

OUR VISION
2030
TRANSFORMING TOMORROW

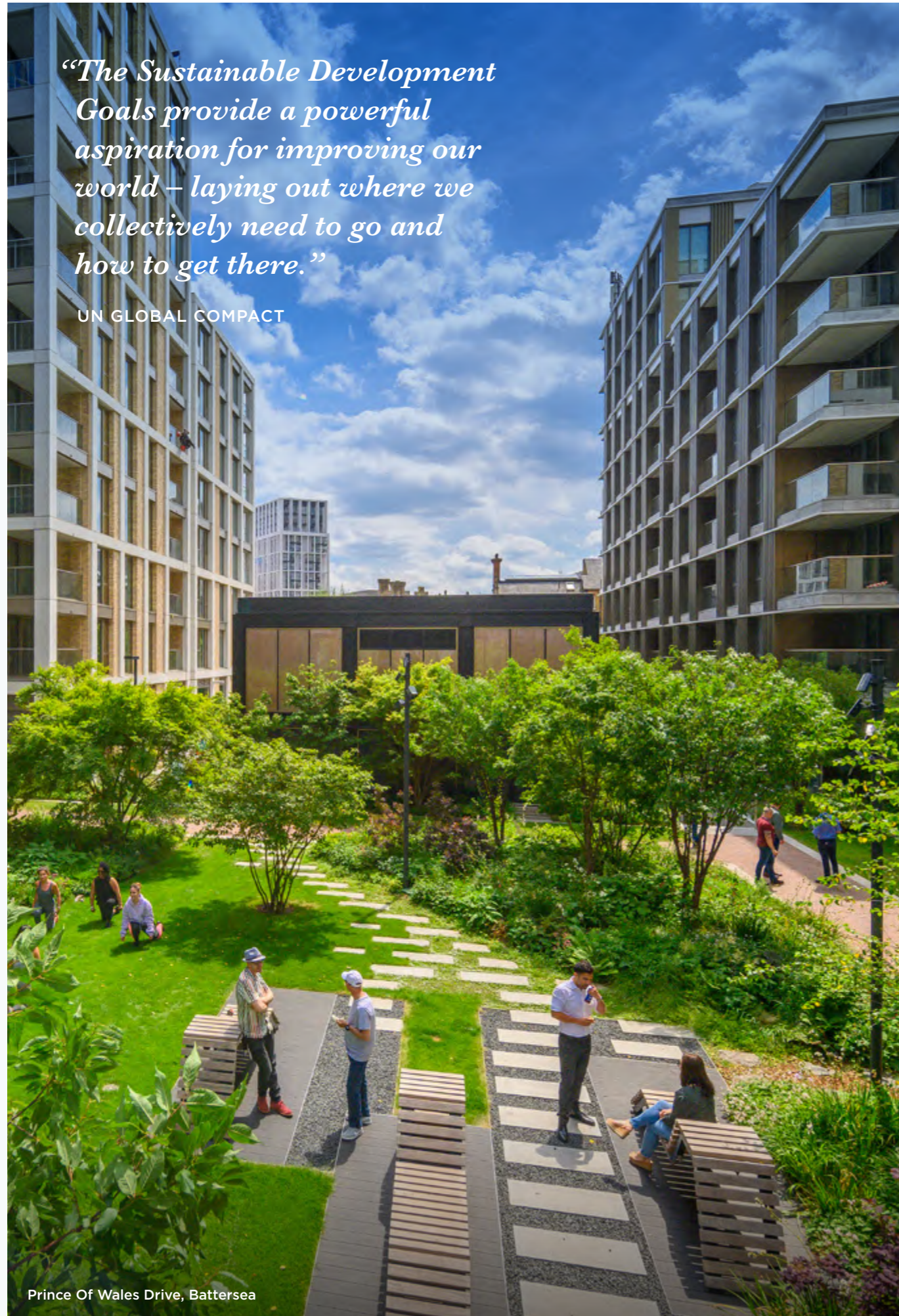


Berkeley
Group

SUSTAINABLE
DEVELOPMENT
GOALS

BERKELEY GROUP AND THE SUSTAINABLE DEVELOPMENT GOALS





“The Sustainable Development Goals provide a powerful aspiration for improving our world – laying out where we collectively need to go and how to get there.”

