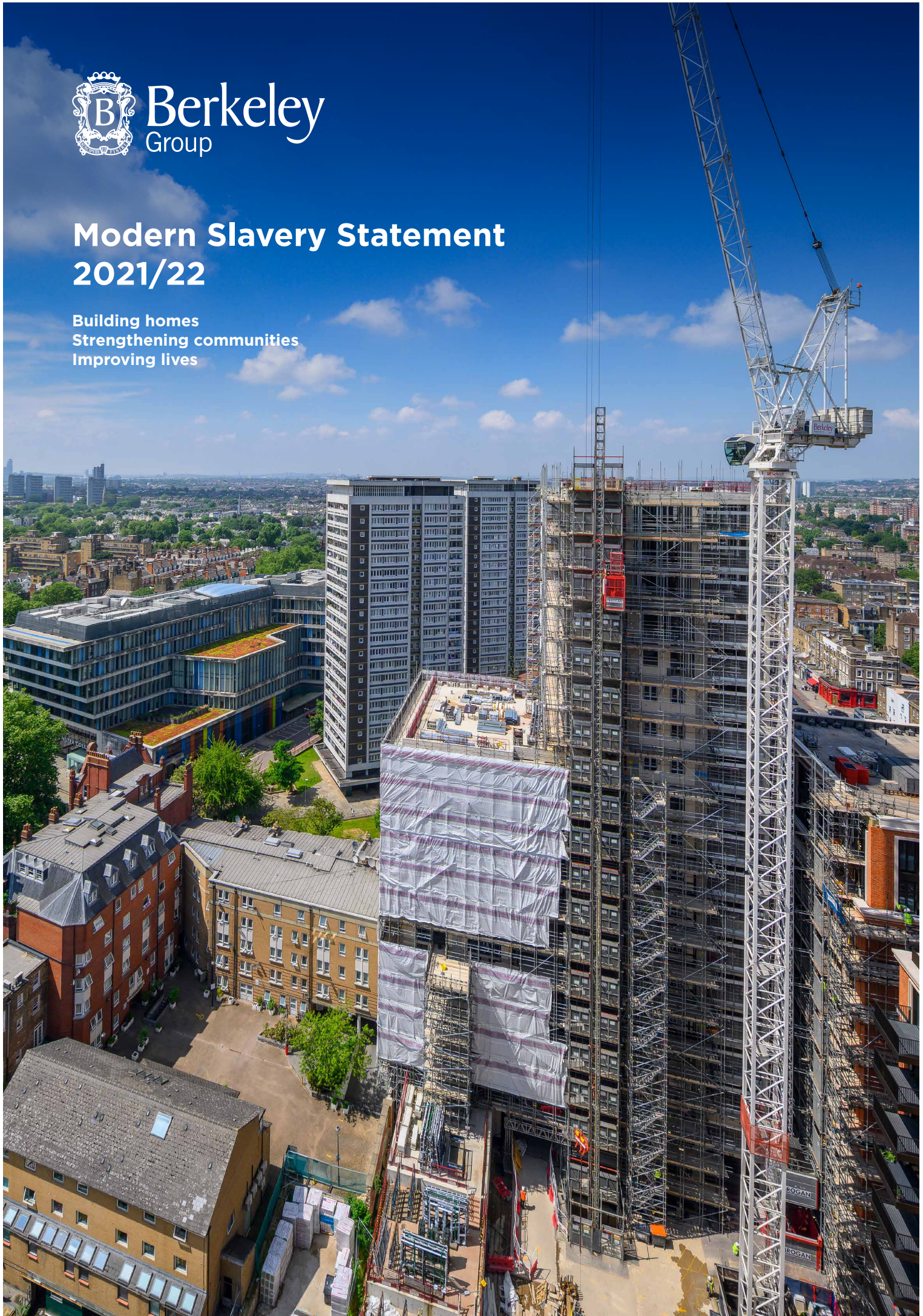




Modern Slavery Statement 2021/22

Building homes
Strengthening communities
Improving lives



Modern Slavery Statement 2021/22

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 2021/2022 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. 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 2021 to 30 April 2022, is signed by the Chief Executive and has been approved by the Board.

