



# Modern Slavery Statement 2020/21

Building homes  
Strengthening communities  
Improving lives





Quinton Court, Sevenoaks

# Modern Slavery Statement 2020/21

**The Berkeley Group Holdings plc, its subsidiary companies and their joint ventures (‘Berkeley’), builds homes and neighbourhoods across London, Birmingham and the South East of England. This is Berkeley’s Modern Slavery Statement for 2020/2021 and it is published in compliance with the Modern Slavery Act 2015.**

The actions mentioned in this statement are undertaken at parent company or subsidiary and joint venture company level as appropriate to the action. The size and complexities of Berkeley’s developments means that it can take a number of years for them to reach completion. For this reason, the turnover of its subsidiary companies can vary from year to year, taking them above and below the £36 million modern slavery reporting threshold. For that reason, Berkeley makes this modern slavery statement on behalf of all of the Berkeley subsidiary companies and joint ventures, all of whom adopt its terms.

This statement covers Berkeley’s financial reporting year of 1 May 2020 to 30 April 2021, is signed by the Chief Executive and has been approved by the Board on 12 October 2021.

The last 18 months has been an unprecedented time for businesses. Covid-19 has had an inevitable impact on all areas of our business and that has been influenced by factors including UK and international lockdowns, government interventions and regulations and economic pressures and uncertainty. The health and safety of our employees, contractors and customers has remained of paramount importance and we have worked hard to adapt to the new way of working that Covid-19 has required. In addition to the challenges presented by Covid-19, Brexit has also presented additional pressures on our supply chains which are experiencing shortages of raw materials, construction products and transportation difficulties. As a result of both Covid-19 and Brexit, we recognise that modern slavery risks have increased.



## Our Purpose

To build quality homes, strengthen communities and improve people’s lives.

## Our Vision

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.

## Our Values

- Have Integrity
- Be Passionate
- Think Creatively
- Respect People
- Excellence Through Detail

# Our Business

**Berkeley is made up of six autonomous brands: Berkeley; St George; St James; St Joseph; St Edward which is a joint venture with M&G Investments; and St William which is a joint venture with National Grid. Berkeley operates through these autonomous divisions and operating companies, each with its own board of directors.**

Berkeley is engaged in residential-led, mixed-use property development in London, Birmingham and the South-East of England. We specialise in and remain committed to the regeneration of complex large-scale brownfield projects. In 2020/2021, Berkeley had over 2,600 directly employed staff engaged in a variety of roles including management, finance and administration. An average of 11,000 people, including directly employed staff and contractor staff worked across Berkeley’s 64 live construction sites each month. In 2020/2021 Berkeley delivered 2,825 homes.

Berkeley also has six overseas sales and marketing offices in Bangkok, Beijing, Dubai, Hong Kong, Shanghai and Singapore. These overseas offices are not involved in any aspect of construction or development but focus primarily on facilitating overseas sales, with all Berkeley construction operations being UK based. The total number of employees based overseas in the year was 34.

6 Autonomous brands	64 Live construction sites
2,600 Direct employees	~11,000 People working on our sites

The developments that Berkeley creates range in size from a small number of homes to complex mixed-use urban regeneration schemes with many thousands of homes. The types of home we build include modern city apartments and traditional family homes, as well as student and senior living accommodation. Our mixed-use developments incorporate offices, retail units, leisure facilities, hotels and restaurants. We sell our homes and commercial space to a broad range of customers: private buyers; housing associations; universities; investors and commercial occupiers.

Berkeley  
Designed for life

St George  
Designed for life

St James  
Designed for life

St Joseph  
Designed for life

St Edward  
Designed for life

St William  
Designed for life



## Our Supply Chain

**The procurement of materials and the supply of labour are two key areas within the supply chain that Berkeley has identified as presenting a greater risk of modern slavery.**

Berkeley's supply chains are geographically diverse. Materials used in the construction of Berkeley's developments are procured both directly and via our contractors from the UK, Europe and the rest of the world. This will include countries where there is a higher risk of modern slavery and/or child labour.

Berkeley sources some building materials directly from manufacturers and suppliers but the majority of the materials used in our construction operations are procured by the contractors engaged to carry out the building works. Accordingly, Berkeley is often several steps removed from the procurement of materials which increases the risk.