UN GLOBAL COMPACT

Prince Of Wales Drive, Battersea

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Front cover: Cator Park at Kidbrooke Village

1.0 SUSTAINABLE DEVELOPMENT GOALS

In September 2015, all 193 Member States of the United Nations adopted a plan for achieving a better future for all — laying out a path over the next 15 years to end extreme poverty, fight inequality and injustice, and protect our planet. At the heart of “Agenda 2030” are the 17 Sustainable Development Goals (SDGs) which define the world we want — applying to all nations and leaving no one behind.

The Berkeley Group is committed to helping to achieve the SDGs and recognises that business has to play a very important role in the process.

Although all the SDGs and the targets that underpin them are important and interconnected, it is imperative to focus our efforts on those that are most material to our business and where we have the greatest ability to deliver meaningful positive impact.

We have identified six of the goals as being most relevant to us based on a review of our business activities and value chain against the goals and their underlying targets. We consider that we have the greatest opportunity to contribute to the achievement of these six goals, particularly through the implementation of the Our Vision 2030 business strategy.



Kidbrooke Village, Greenwich



Ryewood, Sevenoaks

1.1 PRIORITISATION OF THE GOALS



Make cities and human settlements inclusive, safe, resilient and sustainable

We build new homes and neighbourhoods and have an opportunity to ensure they are sustainable places that will stand the test of time and where residents can enjoy a good quality of life. We focus on large-scale brownfield regeneration sites and are unique in having the expertise, resources and financial strength to transform these spaces and unlock their full social, economic and environmental value.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

As a major employer and a successful company, we support thousands of jobs annually both directly and through our supply chain. Our people are key to the development process, and we understand the importance of supporting all of our employees and helping them to reach their full potential. Developing and retaining our workforce enables us to deliver our objectives and grow as a business.



Take urgent action to combat climate change and its impacts

We believe all businesses must play their part in tackling climate change. We generate carbon emissions from activities on our construction sites and across our value chain. We have an ambitious, holistic approach for climate action, which includes designing efficient and resilient places, alongside transformational changes to our construction processes and wider business operations.



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

We are creating a new generation of beautifully designed and precisely made homes within a factory environment, transforming traditional construction and integrating new digital methods of design and delivery. We want to showcase how the industry can modernise to increase production and achieve high standards of product quality, environmental performance and safety.

1.1 PRIORITISATION OF THE GOALS (CONTINUED)



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss

We have the opportunity to develop sites into places that can 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. Access to a beautiful open landscape can enhance people's quality of life as well as tackle the global challenge of biodiversity loss.



Ensure sustainable consumption and production patterns

We recognise that we have the potential to have a negative impact through the use of products and services from a global marketplace to build our new homes. Through greater collaboration with our supply chain there is an opportunity to share knowledge, increase transparency and drive change through our value chain.



Ryewood, Sevenoaks

2.0 OUR VISION 2030: TRANSFORMING TOMORROW



Our Vision 2030: Transforming Tomorrow

In 2010 Berkeley created a long-term strategy called “Our Vision”. Over the last decade it has pushed us forward and has helped us to lead the homebuilding industry in important sustainability areas such as tackling biodiversity loss and climate change, but also in other key business areas such as customer satisfaction and embracing advanced manufacturing.

Our Vision 2030: Transforming Tomorrow is our ambitious strategy for the business launched in early 2021.

It centres on ten strategic priorities that Berkeley will focus on for the coming decade. The ten strategic priorities are shown in the diagram opposite. Each priority has a long-term goal and is supported by an underlying action plan with short, medium and long-term targets and a refreshed set of core KPIs which we will use to measure outcomes and impacts.

