YEARS AND OUR CONTRIBUTION TO HOUSEBUILDING, JOB CREATION AND THE WIDER ECONOMY REMAINS STRONG."

Berkeley's unique operating model is focused on developing complex sites, which others are not willing or able to take on, creating fantastic, sustainable places with homes built to a high quality in which our customers want to live and with which planning authorities are proud to be associated. This is what differentiates Berkeley.

Berkeley has built 19,000 new homes in the last five years and our contribution to housebuilding, job creation and the wider economy remains strong. In London this year, we have again built 10% of all new homes, including 10% of new Affordable Housing, and our contributions to Affordable Housing and wider community and infrastructure benefits exceeded £0.5 billion. Over the five previous years to 30 April 2016, Berkeley has contributed a total of £2.3 billion to the Treasury through direct and wider taxation and we currently support 13,000 jobs across our business. Meanwhile, since its inception in 2011, the Berkeley Foundation has committed £11.2 million to more than 100 charities, of which over £3 million has been raised by Berkeley's staff.

Last year, Berkeley made a series of strategic commitments designed to create value for our business, for our shareholders and for society, as part of a ten year plan for the company. We have had more than 650 apprentices on our sites and in our teams over the last year, a figure that has nearly doubled in the last 12 months. With an ageing construction workforce, a substantial amount of which in London comes from Europe, introducing the next generation to the sector is a top priority for our industry, working in partnership with Government and Further Education colleges. Our Net Promoter Score, which measures customer service, is in the top quartile, sitting alongside the UK's leading retail brands. Our safety record is the best in our history and people's life satisfaction on estates like Kidbrooke Village, which ten years ago were beset by crime and inequality, is now more than 20% higher than the UK average, thanks to the regeneration led by Berkeley in partnership with the local authority.

We have a deep understanding of our market and real clarity about the fundamental hallmarks of our business: quality, community and a long-term focus on value creation. This is possible because of the hard work and expertise of our people to whom I am ever grateful for their outstanding contribution to this business. It is greatly appreciated.

Tony Pidgley CBE
Chairman

£0.5BN
AFFORDABLE HOUSING AND WIDER CONTRIBUTIONS

- Berkeley has contributed in excess of £0.5 billion in Affordable Housing subsidies and wider community and infrastructure benefits in the year.

Chelsea Creek

BERKELEY'S CONTRIBUTION TO HOUSEBUILDING, JOB CREATION AND THE WIDER ECONOMY REMAINS STRONG.

£2.6BN
CONTRIBUTION TO ECONOMY

- Berkeley's contribution to UK GDP was £2.6 billion in 2016, up 20% from 2015 and the 8th consecutive year of growth.

19,000
HOMES BUILT

- Berkeley has built a total of 19,000 homes over the last five years.

30,000
JOBS SUPPORTED

- Berkeley supported through its business and supply chain a total of 30,000 jobs in 2016. Berkeley supports more than five jobs for every new home built.
- The total number of jobs supported by Berkeley has more than doubled over the last five years (up 190%), compared with a 10% growth in employment in London and the South East over the same period.

£2.3BN
CONTRIBUTED TO THE TREASURY

- Berkeley has contributed a total of £2.3 billion to the Treasury over the last five years, through direct and wider taxation.
- Berkeley contributes to the UK public finances both through the taxes it pays directly and the taxes paid by its suppliers and customers. In 2016, the total tax paid was £642 million, an increase of 227% from 2012.

£11.2M
COMMITTED TO OVER 100 CHARITIES

- £11.2 million has been committed by the Berkeley Foundation to over 100 charities since 2011.

Data for five years to 30 April 2016, unless otherwise stated.