In relation to the supply of labour, the majority of construction operatives working on our sites are employed through contractors with whom we directly contract. Occasionally there will be a main contractor who will employ their own sub-contractors. In this scenario our contract is with the main contractor only.

Berkeley's contractors supply their own labour to work on Berkeley construction sites. Some of this labour is presently from non-UK countries and there is a risk that some foreign labour could have been trafficked. We require that our main contractors and sub-contractors comply with all modern slavery legislation. In addition, we carry out our own right to work checks on all operatives that wish to work on our sites as part of the induction process that they undertake.

Berkeley also appoints a range of consultants such as engineers, lawyers, accountants, surveyors and ecologists, but we consider the risk of modern slavery for these third parties to be low.

As a result of the Covid-19 global pandemic and Brexit, we are experiencing increased pressures on our supply chain. These pressures increase the risk of modern slavery. The market is currently experiencing unprecedented levels of demand for construction products and materials, driving price inflation and availability issues. We consider that this dynamic may drive companies to consider sourcing from alternative suppliers and manufacturers without full due diligence. The worldwide shortage of raw materials and construction products as well as transportation difficulties is also resulting in some materials being sourced from alternative geographical locations that we were not previously using. Examples of this in the wider market include plasterboard and bricks from Turkey, glass from Dubai, bricks from South Africa and steel from South East Asia.

Actions taken to address the above risks across the Berkeley supply chain are detailed from page 9 of this statement.

# Our Policies

We are committed to working with companies who conduct themselves according to the ethical, professional and legal standards that we follow. Human rights are implicitly recognised in everything that we do, as shown by our company policies, including but not limited to our Human Rights, Modern Slavery and Child Labour Policy, Equality and Diversity Policy, Health and Safety Policy and Sustainable Specification and Procurement Policy.

We also make it clear to all of our employees that we expect them to comply with the policies we set regarding ethical behaviour. When new employees join our business, they are provided with copies of policies that set out the conduct that we expect of them. This includes our Human Rights, Modern Slavery and Child Labour Policy, Business Ethics Policy and Whistle-blowing Policy which employees are asked to confirm that they have read and understood.

The key policies that we have that are specifically relevant to modern slavery are:

## Human Rights, Modern Slavery and Child Labour Policy

Anyone conducting business on our behalf is required to adhere to the standards set out in our Human Rights, Modern Slavery and Child Labour Policy.

1. We strive to engage in an open and honest dialogue with our suppliers, contractors and sub-contractors about the risks of modern slavery and child labour occurring in our supply chain;

2. We assess key social and ethical impacts of suppliers and contractors within the tendering process;
3. We incorporate consideration of social and ethical issues into the initial contractor approval process;

4. We set out in all new contracts the standards that we expect from all third parties that provide goods or services to us;

## Business Ethics Policy

We require anyone that is conducting business on our behalf or working for us to adhere to the standards set out in our Business Ethics Policy. This includes strictly enforced disciplinary sanctions including dismissal for violations of our Human Rights, Modern Slavery and Child Labour Policy.

## Whistle-blowing Policy

Berkeley's Whistle-blowing Policy has always been open to staff and all third parties to report any suspected unlawful behaviour, breach of Berkeley's policies or any other matters that fall below established standards or practice. Our Whistle-blowing Policy makes explicit reference to modern slavery, acknowledging its importance.



## Due Diligence and Risk Assessment

**We believe that the risk of modern slavery for Berkeley arises predominantly in the following areas: (1) contractors; (2) procurement of materials; and (3) provision of labour.**

### (1) Contractors

In February 2021 Berkeley launched its Our Vision 2030 business strategy which is our ten year plan committing to maximising the positive impact we make on society, the economy and the natural world. As part of Our Vision 2030 modern slavery has been referenced as a specific consideration that must be addressed when deciding which contractors we work with. We are already taking a number of steps to address modern slavery risks with our contractors and these have been set out below.

Our construction contracts include robust anti-slavery and child labour provisions that not only bind Berkeley's direct contractors and suppliers but also imposes obligations on them to cascade the provisions down the supply chain. These provisions are rolled out across the whole of the construction supply chain and endorse Berkeley's commitment to anti-slavery and anti-child labour. In addition, we have varied our purchase order terms and small contract terms and conditions to include the anti-slavery and anti-child labour terms similar to those already imposed in the construction contracts.