PLACES THAT STAND THE TEST OF TIME

CUSTOMERS

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

QUALITY

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

COMMUNITIES

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

CLIMATE ACTION

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

NATURE

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

EXCEPTIONAL PEOPLE AND RESOURCES

EMPLOYEE EXPERIENCE

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

MODERNISED PRODUCTION

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

FUTURE SKILLS

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

SUPPLY CHAIN

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

SHARED VALUE

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



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

3.0 THE SIX GOALS



SDG 11: SUSTAINABLE CITIES AND COMMUNITIES

Make cities and human settlements inclusive, safe, resilient and sustainable



Relevant SDG Targets

Adequate, safe and affordable housing

Safe, affordable, accessible and sustainable transport systems

Inclusive and sustainable urbanization

Cultural and natural heritage

Resilience to disasters

Air quality and waste management

Access to safe, inclusive and accessible green and public spaces

Links to Our Vision 2030 priorities



Communities



Climate Action



Nature

Our approach

Brownfield regeneration

We specialise in regenerating underused brownfield land and transforming sites to deliver long-term benefit to society. We're currently bringing forward 32 of the most complex and challenging regeneration projects in the country. Each year we build the majority of our homes on brownfield land.

Sustainable neighbourhoods

We work collaboratively with local communities to design completely unique, welcoming, sustainable neighbourhoods that deliver long-term value to society. Our developments promote sustainable transport and we have a clear strategy for nature (see page 24) and climate action (see page 16). We design our homes and places to stand the test of time, incorporating adaptation measures to flooding and overheating. Recycling facilities are incorporated into every development, along with energy and water efficient fittings. We are also

committed to developing an approach to ensure the developments create an overall environmental net gain in the future, taking into account factors such as air quality, water use and access to nature.

Strong communities

We focus on quality placemaking and design, stitching the often fragmented brownfield sites back into the local fabric and bringing them to life with the right mix of homes, public amenities, parks and digital connectivity. We provide open, walkable landscapes with a bespoke mix of physical and social infrastructure. We are highly collaborative, working hard to engage local people and partners so we can co-design sustainable places which reflect the local character and where people of all ages and backgrounds enjoy a great quality of life. We develop community plans for our larger sites, to facilitate thriving communities and engage people in community life.

Links to Berkeley targets

Short-term targets (by 2023):

- 90% of our homes will be built on brownfield land.
- Launch and embed a tool to calculate social value created on every new site.

Medium-term target (2023-2029):

- Maximise the value to society that each development brings.

Long-term target (by 2030):

- We will demonstrate the success of our developments and the quality of life of our customers and residents over the long-term.



SDG 13: CLIMATE ACTION

Take urgent action to combat climate change and its impacts



Relevant SDG Targets

Resilience and adaptive capacity to climate-related hazards and natural disasters

Awareness-raising on climate change mitigation, adaptation, impact reduction and early warning

Our approach

15 years of focus

We have come a long way since we launched our sector's first Climate Change Policy in 2007. Our direct business operations are now carbon neutral, we procure 100% renewable electricity in the UK and we have been awarded an A- rating for Climate Action and Transparency by CDP. But we must go further, and Berkeley is now proud to be a 1.5°C aligned business, having set independently verified science-based targets for reducing our greenhouse gas emissions.

The route to net zero

We are targeting the most carbon intensive activities throughout our full supply chain, identifying mitigation and adaptation solutions. Our climate action programme charts a course to Berkeley becoming a net zero carbon business by 2040.