Berkeley Group

Proud to be a member of the Berkeley Group of Companies

Berkeley Designed for life

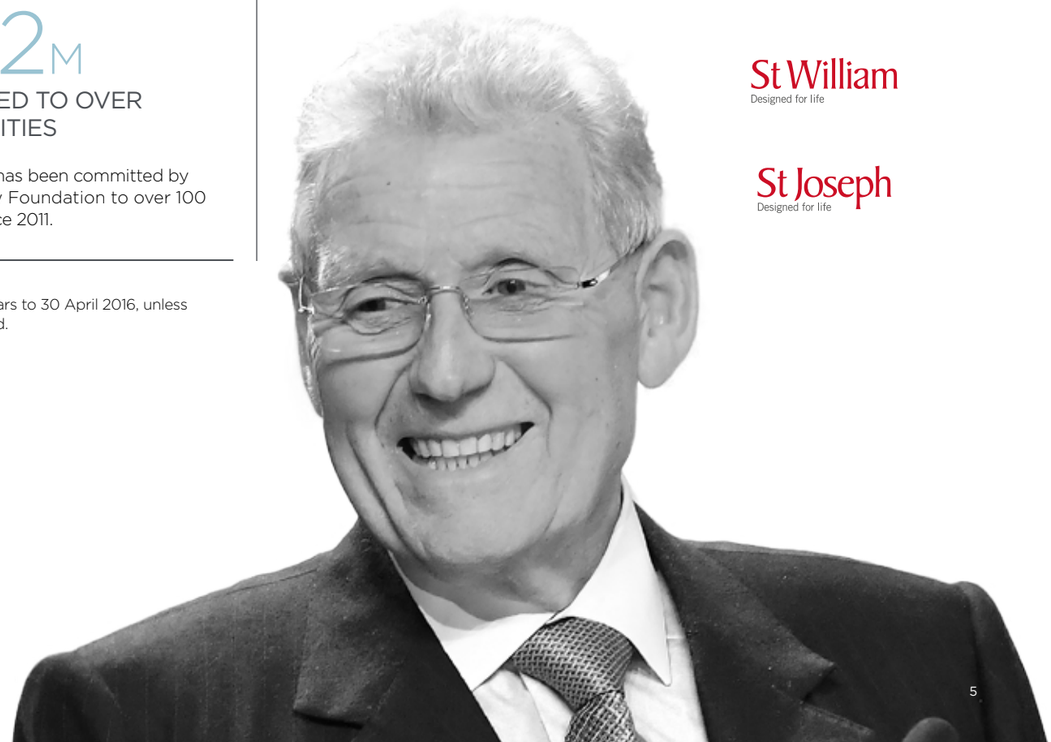
St George Designed for life

St James Designed for life

St Edward Designed for life

St William Designed for life

St Joseph Designed for life



CHIEF EXECUTIVE'S STATEMENT

"OVER THE PAST FIVE YEARS WE HAVE DELIVERED SOME 19,000 HOMES, EACH ONE WITH A FOCUS ON INDIVIDUAL DESIGN AND QUALITY."

CUSTOMERS

Berkeley seeks to provide exceptional service to all of our customers, placing them at the heart of our decisions. Our performance is independently assessed using the Net Promoter Score (NPS) and we compare our results with other well-known brands using the Institute of Customer Service's UK Customer Satisfaction Index (UK CSI) results. In March 2017 our six month rolling average NPS was 70.8 on a scale of -100 to +100 (2016: 71.2), which places Berkeley in the top quartile for all retail brands across all sectors. 98% of our customers would recommend Berkeley to a friend.

We continually engage with our customers to find out what matters most to them. At all stages of the customer experience, the emphasis for our teams is to put the customer first and they are empowered to treat each customer as an individual. We run Sales and Customer Service Academies which bring talented individuals from other industries to Berkeley and ensure the highest standards are set and maintained.

THE QUEEN'S AWARDS FOR ENTERPRISE: SUSTAINABLE DEVELOPMENT 2014

The Berkeley Group Holdings plc

HOMES

Over the past five years we have delivered some 19,000 homes, each one with a focus on individual design and quality. Three of our developments were recently category winners within the London Evening Standard New Homes Awards and we were proud to win overall Best Large Housebuilder as well as development-specific accolades in the WhatHouse? Awards 2016.

Our current focus within Our Vision is on developing more resilient, future-proof homes. We are the first developer to respond to the industry-wide issue of overheating by using a risk assessment methodology on all sites. Our aim is to build homes where people can live comfortably in the future with expected changes in climate. We are also future-proofing our homes for increasingly connected lifestyles.

We now have minimum fibre broadband infrastructure and wiring standards which will enable customers to 'plug in' emerging technologies according to their wishes and as and when 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. During 2018 we will continue to research applicable smart technologies, from appliances to security systems and heating and lighting controls.

This year we have successfully used off-site construction to deliver the Urban House concept at Kidbrooke Village, reducing site complexity and time of build in addition to having positive environmental impacts.

Fulham Reach

PLACES

We aim to create great places where residents enjoy a good quality of life, now and in the future including, on many of our larger sites, a variety of retail and other commercial uses. We continue to use our toolkit, Creating Successful Places, as a framework for applying the ideas of social sustainability to a new development. Community plans are now in place at 12 of our developments to provide a structured approach to help communities to thrive for the long-term. This supports the ongoing delivery of new community facilities, including three schools which opened in September 2016. Many of our developments also host short-term community events during construction, such as a pop-up park and exhibition at London Dock.

Our long-standing commitment to environmental sustainability has also been reinforced by becoming the first developer to commit to achieving a net biodiversity gain on every new site. Put simply, this means there will be more nature when we finish on site than when we begin. We believe that landscaping can be beautiful whilst providing amenity value and enhancing biodiversity.

OPERATIONS

In April 2017 we had more than 13,000 people working on around 58 live construction sites across London and the South East of England. With such levels of activity, it is critical that we undertake the build process with consideration of the workforce, the communities in which we operate and the environment. Testament to this is that almost half of our sites won a Considerate Constructors Scheme Award this year, compared to just 10% nationally.

We recognise the role business must play in tackling global climate change and are delighted to be the first housebuilder to commit to becoming carbon positive. As part of this, we are targeting a 10% reduction in 2018 emissions compared to 2016 levels and are adopting cleaner energy sources.

There needs to be a joined-up approach to tackling the industry's skills crisis and prestige problem. We are now a client member of Build UK, which we see as playing a vital role in reversing the current trend of more people leaving the industry than joining it. Through working closely with our contractors, we have significantly increased the amount of training within our workforce; in 2017 more than 1,650 people were in formal training. Of these, over 650 were apprentices, with the remainder undertaking vocational training. We were pleased to be able to recognise some of the great work which is being achieved in this area at the inaugural Berkeley Apprenticeship Awards in autumn 2016.

OUR PEOPLE

Berkeley's talented and varied people are our strongest resource. Through Our Vision, there has been a focus in 2017 on providing a healthy and supportive working environment for all of our employees. Our commitment to providing healthy workplaces has led to the launch of a number of new initiatives across the business and resulted in Berkeley St Edward being recognised as a 'most improved workplace' within Vitality's Britain's Healthiest Workplace Awards in 2016. Each of our divisions also run personal development and talent management programmes.

Safety is of critical importance to the company and we are honoured to have been awarded the Sir George Earle Trophy in one of our divisions, an international award from RoSPA for premier performance in occupational health and safety; the first time this prestigious award has been won by a housebuilder. Over the last ten years we have worked extremely hard to ensure that all our contractors, suppliers and partners share our commitment to promoting safe and healthy work practices. As a result, we have seen a year-on-year reduction in the number of incidents. In 2017 our Accident Incident Rate was 1.83 (2016: 2.4), less than half the industry average and meaning there were fewer than two incidents during the year for every 1,000 people working on our construction sites.