Our Focus This Year

This year reflects our first period moving out of the COVID-19 Pandemic which enabled our operations to begin to return to normal. Over the last 12 months, we have continued to experience challenges, with extended delivery periods for construction products and increased cost of materials. An additional pressure that we have also experienced is some reduced labour availability, which has been driven by a reduction in the number of EU construction workers predominately in London following Brexit. We recognise that the rising pressure in the labour market and the diminished number of candidates to fill available roles increases the risk that individuals will be exploited which may give rise to modern slavery.

We have made the decision to focus on the following areas to progress and strengthen our approach to identifying and combatting modern slavery:

- Extent to which combatting modern slavery is included in the engagement process for our contractors specifically through our tender processes (see page 09);
- Ensuring modern slavery remains a key component of the assessment we make of our contractors and our decisions to work with them which we base on overall value and not on cost alone (see page 09);
- Presenting modern slavery as a key topic of discussion and engagement with our trade partners (see page 10);
- Enhancing our processes regarding procurement of the common materials we use across the Group and ensuring that awareness of modern slavery is a key component of our decision making (see page 10);
- Continuing to raise awareness throughout our business of the importance of identifying and reporting any modern slavery concerns (see page 13).

Our Purpose

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

Our Vision

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.

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 William and St Edward which is a joint venture with M&G Investments. 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 aim to transform the most challenging and complex brownfield sites into welcoming and sustainable places to live and work. In 2021/2022, Berkeley had 2,911 directly employed staff engaged in a variety of roles including management, finance and administration. An average of 9,415 contractor staff worked across Berkeley's 60 live construction sites each month. In 2021/2022 Berkeley delivered 4,632 homes.

Berkeley also has eight overseas sales and marketing offices in Bangkok, Beijing, Chengdu, Dubai, Hong Kong, Shanghai, Shenzhen and Singapore. These overseas offices are not involved in any aspect of construction or development but focus primarily on customer liaison, with all Berkeley construction operations being UK based. The total number of employees based overseas in the year was 40.

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 and community 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.

6

Autonomous brands

60

Live construction sites

2,911

Direct employees

~9,000

People working on our sites

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



London Dock, Wapping



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 risk of modern slavery.

Berkeley's supply chains are geographically diverse. Materials used in the construction of Berkeley's developments are procured from the UK and all around the world both directly and via our contractors. This will include countries where there is an increased 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 trade contractors engaged to carry out the building works. Accordingly, Berkeley is often several steps removed from the procurement of materials which increases its risk.

In relation to the supply of labour, the majority of construction operatives working on our sites are employed through trade 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 trade contractors comply with all modern slavery legislation. In addition, we carry out our own right to work checks on all operatives who work on our sites as part of the induction process.

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. However, we understand that some

workers may be sub-contracted from overseas to undertake elements of the work. We will look into this in further detail in 2022/23 to understand where modern slavery risks may arise within this group.

As a result of Brexit, the Covid-19 global pandemic and the conflict in Ukraine, we are experiencing increased pressures on our supply chain. These pressures increase the risk of modern slavery. The market has seen unprecedented levels of volatility and price inflation in the material supply chain. We consider that this dynamic may drive companies to consider sourcing from alternative suppliers and manufacturers without full due diligence. The worldwide shortage of certain raw materials as well as transportation difficulties is also resulting in some materials being sourced from alternative geographical locations that we were not previously exposed to. 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 09 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 the 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 suppliers and contractors on key social and ethical issues 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) appointment of contractors; (2) procurement of materials; and (3) provision of labour.

(1) Appointment of 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 alongside the areas we are now developing further.

Our construction contracts include robust anti-slavery and child labour provisions that not only bind Berkeley's direct contractors and suppliers but also impose 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 approved 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, this financial year we have reviewed and evolved the modern slavery questions that we ask our contractors when they tender for work with us. The review of our contractor modern slavery questions was completed in 2021/22 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 such as questions relating specifically to materials and labour. 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 2021/22 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 enhance their approach or deciding not to work with a contractor where we are not satisfied with their modern slavery record. We added these questions to the tender scoring matrix for medium and high risk packages in December 2021. We have now rolled out the questions to all low risk packages.