We have set out a detailed climate action plan based on five key action areas which are driving our progress to the targets and ensuring that our homes, places and business operations are resilient to the impacts of climate change:

1. Embodied carbon – focusing on reducing the carbon content of the materials and services we use
2. Low carbon homes – reducing the in-use lifetime carbon emissions of our homes
3. Low carbon construction sites – implementing efficiency measures on sites and increasingly using biodiesel in place of gas oil
4. Climate change resilience – modelling the expected impact of climate change on our operations and taking action to mitigate risks
5. Balancing our impacts – purchasing 100% renewable electricity in the UK; purchasing verified carbon offsets for our remaining Scope 1 and 2 emissions and contractor-purchased fuel used on our construction sites.

Links to Berkeley targets

Short-term targets (by 2023):

- Assess embodied carbon from materials and services on 10 of our sites and work with our supply chain partners for high impact materials.
- Complete scenario analysis to understand how risks associated with climate change impact our business.
- Implement measures to manage climate risks for our developments and business.
- Maintain carbon neutral operations across Scope 1 and Scope 2 emissions using REGOs and verified projects.
- Investigate innovative ways to offset our indirect (Scope 3) impacts.

Medium-term target:

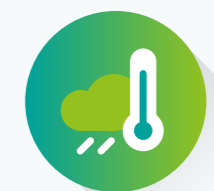
- By 2025 set out reduction targets to be met within embodied carbon assessments completed on every new development.

Long-term targets:

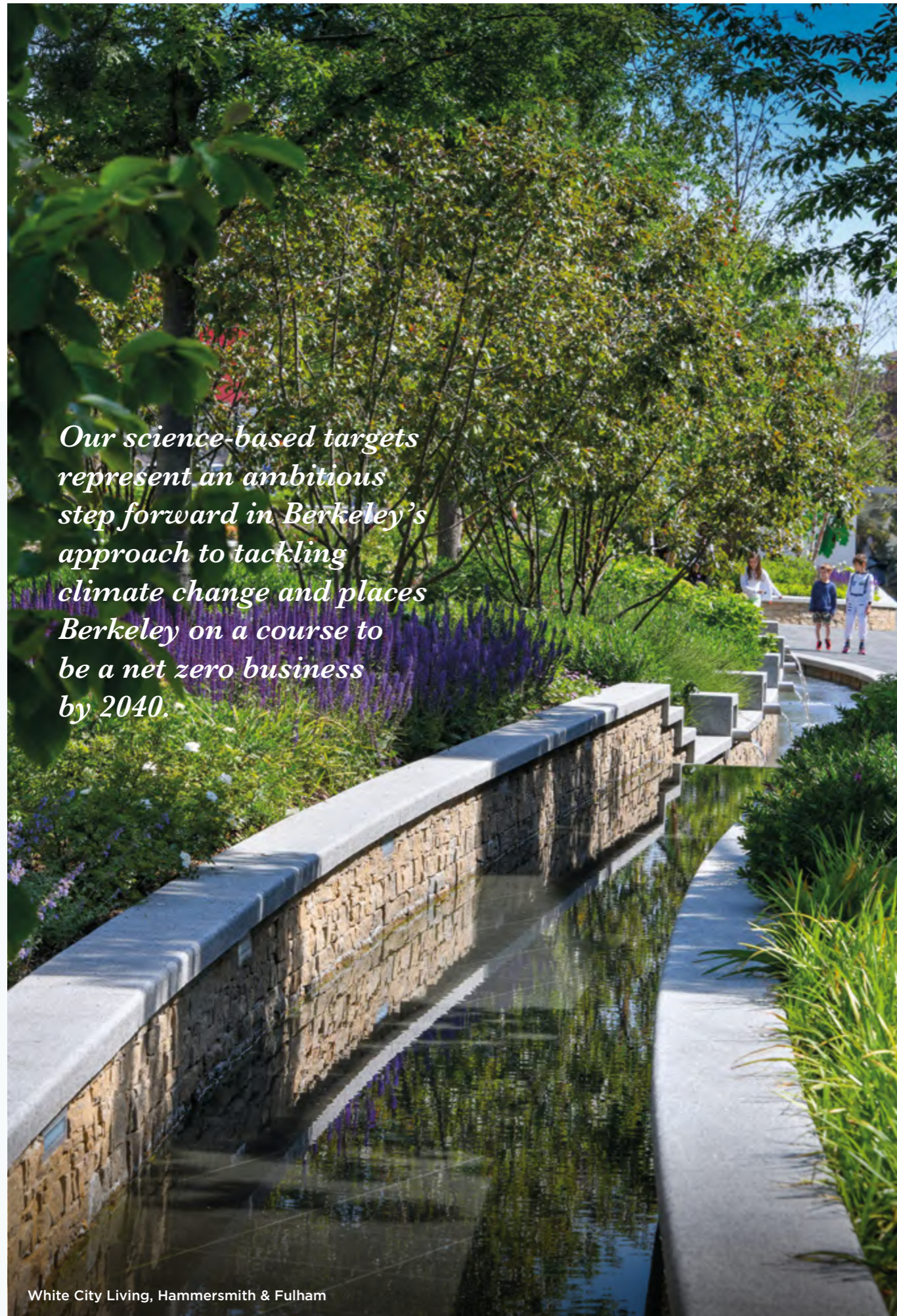
- By 2030 meet our science-based targets for carbon emissions reduction
- By 2040 be net zero carbon across Scopes 1, 2 and 3.