We continue to support the charitable work of the Berkeley Foundation, which we see as integral to being a modern world-class business, and are thankful for the dedication and enthusiasm of our staff who, once again, have raised large amounts of money and given their time to support such valuable causes. We are delighted that the Foundation's work has been recognised at the 2017 Third Sector's Business Charity Awards, where it received the Corporate Foundation Award for the year.

"IN APRIL 2017 WE HAD MORE THAN 13,000 PEOPLE WORKING ON AROUND 60 LIVE CONSTRUCTION SITES ACROSS LONDON AND THE SOUTH EAST OF ENGLAND."

Our vision for the future

OUR VISION APPROACH AND COMMITMENTS

THROUGH THE DETAILED REVIEW OF EMERGING OPPORTUNITIES AND CHALLENGES ON A TWO-YEAR CYCLE, BERKELEY IS ABLE TO EVALUATE AND PROGRESS THE ACTIONS UNDER OUR FOCUS AREAS TO ENSURE OUR COMMITMENTS CONTINUE TO BE RELEVANT, LEADING AND WORLD-CLASS.

The regular review of our approach enables new priority themes to be incorporated within our headline commitments and ultimately our normal business activity.

In May 2016, we launched a new set of ten stretching commitments to achieve by April 2018. Progress updates for each of our 2016-2018 headline commitments are provided on pages 10 to 29.

CUSTOMERS

PROVIDING EXCEPTIONAL SERVICE TO ALL OF OUR CUSTOMERS AND PUTTING THEM AT THE HEART OF OUR DECISIONS.

Our approach in this area has evolved from ensuring that customer-facing teams provide exceptional service, to a strong emphasis on all employees placing the customer at the heart of every decision.

The expectations of our customers are continually changing. Whilst continuing to provide world-class customer service, through another headline commitment we aim to enhance our engagement with customers and obtain a more in-depth insight into their needs.

2016-2018 HEADLINE COMMITMENTS:	COMMITMENT PROGRESS
Deliver world-class customer service as evidenced by a top quartile Net Promoter Score compared to UK Customer Satisfaction Index results	
Run a programme of engagement and research to further enhance our product and processes based on the needs of our customers	

See page 10

HOMES

DEVELOPING INDIVIDUALLY DESIGNED, HIGH QUALITY HOMES WITH LOW ENVIRONMENTAL IMPACT.

Our approach in this area has evolved from a focus on developing homes with low environmental impact to creating more resilient, future-proof homes.

Our longstanding commitment to the environment is reinforced through our focus on building homes where people can live comfortably in the future with expected changes in climate. We are also aware of rapid changes in technology so it is vital that we keep up-to-date with emerging technology and provide the necessary infrastructure within our homes.

2016-2018 HEADLINE COMMITMENTS:	COMMITMENT PROGRESS
Design our homes to consider future climate change to ensure continued thermal comfort	
Understand the evolution of smart technology and connectivity in homes and on developments	

See page 14

PLACES

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

Our approach in this area has evolved from a longstanding focus on placemaking to understanding how to create a place that endures over time.

We now have a greater appreciation of how important it is to consider quality of life right from the outset and our new commitment to creating community plans provides a structured approach to help communities to thrive for the long-term, where people are happy and self-reliant. We have also become the first developer to set a commitment to improving biodiversity on every site.

2016-2018 HEADLINE COMMITMENTS:	COMMITMENT PROGRESS
Implement community plans on our developments to facilitate thriving communities	
Develop and apply an approach to ensure that all new developments create a net biodiversity gain	

See page 18

OPERATIONS

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

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

We undertake our construction activities with consideration of the workforce, the communities in which we operate and the environment. We believe that all companies should take action to reduce their impact on climate change and are delighted to be the first housebuilder to commit to becoming carbon positive. We are also focused on how we can help to ease the industry skills crisis.

2016-2018 HEADLINE COMMITMENTS:	COMMITMENT PROGRESS
Reduce our operational carbon emissions intensity by 10% and introduce a programme to become carbon positive	
Ensure at least 1,500 people across our direct and indirect workforce undertake an apprenticeship or vocational training	

See page 22

OUR PEOPLE

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

Our approach in this area has evolved from ensuring safe working environments to also promoting health and wellbeing and enhancing talent management across the business. We continue to support the charitable work of the Berkeley Foundation.

Attracting, developing and retaining talent is imperative to our business. It is therefore vital that we provide the right opportunities within the business to enable people to grow and flourish. At the same time, we want to provide the right working environments to enhance staff health and wellbeing.

2016-2018 HEADLINE COMMITMENTS:	COMMITMENT PROGRESS
Launch and implement a new programme to promote the wellbeing of our staff and create healthy workplaces	
Invest in training and development through our talent management programmes to realise the potential of our people across all areas of the business	

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CUSTOMERS

Our vision for the future

PROVIDING EXCEPTIONAL SERVICE TO ALL OF OUR CUSTOMERS AND PUTTING THEM AT THE HEART OF OUR DECISIONS.

2016-2018 HEADLINE COMMITMENTS

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

2016-2018 LEADING COMMITMENTS

Use *MyHome Plus* as an interactive way of communicating with our customers

Market all developments in the UK first

2016-2018 BUSINESS-AS-USUAL COMMITMENTS

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

Include site-specific sustainability information in marketing material

Ensure *Living Guides* include information that enables occupants to understand and operate their home efficiently

Sales and Marketing Suite at Mill Hill

NET PROMOTER SCORE

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

The service we provide is professional, efficient and helpful to make the home-buying process as straightforward and enjoyable as possible. We aim to exceed our customers' expectations, starting from the moment a customer first enquires about a property. Each customer receives tailored information relating to their purchase and has a dedicated person to guide them through their buying journey and beyond.