(2) Procurement of Materials

In 2021/22 Berkeley 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. All manufacturers involved with this process are required to complete a Modern Slavery questionnaire, which is based on the details and methodology we use for contractors. As with contractors, responses are scored, which impacts our contract award decision making process and can result in deciding not to work with a manufacturer where we are not satisfied with their modern slavery record. Standardisation is now progressing across 30 key product groups, covering materials such as; pipework and drainage, blocks, insulation, dry lining 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. Under the direction of a Steering Committee chaired by one of our Executive Directors, this year we have progressed 12 Technical Standards, which will inform product choice, improve business efficiency and also enable us to look more closely at our material sourcing strategies, in the context of modern slavery.

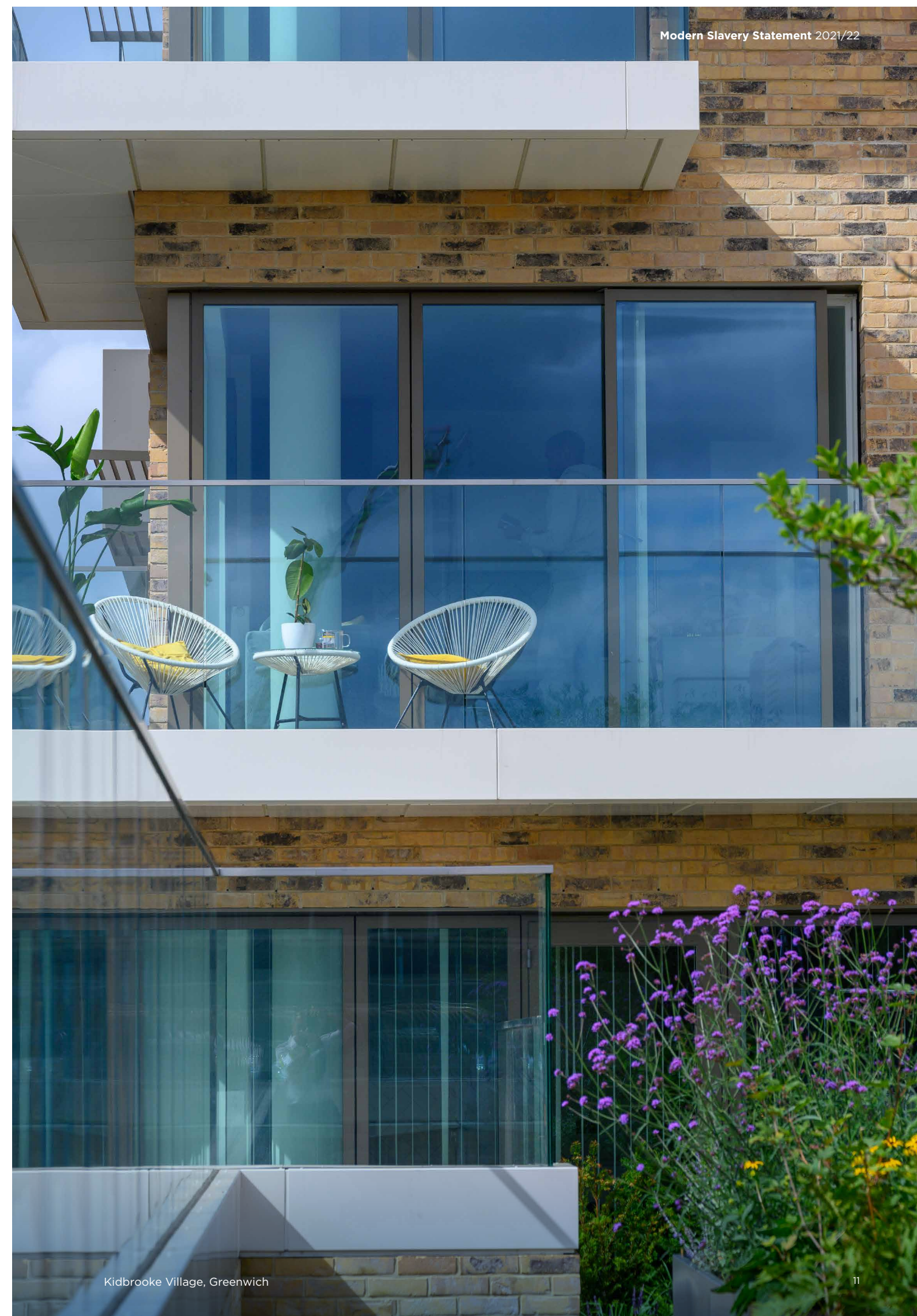
In early 2022, Berkeley took the decision to re-launch its commercial Trade Sponsors. Trade Sponsor roles are designed to provide a senior contact for key trade contractors to address queries and issues that sit outside a specific project. As part of this, Berkeley has identified 11 key trades including frame, façade, mechanical, electrical and brickwork. Within these trades, a review of contract awards across the Group, alongside spend profile and performance, allowed us to identify our 116 key trade contractors. Modern slavery has been included as a specific agenda item for discussion with our key trade contractors. During April 2022, a series of meetings took place between Berkeley's commercial Trade Sponsors and our key trade contractors. At these meetings, a series of topics were discussed,

