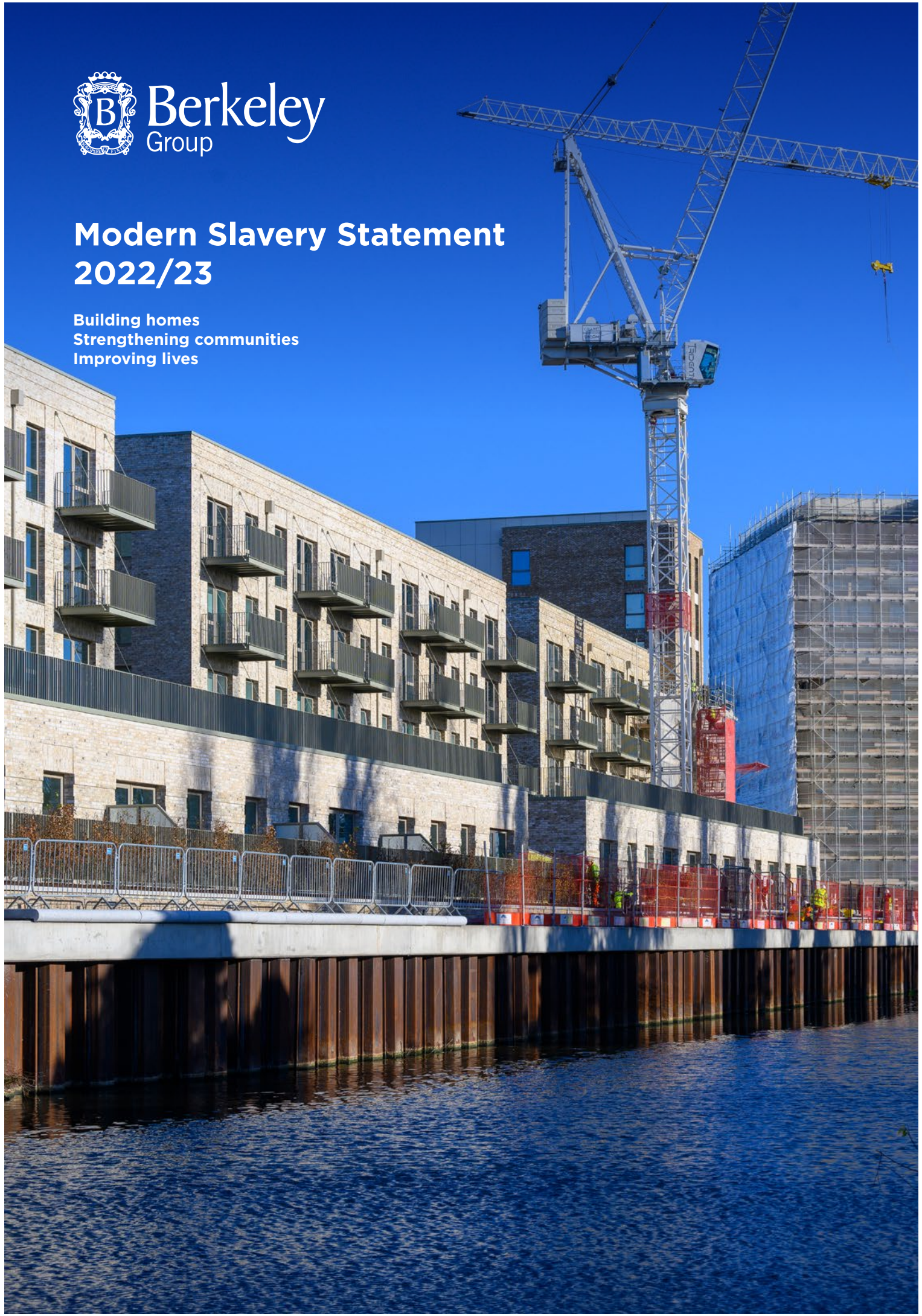




Modern Slavery Statement 2022/23

Building homes
Strengthening communities
Improving lives



Modern Slavery Statement 2022/23

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 2022/2023 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 mean 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 Berkeley subsidiary companies and joint ventures, all of whom adopt its terms.

This statement covers Berkeley’s financial reporting year of 1st May 2022 to 30th April 2023, is signed by the Chief Executive and has been approved by the Board on 12th October 2023.

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 Focus This Year

At the start of the year, we continued to experience challenges following a period of sustained inflation causing the cost of materials to rise significantly and a reduced availability of some building products. An additional pressure which we have continued to experience is an element of reduced labour availability, which has been driven by a reduction in the number of EU construction workers predominantly in London following Brexit.

We recognise that the rising pressure in the labour market and fewer candidates to fill available roles could increase the risk of individuals being exploited which may give rise to modern slavery. Throughout the year there have been some changes to direct and indirect labour markets, which has altered the exposure to these risks. Towards the end of the year more commercial pressure has been felt by our contractors due to a reduced pipeline of work and increasing cost of living pressures. This in turn has put pressure on companies we work with to save costs internally, which could give rise to labour exploitation of their workforce.