We have created a 'customer first' mindset and empowered teams to think and act differently. This is supported by a range of staff training, from creative thinking to exemplary brochure design, and the continuation of our Sales Academy to bring talented individuals from other industries into the business. This year we have also produced a new publication on the *Berkeley Difference*.

We use the Net Promoter Score to benchmark the levels of service we provide against well-regarded companies across all sectors. Our six-month rolling average Net Promoter Score of 70.8 compares favourably with other exemplary companies and we are pleased to be meeting our target of performing within the top quartile of UK Customer Satisfaction Index results.

WE HAVE CREATED A 'CUSTOMER FIRST' MINDSET AND EMPOWERED TEAMS TO THINK AND ACT DIFFERENTLY.

Fitzroy Gate, Old Isleworth

Customers at Royal Wells Park, Kent

CUSTOMER INSIGHT

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

Key to the ongoing success of our business is that we listen to, understand and respond to the needs of our customers. During 2017 we began to use an analytics tool to evaluate commentary from customer survey data in more detail. We have also extended an online sharing portal which was originally implemented in our St James business to enable lessons learnt to be shared across the business.

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

The views and feedback of potential customers who choose not to buy are also invaluable in helping to shape our future product. To date, 50 surveys have been completed at Kidbrooke Village and Royal Arsenal Riverside and a wider programme of engagement with prospective customers will now be implemented. This site-specific information supports our annual brand research of what is important to people when selecting a new home.

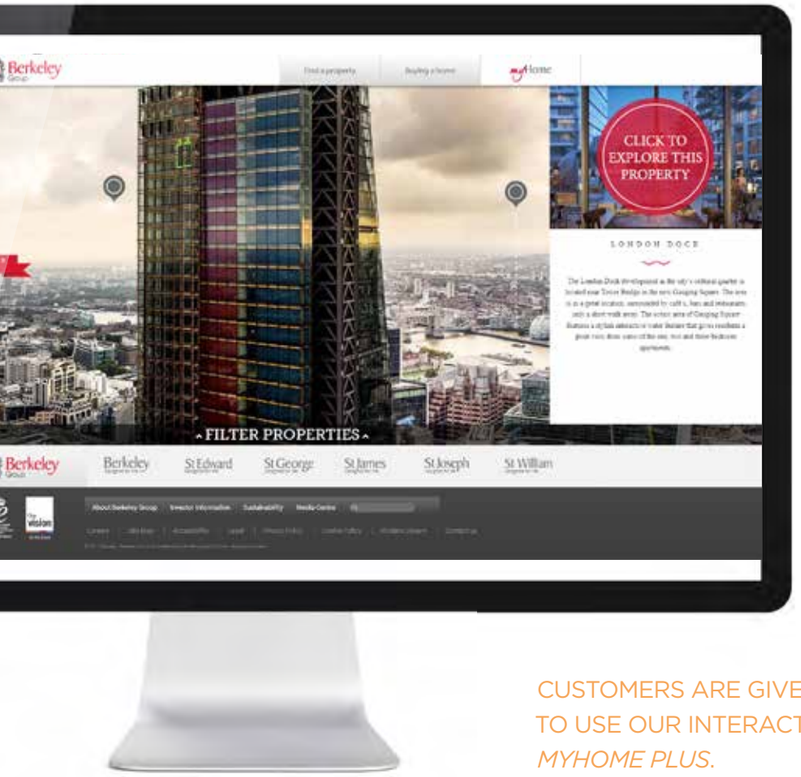
In addition, we seek to proactively enhance the homes we build through keeping up-to-date with the latest advances in specification and design.

CUSTOMERS

Our vision for the future

IN ADDITION TO PROGRESSION OF OUR HEADLINE COMMITMENTS, WE HAVE THE FOLLOWING KEY HIGHLIGHTS FOR THE YEAR.

myHome PLUS



COMMUNICATING WITH CUSTOMERS

We enhanced our website in 2017 in order to strive for seamless communication with customers from the moment they first contact us. We are also trialling a new search tool, *My View*, which enables prospective home buyers to search based on preferred lifestyle choices such as being close to a park or a theatre.

Once a customer has chosen to buy a new home they are given the opportunity to use our interactive online system, *MyHome Plus*. Its functionality has now been extended to cover a range of features, from selecting choices and options to receiving updates on construction progress and the *Living Guide* on completion.

We continue to promote sustainable living at all stages of the customer journey. At Broadacres we have brought sustainability to the heart of our sales suite with an exciting and interactive presentation platform.

CUSTOMERS ARE GIVEN THE OPPORTUNITY TO USE OUR INTERACTIVE ONLINE SYSTEM, *MYHOME PLUS*.

UK FIRST

Our *UK First Policy* has been in place since 2014 for all developments, requiring that every individual home is made available in the UK either first or at the same time as launching 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.

Learn more about Customers at www.berkeleygroup.co.uk/about-berkeley-group/our-vision/customers

2017 HIGHLIGHTS

70.8

Net Promoter Score (on a scale of -100 to +100)

ServiceMark
Accredited from April '15 - April '18
The Institute of Customer Service

Institute of Customer Service ServiceMark across all businesses

98%

customers would recommend us to a friend

Woodhurst Park, Warfield

HOMES

Our vision for the future

DEVELOPING INDIVIDUALLY DESIGNED, HIGH QUALITY HOMES WITH LOW ENVIRONMENTAL IMPACT.

2016-2018 HEADLINE COMMITMENTS

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

2016-2018 LEADING COMMITMENTS

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

Continue the research and development programme to drive innovation in design and performance

2016-2018 BUSINESS-AS-USUAL COMMITMENTS

Guarantee space standards for all new homes

Provide internal recycling facilities for every home

190 Strand

THERMAL COMFORT

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

The potential for overheating in new homes has become a growing issue for the industry as standards for energy efficiency and air tightness have increased. We are taking a proactive approach in this area to ensure that we deliver high quality homes which our customers can live in comfortably for decades to come, with expected changes in climate.