including modern slavery risks. We will continue to engage with our key trade contractors on modern slavery to enhance awareness and to discuss the mitigation of modern slavery risks.

Teams across Berkeley carry out overseas factory visits 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. This year we have produced specific modern slavery guidance for employees who undertake factory visits, both overseas and within the UK. This guidance was rolled out in August 2022 and is aimed at providing employees with support in looking for and identifying any modern slavery concerns.

(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 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 required to complete our modern slavery questionnaire.



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 the value of work that a sub-contractor applied to work by 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.

We have not received any complaints or reports alleging modern slavery during the 2021/2022 financial year which this statement covers.

Training

This year we have rolled out an e-learning training course on modern slavery which we require all employees to complete.

In August 2021 we created modern slavery induction material and guidance for all site teams and instructed that all site induction presentations now include this section on modern slavery. In addition, all sites were asked to identify a modern slavery lead who is the most senior person on site and will be responsible for acting as the contact point for any concerns that employees may have about modern slavery. We also produced modern slavery guidance for all our modern slavery leads.

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 helpline. 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. Additionally this year we reviewed the hand signal initiative produced by Stronger Together which aims to act as a new tool to empower victims of modern slavery to seek help. This hand signal acts as an 'SOS' signal for individuals to use, should they not feel able to speak out. We consider that this will strengthen and build upon our own modern slavery posters and we plan to ensure that this is communicated through tool box talks and signage on site.

Following the issuing of specialised modern slavery guidance for our Production Committee last year, we have this year issued modern slavery guidance to our Construction Committee along with two bulletins highlighting examples of modern slavery cases involving the construction industry. These bulletins were produced to highlight real life examples of modern slavery taking place within the industry to increase awareness of modern slavery, and to provide information on how to identify it and how to report any concerns. We continue to give further thought to other key groups within our business that may benefit from receiving this guidance and will review cases and issue bulletins on modern slavery where relevant.

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 who are responsible for reporting modern slavery and who can act as a point of contact for anyone on site to raise concerns to. It also ensures that as business roles and employees change, the modern slavery lead will always be identifiable. In 2022/2023 we will put in place tailored modern slavery training for our modern slavery leads in order to continue to boost their knowledge and ensure they are confident in knowing how to respond to concerns.

Commitments for 2022/23

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 market volatility 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. Update the Group's Human Rights, Modern Slavery and Child Labour Policy;
- c. Put in place bespoke modern slavery training for site modern slavery leads;
- d. Complete roll out of new modern slavery questionnaire to low risk packages and review information submitted, identifying any follow up action points for higher risk contractors;
- e. Analyse the use of overseas third parties by our consultants and take action where relevant to address any identified risks;
- f. Ensure that modern slavery continues to be a key consideration as part of our ongoing standardisation of both common base materials and manufacturers;
- g. Continue to engage and draw on the experiences shared across the industry;
- h. 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 2021/2022



Royal Arsenal Riverside, Woolwich