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

- Engaging with industry partners through a formalised peer working group (see page 13);
- Engaging with Unseen, the UK charity providing support for survivors of modern slavery, to deliver extended in person modern slavery training for our Site Modern Slavery Leads (see page 13);
- Ensuring that our approach to 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);
- Continuing to enhance our processes regarding procurement of 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 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 2022/2023, Berkeley had 2,802 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 2022/2023 Berkeley delivered 4,637 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. The total number of employees based overseas in the year was 40. All Berkeley construction operations being UK based.

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

2,802
Direct employees

c.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



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.

Our key trade contractors consist of 94 contractors covering 10 trades: 89 are UK based companies; 1 company is based in China (façade) and 4 lift companies are global.

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 architects, 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 and we plan to engage with industry (via a peer to peer working group referred to on page 13) to understand how others assess the modern slavery risks within this group and possibly expand our assessment processes for consultants in the future.

As an ongoing consequence of Brexit, the current conflict in Ukraine and the emerging world following the Covid-19 pandemic, we have experienced volatility and price inflation in the material supply chain, which increases the risk that companies we work with may consider sourcing from alternative suppliers without full due diligence. Construction activity has been resilient through the last year. However, a number of emerging legislative changes may impact future housing supply unless there is a clear and definitive approach to parameters, technical specification and transitional arrangements.

Recent shortages of some materials together with growing commercial pressures are 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 on page 09-13 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 manufacturers, contractors and sub-contractors about the risks of modern slavery and child labour occurring in our supply chain;
- 2. We assess manufacturers and contractors on key social and ethical issues (assessing and considering modern slavery, workforce development/training, sustainability and use of overseas contractors) within the tendering process;
- 3. We incorporate consideration of such social and ethical issues into the 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, including the incorporation of anti-slavery and child labour provisions.

Read our policies on our website here

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 termination of the contract 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 2021 Berkeley launched its ten year business strategy, Our Vision 2030, committing us 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.

Our construction contracts include robust anti-slavery and child labour provisions that not only bind Berkeley's direct contractors and suppliers but also impose similar obligations on them when dealing with their own suppliers, Berkeley's indirect 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, our purchase order terms and small contract terms and conditions include 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 assessment all of our contractors are required to complete a questionnaire, prior to each contract award, in which we ask questions specific to modern slavery in line with the Build UK Common Assessment Standard questions relating to convictions and awareness of modern slavery. In addition, we ask questions on workers' contracts; the company's policies and procedures and how they identify and manage the risk of modern slavery within their supporting material supply chain. Specifically, these questions include whether the contractor is taking any measures to prevent modern slavery in their supply chain and specific obligations regarding their workers' contracts.

The modern slavery questionnaire enables us to score responses, allowing us to assess contractors based on their modern slavery policies and procedures and the strength of their approach. The guidance that sits alongside the scoring process allows our teams to work with a contractor to enhance their approach or to decide not to work with a contractor and to remove them from the tender process where we are not satisfied with their modern slavery record or procedures. The modern slavery questionnaire must be completed for all contracts, including those that are considered low risk. 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.

[Find out more about Our Vision 2030](#)

(2) Procurement of Materials

In recent years Berkeley made the strategic decision to standardise common base materials and manufacturers across the business where possible. This creates 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 (eg. workers' contracts, policies and procedures, convictions, identification and management of related risks). 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 or procedures. Standardisation is now underway across 10 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 the Executive Committee, this year we have progressed Technical Standards for 10 product groups, which 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.

Berkeley continues to ensure that commercial trade sponsors are in place to provide a senior contact for key trade contractors to address queries and issues that sit outside of a specific project. As part of this, Berkeley has identified 10 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 94 key trade contractors. Modern slavery has been included as a specific agenda item for in depth discussion with our key trade contractors. 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 including assessing the effectiveness of measures implemented.

Teams across Berkeley often carry out factory visits within our supply chain for a number of reasons, including to conduct due diligence on a contractor, to review factory facilities, to observe the manufacturing process and working conditions, to review the quality of products and to attend design meetings. We have produced a document entitled 'Modern Slavery Guidance for Factory Visits' which is used by staff visiting factories requiring them to be alert and mindful of signs of modern slavery. It also requires them to complete a form during the visit which is then assessed and reviewed centrally.

(3) Labour-only

In some limited circumstances we will engage contractors that provide labour-only services to us. This might arise in a number of ways. For example, if 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 and is therefore assessed on their contractual commitments to their workforce and is obliged to pass down our, or their own, anti-modern slavery requirements (which we have pre-approved) to their own contracting chain.

Berkeley's contracts provide the ability to terminate at-will, enabling Berkeley to exit from a contractor/supplier relationship where third parties do not meet Berkeley's expectations in relation to anti-modern slavery.