During 2017 we developed a thermal comfort risk assessment tool based on existing industry research and feedback from our own staff and external experts on the subject. The tool, which will now be used on all new sites, takes into account factors which can affect overheating, such as location and building type. It then highlights site-specific risks and suggested actions to reduce these. No other developer has an approach which is applied across all sites.

Several of our projects are already incorporating measures to minimise risk within their design. These range from solar control glazing at Fulham Gasworks, to amended balcony design to provide shading at Goodman's Fields, to additional insulation of pipework at Hartland Park.

Following previous work undertaken with the Zero Carbon Hub, we have recently contributed to a Good Homes Alliance working group on overheating.

IT IS CRITICAL THAT WE TAKE A PROACTIVE APPROACH TO DELIVER HIGH QUALITY HOMES WHICH OUR CUSTOMERS CAN LIVE IN COMFORTABLY FOR DECADES TO COME.

Merano Residences, Albert Embankment

SMART HOMES

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

We are increasingly living in a connected world, with our customers expecting access to the internet and good connectivity from the first day they move in. Technology continues to develop, from enabling us to control temperature of our homes through a smart phone, to intelligent devices learning our behaviours and movements. This commitment helps us to explore infrastructure and technology and ensure we continue to provide a high quality and unique product to our customers.

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.

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. In 2017 we have developed new minimum infrastructure recommendations for all new sites to enable high speed broadband provision and the transfer of data to each habitable room. This enables customers to benefit from the freedom of being able to 'plug in' technologies that they wish 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.

During 2018 we will continue to investigate emerging technologies which our customers may like to be included in their home. These could range from smart appliances to heating and lighting controls and security technologies.

HOMES

Our vision for the future

IN ADDITION TO PROGRESSION OF OUR HEADLINE COMMITMENTS, WE HAVE THE FOLLOWING KEY HIGHLIGHTS FOR THE YEAR.

The Urban House interior at Kidbrooke Village

RESEARCH AND DEVELOPMENT

Research and development continually occurs across the business. To meet the demands of more high quality homes in the UK that are adaptable to lifestyle changes, Berkeley has developed the Urban House type. Homes at our Kidbrooke Village and Green Park Village developments have been built to this design type which has adaptable space and allows the retention of a typical street appearance while increasing housing density. We are now investigating the use of battery storage in conjunction with solar photovoltaic panels as part of a 'hybrid home' concept. Not only should this reduce customers' bills, it could also help manage electricity demand peaks on the National Grid.

RESEARCH AND DEVELOPMENT IS CRITICAL TO ENSURE WE CONTINUE TO IMPROVE OUR PRODUCT AND OFFER HIGH QUALITY HOMES TO OUR CUSTOMERS.

We regularly seek to collaborate with external organisations and are pleased to have contributed to and hosted the launch of the UK Green Building Council's (UK-GBC) work on healthy homes. We are also part of the Chartered Institution of Building Services Engineers' (CIBSE) Homes for the Future Group.

SPACE STANDARDS

In 2014, we were the first private developer to commit to minimum space standards covering three core aspects in every home: master bedroom depth; floor-to-ceiling height; and storage. Since this time, the Government's nationally described space standards have been adopted in some of the areas in which we work.

In the absence of consistent requirements we have continued to apply our own minimum standards, including a generous ceiling height of 2.5 metres.

Wimbledon Hill Park

Bersted Park, North Bersted

ENVIRONMENTAL FEATURES

Our aim is to seamlessly integrate environmental features into all homes as standard. We begin by applying the energy hierarchy in design and also incorporate low energy and water use fittings and features such as internal recycling bins.

OUR AIM IS TO SEAMLESSLY INTEGRATE ENVIRONMENTAL FEATURES INTO ALL HOMES.

The specification of materials is also key. In the last year, we have actively fed into the UK Green Building Council's (UK-GBC) guidance, *Embodied Carbon: Developing a Client Brief*, aimed at enabling built environment clients to write effective briefs for measuring embodied carbon. We are also part of the Construction Industry Research and Information Association (CIRIA) working group developing practical guidance on how buyers can minimise risk through responsible procurement of key materials.

Learn more about Homes at www.berkeleygroup.co.uk/about-berkeley-group/our-vision/homes

2017 HIGHLIGHTS

WhatHouse? AWARDS 2016 WINNER

WhatHouse? Awards 2016: Best Luxury Development (Bronze) and Best Apartment Scheme (Bronze) for One Tower Bridge

100%

homes submitted for planning designed to incorporate recycling facilities

64%

completed homes provided with smart meters

14%

improvement in the average internal water efficiency of completed homes compared to Building Regulations requirements

69%

completed homes supplied with energy from low carbon or renewable technology

PLACES

Our vision for the future

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

2016-2018 HEADLINE COMMITMENTS

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

2016-2018 LEADING COMMITMENTS

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

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

2016-2018 BUSINESS-AS-USUAL COMMITMENTS

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

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

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

Provide cycle storage on all new developments

Harvest rainwater for reuse on all new developments

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

Install living roofs on all residential apartment roof spaces

EACH COMMUNITY PLAN IS DIFFERENT, REFLECTING LOCAL NEEDS AND ASPIRATIONS, AND PROVIDES A CLEAR PLAN FOR THE COMMUNITY TO DEVELOP AND ULTIMATELY BE SELF-RELIANT.

Woodhurst Park

COMMUNITY PLANS

Implement community plans on our developments to facilitate thriving communities

Our commitment to implement community plans further strengthens Berkeley's approach to creating successful places and is an evolution of our leading work on social sustainability. The aim is to provide a structure to help facilitate the development of the community, setting out an overall vision which is underpinned by a strategy to engage with local people to create a sense of ownership and belonging for the place.