Links to Our Vision 2030 priorities



Climate Action



Our science-based targets represent an ambitious step forward in Berkeley's approach to tackling climate change and places Berkeley on a course to be a net zero business by 2040.

White City Living, Hammersmith & Fulham

SDG 13: CLIMATE ACTION (CONTINUED)

Science Based Targets to Reduce Greenhouse Gas Emissions¹

In December 2020, Berkeley received approval from the Science Based Targets initiative (SBTi) for its science-based targets (SBTs) to reduce greenhouse gas (GHG) emissions:

- Berkeley commits to reduce absolute scope 1 and 2 GHG emissions from its direct operations by 50% between 2019 and 2030
- Berkeley commits to reduce scope 3 GHG emissions from its purchased materials and services by 40% per square foot of legally completed floor area between 2019 and 2030
- Berkeley commits to reduce scope 3 GHG emissions from the use of the homes we build by 40% per square foot of legally completed floor area between 2019 and 2030

These targets represent an ambitious step forward in Berkeley's approach to tackling climate change and have been calculated to ensure that we play our part in limiting global warming to 1.5°C above pre-industrial levels.

They will place Berkeley on a course to be a net zero business by 2040.

50%↓

Reduction in absolute scope 1 and 2 GHG emissions from its direct operations between 2019 and 2030

40%↓

Reduction in scope 3 GHG emissions from its purchased materials and services between 2019 and 2030

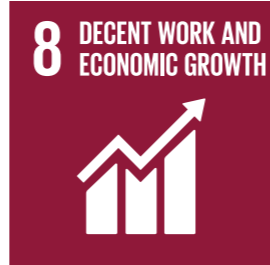
40%↓

Reduction in scope 3 GHG emissions from the use of the homes we build between 2019 and 2030



¹ Berkeley science-based targets: https://www.berkeleygroup.co.uk/media/pdf/f/2/11699_001_Climate_Action_Brochure_A5_v5.pdf

SDG 8: DECENT WORK AND ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Relevant SDG Targets

Sustainable Economic Growth

Diversify, innovate and upgrade for economic productivity

Job creation and growing enterprises

Resource efficiency in consumption and production

Full employment and decent work with equal pay

Youth employment, education and training

End modern slavery, trafficking, and child labour

Protect labour rights and promote safe working environments

Links to Our Vision 2030 priorities



Shared Value



Future Skills



Employee Experience



Supply Chain



Our approach

Sustainable economic growth

We are proud to be a successful FTSE100 business, allocating capital to deliver sustainable returns to our shareholders and creating value for our other stakeholders, including through the work of the Berkeley Foundation.