In addition, Berkeley's whistle-blowing policy provides for its employees and third parties, including workers in its operations and the supply chain to raise human rights related concerns (including labour conditions) to Berkeley.



Effectiveness and Training

Effectiveness

Since the Modern Slavery Act 2015 came into effect, we have received three whistle-blowing complaints that alleged modern slavery, two of which proved to be unfounded claims, with one currently being investigated.

The two unfounded complaints 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 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.

This year, following the completion of our mandatory modern slavery e-learning module, a member of our staff followed our internal

process to report a concern to their Site Modern Slavery Lead which led to a report to the UK Modern Slavery Helpline. This concern is currently being investigated and we have yet to be updated by the police or Helpline as to whether our concern was well founded. As a result, we have not been able to take steps to end or mitigate any ongoing risks if such exist, nor report on any outcomes for any victims. As external investigations have not been concluded within a timely manner, we would support additional focus in the UK on the process for how the relevant external organisations undertake investigations/reviews of potential issues identified as well as how they feed back to organisations making such reports.

The detection and reporting of human rights and modern slavery breaches is important to Berkeley and all staff members are encouraged to raise concerns in any part of our business or supply chain. We are encouraged by the effectiveness of our internal training and will continue to support any investigation into human rights violations associated with our operations.



12 Clarendon, Haringey

Training

All our employees are required to complete an e-learning training course on modern slavery. The e-learning includes an overview of the issue and the relevance to our industry and informs staff members of signs they could look out for and how to report any concerns. 93% of our employees have completed this training. Staff are also required to undertake refresher e-learning on modern slavery.

Part of our procedure to report any concern includes each of our sites having a Site Modern Slavery Lead, a role which is automatically assigned to the most senior person on any site to ensure that we have clearly identifiable individuals who are responsible for reporting modern slavery and who can act as a point of contact for raising concerns. This year, we supplemented our e-learning with organised half day sessions of face-to-face training for over 60 senior staff members including all of our Site Modern Slavery Leads which was delivered by Unseen, the anti-slavery charity running the Modern Slavery Helpline. The discussion points raised during the training sessions help to inform the action plan for the Berkeley Group Modern Slavery Working Group for the year ahead. We plan to extend this training to other groups of staff such as our mental health first aiders.

All sites are required to include an agreed section on modern slavery within their site inductions. This is accompanied by a supporting information document to assist a staff member conducting the inductions, if any questions are raised by our direct and indirect workforce on our approach and procedures relating to modern slavery.

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, we ensure that the 'SOS' hand signal initiative produced by Stronger Together which aims to act as a tool to enable victims of modern slavery to seek help is communicated through toolbox talks and signage on site.

We continue to issue guidance on modern slavery through our Production, Construction and Commercial Committees, including bulletins highlighting examples of modern slavery cases involving the construction 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.

Our approach to modern slavery mitigation is implemented by a cross-functional Modern Slavery Working Group that includes representatives from our Commercial, Construction, Legal and Responsible Business teams. This group meets regularly (usually six-weekly) to ensure that we are constantly considering modern slavery in the context of the wider market and economic conditions and ensuring our processes reflect the needs of the business.

This year, we have joined a peer-to-peer working group with representatives from Laing O'Rourke, Skanska and Morgan Sindall. This has enabled us to share our approach and discuss good practice on combatting modern slavery. One of the key outputs of this peer-to-peer group is the production and consistent use of a common short video to be used in inductions to raise awareness of modern slavery and labour abuse. Additional outputs include communicating any suggested amendments to the questions included in the Common Assessment Standard for the rest of the industry, following discussion as a peer group.

Commitments for 2023/24

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. 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. Raise awareness of modern slavery at our Group Supply Chain Conference in November 2023, where we will engage with our key trade contractors, manufacturers, merchants and consultants;

c. Update the Group’s Human Rights, Modern Slavery and Child Labour Policy;

d. Extend the group of staff members who have attended in-person training on modern slavery to include mental health first aiders and health and safety staff;

e. Identify any follow up actions following the completion of our roll out of our Modern Slavery questionnaire;

f. Analyse the use of overseas third parties by our consultants and take action where relevant to address any identified risks;
- g. Ensure that modern slavery continues to be a key consideration as part of our ongoing standardisation of both common base materials and manufacturers;

h. Continue to engage and draw on the experiences shared across the industry through the peer-to-peer working group and Berkeley’s internal Modern Slavery Working Group;

i. 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;

j. Review our supply chain assessment processes, covering contractors, materials and plant, to ensure that the way we assess companies during onboarding and as part of the contract award process reflects the risks of modern slavery;

k. Rolling out on-line refresher training for staff;

l. Participating in the industry group, The Supply Chain Sustainability School – Modern Slavery Group to understand better key issues and actions undertaken across the industry.

Signed



R C Perrins
Chief Executive of the Board of The Berkeley Group Holdings plc for the year 2022/2023