We have developed guidance for our teams on the elements a plan should cover and on areas of consideration, such as how to set up effective community governance, how to assign a community concierge and how to set up a community fund. Plans have now been completed for 12 developments, ranging in scale, location and mix of housing type. Each is different, reflecting local needs and aspirations, and provides a clear plan for the community to develop and ultimately be self-reliant. Initiatives include setting up local community groups, establishing markets and existing residents initiating a survey to better understand what their community needs and wants.

During 2018 we will begin to implement the plans to gain a deeper understanding of the success of differing community governance models and varying events, communications and initiatives.

Woodberry Down, Finsbury Park

NET BIODIVERSITY GAIN

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

We are the first developer to commit to achieving a net biodiversity gain on all sites. New development provides the opportunity to enhance biodiversity and offers multiple benefits to customers including promoting wellbeing. Through this commitment we will ensure there is more nature on site after development than before, building on our focus on providing high-quality public realm and green infrastructure.

Working with external experts, we have developed a biodiversity toolkit which will now be used by our project teams and their appointed ecologists on every site. The toolkit provides a baseline score for biodiversity before any work occurs and demonstrates how a net gain will be achieved. A new document, *The Nine Concepts: Making Space for Nature and Beauty*, provides guidance on overarching design principles that support the toolkit and the delivery of biodiverse developments.

WE WILL ENSURE THERE IS MORE NATURE ON SITE AFTER DEVELOPMENT THAN BEFORE

This year, our efforts to enhance biodiversity were once again recognised by the Construction Industry Research and Information Association (CIRIA) BIG Biodiversity Challenge Awards, with One Tower Bridge winning the 'Pollinator Award' for the installation of four bee hives. We have also been collaborating with wider industry through sponsorship and participation in CIRIA's biodiversity gain principles project.

PLACES

Our vision for the future

IN ADDITION TO PROGRESSION OF OUR HEADLINE COMMITMENTS, WE HAVE THE FOLLOWING KEY HIGHLIGHTS FOR THE YEAR.

PLACEMAKING

The Berkeley approach is to put people first on every development. This starts from the outset, with each site developing a strategy for community engagement and involvement. It is also a long-term approach on how we not only create places, but can play a valuable role in enabling a thriving community.

We continue to use our social sustainability toolkit, *Creating Successful Places*, as a structured approach to placemaking and a way to demonstrate the success of our developments. As we gain more experience, we are increasingly working with our managing agents whose role is also evolving to help facilitate the growth of the community.

To create a place that is thriving, we include more than just homes; we build infrastructure that supports the community. Three new schools opened on our sites in September 2016; at 375 Kensington High Street, Royal Wells Park and Woodhurst Park. In January 2017, a four-screen cinema was opened at Goodman's Fields and, later this year, The Bridge Theatre at One Tower Bridge will open its doors for the first time.

THE BERKELEY APPROACH IS TO PUT PEOPLE FIRST ON EVERY DEVELOPMENT.

During the construction phase there is often the potential to create temporary facilities to benefit the local community. At London Dock, a pop-up park has hosted street food markets and there has been a temporary exhibition on the development's heritage and public art installation, *Trading Words*.

In July 2016, we published new research with the London School of Economics (LSE) exploring how urban villages could help the Capital's housing crisis. *New London Villages* makes a series of recommendations for placemaking in London.

Summer screening at Woodberry Down

Kensington Primary Academy

SUSTAINABLE PLACES

We aim to create places where residents can live a sustainable lifestyle. We focus on brownfield sites, with scope for good public transport, and then deliver mixed-use, mixed-tenure development with high quality public realm. As well as access to local public transport options, we encourage cycle storage and electric car charging to be provided on all sites. In 2017, 100% of completed developments provided cycle storage. At 250 City Road, which is located at a pivotal point in London's cycle network, we will be providing a workshop area and bicycle lifts in addition to almost 20% more cycle spaces than required by the planning authority.

As part of our approach to reduce the effects of climate change we incorporate green infrastructure such as open space, parks, gardens and living roofs. Over 500 trees have already been planted and a new country park and greenway delivered at our Woodhurst Park development which welcomed its first residents this year.

Learn more about Places at www.berkeleygroup.co.uk/about-berkeley-group/our-vision/places

2017 HIGHLIGHTS

3
schools opened on Berkeley developments in September 2016

12
developments produced community plans

91%
developments with homes within 500 metres of a transport node

93%
developments incorporated features that benefit nature

WhatHouse? Awards 2016: Best Large Housebuilder (Gold); Best Mixed-Use Development (Gold) for Fulham Reach

London Evening Standard New Homes Awards 2016: Best Large Development for Goodman's Fields

CIRIA's BIG Biodiversity Challenge Awards 2016: Pollinator Category Winner for One Tower Bridge

OPERATIONS

Our vision for the future

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

2016-2018 HEADLINE COMMITMENTS

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

2016-2018 LEADING COMMITMENTS

- Broaden the scope of Berkeley's Innovation Fund
- Map our supply chain risks and implement a sustainable specification and procurement strategy

2016-2018 BUSINESS-AS-USUAL COMMITMENTS

- Procure contractors on best overall value
- Register all sites with the Considerate Constructors Scheme and achieve a minimum score of 38/50 in each audit
- Undertake sustainability assessments on each site
- Ensure all timber is certified
- Reduce construction waste by 10% and reuse or recycle at least 90% of total waste
- Reduce site water consumption by 5%
- Reduce paper consumption by 20%
- Undertake sustainability reviews for each permanent office

BERKELEY IS THE FIRST MAJOR HOUSEBUILDER IN BRITAIN COMMITTED TO BECOME CARBON POSITIVE.

CARBON POSITIVE

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

In May 2016, in a landmark announcement for the housing industry, Berkeley committed to becoming the first major housebuilder in Britain to be carbon positive.