Employee experience

More than 85% staff participated in our staff survey in 2021 and we received strong feedback around people's pride in their roles, the high quality product we create and our values and ambitions as a business. We are delivering programmes to support diversity and inclusion, social mobility and wellbeing for our employees.

Job creation

We support 28,000 jobs on average across our workforce and supply chain each year. We pay employees at least the Living Wage Foundation's Living Wage and are part of The 5% Club meaning we maintain at least 5% of our workforce in formal training.

Youth employment and social mobility

Our training opportunities are targeted towards underrepresented groups and those who face real disadvantage in entering the workforce, and we work partnership with local councils, schools, colleges, charities and our supply chain. This includes being a Platinum Partner of Women Into Construction and a signatory of the Mayor of London's Diversity Pledge. We also help people to overcome barriers, improve their lives and build a fairer society through the Berkeley Foundation by supporting vulnerable young people and providing grants.

Health and safety

Health and safety has always been of paramount importance to us and we are proud to be safe, with a safety record that outperforms the industry.

Combating modern slavery

We continue to increase our understanding of the risks of modern slavery and child labour in our supply chain, launching updated guidance and training to our production teams and updating our assessment methodology for our supply chain.

Links to Berkeley targets

Short-term targets (by 2023):

- Assess all contractors for modern slavery risks through enhanced processes.
- 5% of both Berkeley employees and the contractor workforce to be an apprentice or in formal training.
- Achieve an AIIR of 2.5 or below, and target zero harm.

Medium-term target:

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

Long-term target:

- Demonstrate our balanced approach as a business, delivering shared value to our shareholders and other stakeholders.

SDG 9: INDUSTRY INNOVATION AND INFRASTRUCTURE



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Relevant SDG Targets

Quality, reliable, sustainable and resilient infrastructure

Retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes

Access to information and communications technology and to the Internet

Links to Our Vision 2030 priorities



Modernised Production



Communities

Our approach

Modernising production

We have developed a unique and highly flexible modular housing system, which is manufactured through a highly automated, digitally integrated and safe production process. Berkeley Modular will represent a transformation in housing delivery, combining our homebuilding expertise with the advanced manufacturing technologies of the aerospace and automotive sectors.

Our approach aims to create unique, beautifully designed and precision made homes, which can be delivered at high speed and scale. This additional delivery capacity will complement our industry lead in construction operations and is key to increasing our overall housing completions in the coming years.

Digitisation

We recognise that construction will become increasingly digitised over the coming years, both in terms of design and production. We have increased the use of digital platforms, such as Building Information Modelling, automated design and collaboration tools. We have also partnered with further education providers to create innovative new apprenticeship programmes that give people the digital skills they will need to work in this emerging sector.

Digital connectivity for customers

As the first developer to commit to Fibre Connectivity, we have worked with our partners since 2018 to ensure all new homes are fibre enabled and ready for the digital future.

Links to Berkeley targets

Short-term (by 2023):

- Commence production at Berkeley Modular.
- All apartments designed to maximise the use of modular construction.
- A new digital platform will be in place to enable the golden thread of information to be retained throughout every project.
- All apartment blocks over 11m to reach BIM level 2 status.
- Continue to provide the appropriate technical and physical infrastructure necessary to ensure digital connectivity.

Medium-term targets (2023 to 2029)

- Achieve full production capacity by 2027 and demonstrate the benefits of advanced manufacturing technology.
- Develop a methodology to assess the benefits of digitally enabled processes for each home built.

Long-term targets (by 2030)

- We will design all new homes to maximise the use of modern methods of construction.
- We will have utilised advanced manufacturing and digital technology to deliver high standards and a 50% increase in production.