We also operate robust competency and pre-qualification checks on all contractors that wish to be included on our construction database or undertake work on behalf of our companies. As part of the Pre-Qualification Assessment that all our contractors are required to complete, we ask questions specific to modern slavery including whether the contractor is taking any measures to prevent modern slavery in their supply chain. In addition, all contractors are provided with a link to our Supply Chain Portal which contains copies of our Human Rights, Modern Slavery and Child Labour Policy and Business Ethics Policy and we ask our contractors to review and confirm acceptance of the terms within.

In addition to the contractual provisions and pre-qualification checks that we have in place, we issue our contractors with a modern slavery questionnaire each time they enter into a new contract with us. This questionnaire asks our contractors to provide specific information on the actions being taken to combat modern slavery in the supply chain. Having initially implemented the questionnaire in 2016, in 2020/2021 we completed a review of the questions posed and have evolved these, including the addition of specific questions in relation to labour-only contracts, an area considered to be of risk to Berkeley (see separate section on this below). The review of our contractor modern slavery questions was completed in 2021 and these updated modern slavery questions also now align with the Build UK Common Assessment standard which sets the industry standard for the pre-qualification of contractors. We have also included some additional questions that are relevant to the risk areas we have identified for our operations. Additionally, as part of the review, we identified a way to bring the modern slavery questionnaire into our tender scoring matrix; a tool used to assess contractors based on overall value across a range of quality, environmental and social criteria, rather than cost alone. During the early part of 2021 we worked on setting appropriate scoring parameters within which we could score our contractors based on their modern slavery policies and procedures. This enables us to identify the strength of our contractors' procedures and respond accordingly. This may include working with a contractor to strengthen their approach or deciding not to work with a contractor where we are not satisfied with their modern slavery record. We are currently finalising the implementation of our new modern slavery contractor questionnaire and we aim to roll it out in the autumn of 2021.



(2) Procurement of Materials

In 2019 we conducted an initial review of the procurement of materials from countries identified as having a higher risk of modern slavery. The first part of our review focused on procurement from China, India, the Middle East and Russia. We selected those countries having considered a number of factors including: (1) the prevalence of modern slavery as ranked in the Global Slavery Index; (2) the prevalence of modern slavery for the production of goods relevant to our business (as referenced in the US Department of Labor’s 2018 List of Goods Produced by Child or Forced Labour) and (3) the countries/regions that we are likely to procure materials from. Commercial teams across Berkeley then identified known materials procured either directly or indirectly within the previous 12 month period from those countries/regions. The 2019/20 review of direct and indirect procurement from China, India, Russia and the Middle East demonstrated that China is a predominant source of materials.

Since completing this initial work on identifying risks from the procurement of materials, Berkeley has made the strategic decision to standardise common base materials and manufacturers across the business where possible. This will create closer and more collaborative relationships, helping to mitigate risk and enhance resilience. Modern slavery will be a key criterion when assessing and agreeing the manufacturers and products to be used moving forward. Standardisation is planned across approximately 45 key product groups, covering materials such as blocks, insulation, drainage and timber joists. By streamlining the suppliers and materials used across Berkeley, improved supply chain mapping of both the country of manufacture and raw material origin will be supported, and a better understanding of the geographical risks of our supply chain will be gained to inform the proactive actions required for future years. This year we have held a project kick –off meeting in relation to this initiative and a Steering Committee chaired by one of our Executive Directors has been set up. The aim is to establish a common set of technical standards for a range of product choices, which will improve business efficiency and will also enable us to look more closely at our material sourcing strategies.

Throughout the year, the teams across Berkeley may also carry out overseas factory visits. These can take place for a number of reasons including to conduct due diligence on a contractor, to review factory facilities, to observe the manufacturing process, to review the quality of products and to attend design meetings. When making these visits we require staff to be alert and mindful of signs of modern slavery. As a result of the global Covid-19 pandemic, Berkeley has been unable to safely undertake global visits since March 2020. Following the easing of lockdown, we intend to resume these visits when it is safe to do so.