In the last year we have focused on increasing understanding of consumption across our day-to-day activities on site, in offices and in sales suites. Our construction sites are the main contributor to our carbon emissions and guidance has been issued on how to address out-of-hours electricity consumption together with minimum energy efficiency recommendations for site set up and operation. These have been supported by awareness campaigns and increased sharing of best practice.

Achievement of the 10% reduction target will be based on 2018 performance compared to our baseline emissions intensity in 2016. Our performance in 2017 indicates good progress towards meeting our target next year.

At the same time as taking action to reduce energy consumption, we have been looking into investing in cleaner energy sources and offsetting schemes. We will develop this work further in the next year and introduce a programme to become carbon positive.

Construction at Royal Arsenal Riverside, Woolwich

APPRENTICES AND TRAINING

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

We consider the skills crisis to be one of the most significant risks facing the industry and we have a role to play in encouraging new people into the industry and upskilling the workforce.

Significant progress has been made since we set our initial commitment three years ago. In the last year alone, more than 650 apprentices were working on our sites and almost 1,000 additional people undertook other types of vocational training. To promote action in this area we have a network of dedicated staff across the company who provide day-to-day support to our project teams and contractors in offering appropriate training.

IN THE LAST YEAR, MORE THAN 1,650 PEOPLE ACROSS OUR WORKFORCE HAVE BEEN UNDERTAKING AN APPRENTICESHIP OR VOCATIONAL TRAINING.

To celebrate the successes of apprentices working within our supply chain, the first Berkeley Group Apprenticeship Awards were held in November 2016. Within the year we also took on our first cohort of direct trade apprentices within Berkeley Capital and the *Berkeley Apprenticeship Scheme* model previously adopted at Kidbrooke Village is now being replicated in West London, in partnership with Ealing, Hammersmith and West London's College and with the support of Ealing Council.

Apprentice at Goodman's Fields, Aldgate

OPERATIONS

Our vision for the future

IN ADDITION TO PROGRESSION OF OUR HEADLINE COMMITMENTS, WE HAVE THE FOLLOWING KEY HIGHLIGHTS FOR THE YEAR.

Royal Arsenal Riverside, Woolwich

SUSTAINABLE PROCUREMENT

There is growing interest in the construction industry's sourcing of labour, services, materials and products. Our sites now display posters outlining the warning signs of modern slavery. Further details on actions taken to combat modern slavery can be found on our website: https://www.berkeleygroup.co.uk/modern-slavery-statement.

Since becoming a partner of the Supply Chain Sustainability School, we have been an active participant of the Homes Leadership Group, assisting in determining direction and priority topics. We have also been a speaker at supplier days to highlight the challenges faced by the sector and the supply chain's role in addressing these.

Kidbrooke Village

Site preparation works at Southall Waterside

INNOVATION

We continue to work with 12 external projects that received support through our health and safety Innovation Fund launched in January 2015. We are pleased to be able to support research and products to reduce construction-related risk and are reviewing whether we could extend our support to broader innovation ideas in the future.

Off-site construction increases build efficiency, with minimised material management and waste on-site, reduced disruption to neighbours and improved health and safety. This year, we have used a fully-fitted modular system built off-site to deliver homes of our Urban House type, reducing on-site delivery time to 14 weeks. There is scope to broaden the use of off-site methods in the future.

RESOURCE EFFICIENCY

In November 2016, we held a waste campaign to raise awareness of the quantity produced and encourage practices that lead to reductions. An internal material exchange board was launched, enabling our construction sites, offices and sales suites to share excess materials with the ultimate aim of reducing waste disposal costs, material procurement costs and environmental impact.

We are also working towards targets to reduce site water consumption and office paper consumption.

CONSIDERATE CONSTRUCTION

We aim to manage sites with consideration of our workforce, the local community and the environment. Each site is registered to the Considerate Constructors Scheme (CCS) and is independently assessed. Our average audit score was 42/50 in 2017, demonstrating performance beyond the industry average of 36/50. Our approach continues to be recognised, with 33 awards received at the CCS National Site Awards 2017.

Learn more about Operations at www.berkeleygroup.co.uk/about-berkeley-group/our-vision/operations

2017 HIGHLIGHTS

33

Considerate Constructors Scheme 2017 National Site Awards

BUILDUK Leading the Construction Industry

Joined Build UK as a Client group member

13%

reduction in absolute site carbon emissions compared to 2016

650+

apprentices across our workforce

17%

reduction in construction waste produced per person compared to 2016

OUR PEOPLE

Our vision for the future

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

2016-2018 HEADLINE COMMITMENTS

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

2016-2018 LEADING COMMITMENTS

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

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

2016-2018 BUSINESS-AS-USUAL COMMITMENTS

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

Ensure Directors undertake weekly health and safety visits to all live projects under construction

Annually review the Group Health and Safety Standards and implement them locally

Continue to aspire to operate incident and injury free and target an Accident Incident Rate (AIR) of 3.00 and an Accident Frequency Rate (AFR) of 0.14

AS INDIVIDUALS SPEND A NOTABLE AMOUNT OF TIME IN THE WORKPLACE WE HAVE THE POTENTIAL TO SIGNIFICANTLY INFLUENCE THE WELLBEING OF OUR EMPLOYEES.

Chelsea Bridge Wharf Office

HEALTHY WORKPLACES

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

A person's wellbeing can be influenced by their surroundings. Through our commitment to providing healthy workplaces we seek to improve the quality of life of our employees and improve employee satisfaction and productivity.

A checklist has been developed 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 approach to individual health which can be adopted by our operating companies.

Health and wellbeing programmes are in operation across a number of our divisions and there are plans to implement them across the whole business by April 2018. Initiatives to date are varied and include health assessments, exercise classes, encouragement of healthy eating and sessions on managing stress and personal finances.