SDG 15: LIFE ON LAND



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Relevant SDG Targets

Conservation, restoration and sustainable use of ecosystems

Sustainable management of forests

Restore degraded land and soil

Reduce the degradation of natural habitats and halt the loss of biodiversity

Prevent the introduction of invasive species

Our approach

Biodiversity net gain

On every Berkeley site we ensure that there is more nature incorporated into the development than was there before. In 2016 we became the first homebuilder to commit to measurably increasing biodiversity on every new site we develop. Our first 42 Net Biodiversity Gain strategies are set to create 480 acres of new or measurably improved natural habitats. Our average net gain score for our sites to date is above 150%. We've now gone a step further and committed to deliver a minimum 10% net gain in biodiversity on every new project, regardless of the site's context or former use.

Partnership working

We work landscape architects to design nature rich habitats through are developments to ensure they create a measurable net biodiversity gain.

We also partner with leading conservation charities and experts, including The Wildlife Trusts, to help create and manage nature-rich habitats on every new site.

Environmental net gain

We are expanding our approach beyond net biodiversity gain to deliver measurable improvements in other environmental aspects such as water resources, flood resilience and air quality.

Sustainable timber

Through our Sustainable Specification and Procurement Policy, we require all timber to be certified to either the Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) scheme and we have a strong preference for all wood-based products to be either FSC or PEFC certified.

Links to Berkeley targets

Short-term targets (by 2023):

- Create a net biodiversity gain of 10% on each of our new developments.
- Upskill our managing agents and landscaping companies to ensure biodiversity gain is maintained for the long-term.
- Partner with a water company to undertake a trial on water neutrality at a development scale.
- All of our developments to have 100% of timber purchased FSC or PEFC certified and maintain Chain of Custody.

Medium-term targets (2023 to 2029):

- Develop an overall approach for environmental net gain (including water, flooding and air quality).
- By 2025 we will implement an environmental net gain on at least one development.

Long-term target (by 2030):

- We will achieve an overall environmental net gain on all developments.



Links to Our Vision 2030 priorities



Nature

SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensure sustainable consumption and production patterns

Relevant SDG Targets

Sustainable management and efficient use of natural resources

Management of chemicals and wastes throughout their life cycle

Reduce waste generation through prevention, reduction, recycling and reuse

Sustainable practices and sustainability reporting

Sustainable procurement

Awareness of sustainable development and lifestyles

Links to Our Vision 2030 priorities



Shared Value



Future Skills

Our approach

Management of operations

We have a team of around 20 sustainability professionals who drive change across the business. They conduct regular audits of our operations to ensure we are making efficient use of natural resources and managing fuels and any chemicals on site in accordance with legislation and best practice.

Designing out waste

From the earliest stage of the design process we aim to design out waste and work with our supply chain to develop material efficient processes. We recycle nearly all of our non-hazardous waste from our sites. We aim to reuse or recycle 96% of construction waste across our sites and we aim to operate zero avoidable waste construction sites by 2030.

Sustainable procurement

We preferentially partner with suppliers that have a commitment to sustainable and responsible practices. Every project must procure on overall value rather than just cost and sustainability is a key factor in our decision-making process, together with ethical considerations such as combatting modern slavery and child labour. As a partner of the Supply Chain Sustainability School we collaborate with our suppliers to share knowledge, increase transparency and reach higher quality, safety and sustainability standards.

Promoting sustainability to customers

We promote sustainability aspects of our developments to our customers and provide information to them on how to live sustainably.

Links to Berkeley targets

Short-term targets (by 2023):

- 100% of projects to award contracts on best overall value.
- Implement and embed a new materials strategy, including an audit programme for suppliers.
- Utilise relevant Berkeley Modular supply chain activity to benefit traditional projects.
- Align strategic activity with Build Quality Assurance and climate change targets.
- All sites to measure and report on our key waste streams and set reduction targets.

Medium-term targets (2023 to 2029):

- Reuse or recycle 98% of our waste from construction activities.
- Be certified by CIPS for Procurement Excellence.

Long-term targets (by 2030):

- Operate zero avoidable waste construction sites following the principles of circular economy.
- Our procurement and supply chain activity will be benchmarked against global best practice and provide the resilience and expertise we need to meet our strategic goals.





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