(3) Labour-only

In some circumstances we will engage contractors that provide labour-only services to us. This might arise in a number of ways. For example, we may engage a contractor under a contract for works where we provide free-issue materials. Under this arrangement the contractor is still engaged to carry out the works but they are not involved in sourcing the materials that are required. Another scenario is that we may engage a contractor under a contract for labour which might arise if, for example, there is a shortage of labour on site which we need to fill. The contractor/labour agency would provide labour only and would have no further contractual obligations in relation to the works. Our labour supply chains can sometimes include multiple parties as a result of further sub-contracting by our labour only contractors. This can create lengthy labour supply chains which places Berkeley several steps away from the supply of labour which increases our modern slavery risks. Any labour-only contractor that we issue a new contract to is asked to complete our modern slavery questionnaire. This year we have modified the questionnaire additionally to address specific labour risks.



## Effectiveness and Training

### Effectiveness

Since the Modern Slavery Act 2015 came into effect, we have received two whistle-blowing complaints that alleged modern slavery, both of which proved to be unfounded claims. One complaint related to right to work checks that a sub-contractor required from their employee and the other related to payment by a sub-contractor to its employees. We investigated both of these complaints with our sub-contractors and neither of them gave rise to any concerns that there had been modern slavery taking place. The reporting and investigating of these matters enabled us to work with our sub-contractors to understand the matters being complained of and we continue to encourage the reporting of modern slavery concerns, through our site posters and policies, so that they can be properly investigated.

### Training

This year we have developed a new modern slavery training course to build on previous training and information provided to employees. This training course will be completed by all employees and each new starter that joins our business. This is being conducted through our e-learning platform which enables us to track completion and ensure all of our employees undertake the training.

We continue to display on-site modern slavery posters to include alerts for workers to raise awareness of signs of modern slavery and provide details of an independent charity help-line. These posters are displayed on all Berkeley sites and are in English, Romanian, Albanian and Polish which are presently the most commonly spoken languages on our sites.

This year we have also produced specialised internal modern slavery guidance for our Production Committee which was produced to increase further awareness of modern slavery at a high level and to provide information on how to identify it, what we expect of our teams and how to report any concerns. We are also giving further thought to other key groups within our business that may benefit from receiving this guidance.

During 2020/2021 we took the decision to review the role of our 'modern slavery champions' (who previously sat within our commercial teams) and decided to replace them with 'modern slavery leads' who are the most senior person on each of our sites. This decision was taken to ensure that we have clearly identifiable individuals on each site that are responsible for reporting modern slavery and that can act as a point of contact for anyone on site to raise concerns. It also ensures that as business roles and employees change, the modern slavery lead will always be identifiable.



# Commitments for 2021/22

**Berkeley is committed to increasing its understanding of the risks of modern slavery and child labour in its supply chain and to their eradication if found by undertaking the following actions in the coming year:**

- a. Continue to work with our supply chain to understand our key sources of materials, particularly where these are impaired by shortages and delivery issues, and assess the modern slavery and child labour risks of source countries. This will include considering enhanced modern slavery due diligence on our supply chain and the exploration of technologies that may be able to assist with this process;
- b. Roll out new modern slavery training to all employees and track completion;
- c. Roll out induction material for all new site workers;
- d. Produce bespoke training and/or guidance for employees conducting overseas factory visits once they become safe to resume;
- e. Issue our updated modern slavery questionnaire in autumn 2021 and review information submitted, identifying any follow up action points for higher risk contractors;
- f. As part of the broader pre-qualification and tender activity review being undertaken by the business, continue to ensure modern slavery is appropriately addressed, including its addition to the Tender Scoring Matrix;
- g. Ensure that modern slavery is addressed as part of the project currently underway to standardise common base materials and manufacturers;
- h. Continue to monitor, review and address the impact of the Covid-19 pandemic on our business, including our supply chain, in a changing world and global market;
- i. Continue to engage and draw on the experiences shared across the industry;
- j. Continue to monitor and assess the ongoing impact of Brexit on the labour forces coming to work on our sites and assess whether this will have any impact on the risks of modern slavery relating to the provision of labour and the procurement of materials.

Signed



**R C Perrins**  
Chief Executive of the Board of The Berkeley Group Holdings plc for the year 2020/2021



Green Park Village, Reading