We are delighted that Berkeley St Edward has been recognised as a 'most improved workplace' within Vitality's Britain's Healthiest Workplace Awards for its *Investing in Our Future* programme. The programme running within St James has also been a resounding success, with Bupa noting an outstanding level of engagement from staff.

Berkeley apprentice

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

Our talented workforce is our strongest resource; it is vital that that we provide the right opportunities within the business to enable people to grow and flourish.

IT IS VITAL THAT WE PROVIDE THE RIGHT OPPORTUNITIES TO ENABLE PEOPLE TO GROW AND FLOURISH.

As a minimum, individuals should have a thorough induction into the company and then have a training assessment and personal development review available to them. This is then supplemented, where appropriate, by more detailed programmes. Our autonomous companies have developed approaches tailored to suit their businesses and staff.

A real strength has been identified in the opportunities available for progression and the tendency to promote from within the business. A recently launched personal career development programme in St George provides further structure around job descriptions and progression, together with prompts for individuals to learn more about their working style and to set development goals. 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.

During 2018 we will be embedding these initiatives further and ensuring that each employee across all parts of the business has access to a programme to aid their development.

Prince of Wales Drive, Battersea

OUR PEOPLE

Our vision for the future

IN ADDITION TO PROGRESSION OF OUR HEADLINE COMMITMENTS, WE HAVE THE FOLLOWING KEY HIGHLIGHTS FOR THE YEAR.

HEALTH AND SAFETY

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. Group standards and detailed local management systems set clear direction and each site receives a weekly health and safety visit from a director in addition to at least eight audits per year from an independent Group assessment team.

WE ASPIRE TO HAVE A POSITIVE HEALTH IMPACT ON ALL THOSE EMPLOYED AND AFFECTED BY WHAT WE DO.

We have seen an annual decrease in our Accident Incident Rate (AIR) for more than five years, including a significant drop of 24% this year. During 2017 there were fewer than two incidents for every 1,000 people working on our construction sites, less than half of the industry average (4.26, Health and Safety Executive (HSE) October 2016 figure).

We are delighted that our approach continues to be recognised externally. This year was our most successful on record at the Royal Society for the Prevention of Accidents (RoSPA) Awards and we are honoured that Berkeley East Thames won the pinnacle of the awards, the Sir George Earle Trophy. This is internationally recognised as the premier performance award for health and safety. Of the two categories (Large Builder and Multi-Storey Builder) that Berkeley featured in at the National House Building Council's (NHBC) 2016 Health and Safety Awards, we were the National Best Site winners in both.

We are also pleased to collaborate with wider industry initiatives such as the Health and Safety Executive's Construction Industry Advisory Committee (HSE's CONIAC). In 2017, we have been leading on the production of new health and safety guidance on the planning, design and construction of tall buildings.

Site induction at Kidbrooke Village

2017	1.83
2016	2.40
2015	2.46
2014	2.92
2013	2.99

Accident Incident Rate
(number of RIDDOR reportable injuries per 1,000 people)

GRADUATE SCHEME

Our successful graduate scheme brought 23 young people into the business in 2017 and we are recognised as one of the top 100 graduate employers by TheJobCrowd. The scheme includes a thorough induction followed by a period of rotation across our departments and an opportunity to pursue professional accreditation to bodies such as the Royal Institution of Chartered Surveyors (RICS).

In September 2018, we will welcome around 30 new graduates into the business and will be implementing our first formal sandwich placement scheme. This will allow undergraduates to gain essential experience as part of their study and an opportunity to secure a graduate role with us before they complete their final year at university.

INCLUSIVITY

We have almost 2,500 direct employees working in a range of roles across around 60 sites and 20 permanent offices. Over a third of our employees are female, as are a quarter of our Board directors and senior management. Our graduate scheme aims for half of all new recruits to be female. We are delighted that one of St James' Assistant Site Managers, Rachel Darvall (above), won the Best Construction Newcomer category at the Women in Build Awards 2016 after joining the scheme in 2015.

In addition to our direct employees, we support a large and varied workforce through our contractors with more than 10,500 people working on our sites in April 2017. We believe that the industry offers real potential for a more diverse workforce and throughout our work we aim to promote the breadth of roles available in an industry which is increasingly cutting edge, worthwhile and rewarding.

	Female	Male	Total
Total Employees	**930**	**1,559**	**2,489**
Reporting to Senior Management	**34**	**168**	**202**
Senior Management	**2**	**6**	**8**
Board of Directors	**3**	**9**	**12**

At 30 April 2017

Fundraising through Dragon Boat Racing

THE BERKELEY FOUNDATION

Berkeley employees continue to provide an incredible level of support to the Foundation, with over 1,400 people getting involved in volunteering, fundraising or Give As You Earn this year. Our aim is to inspire all employees to do something every year to support the Foundation.

In 2017, staff raised £876,000 through fundraising and Give As You Earn. Staff also volunteered their time to act as mentors, deliver workshops and training sessions, and much more.

All of this activity is made possible by the team of representatives across the business who coordinate events and encourage their colleagues to get involved.

More information on the Foundation can be found at:

www.berkeleyfoundation.org.uk

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

2017 HIGHLIGHTS

2017 RoSPA Sir George Earle Trophy

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

2016 NHBC Health and Safety Awards

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

24%

reduction in our Accident Incident Rate compared to 2016

37%

direct employees are female

WOMEN IN BUILD AWARDS 2016 BUILD

Women in Build Awards 2016: Best Construction Newcomer for Rachel Darvall

CAF

Payroll Giving Platinum Award 2017 achieved as over 30% of employees donate through Give As You Earn (GAYE)

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Our vision for the future

THE QUEEN'S AWARDS FOR ENTERPRISE: SUSTAINABLE DEVELOPMENT 2014
The Berkeley Group Holdings plc