

Berkeley's corporate objectives are focused on the long-term. Delivering against these objectives requires us to run the business in a sustainable and safe way. Our plan for the business, Vision2020, provides the framework through which we do this. It embraces all aspects of sustainability and seeks to position us as one of the most successful and sustainable businesses in Britain by 2020.

Across our four Vision2020 action areas, we are delivering higher standards and levels of performance. Crucially, we remain a profitable business and our financial success gives us the financial strength to invest consistently and sustainably.

As we enter the third year of our long term vision we see two major shifts in our strategy and thinking. For the last five years, our approach to sustainability has focused on climate change mitigation. It has been about reducing carbon emissions from both the homes we build and our business operations. These remain crucial issues but our performance is now becoming dictated by regulation - building regulations increasing the energy efficiency of our homes and carbon reduction regulations improving the performance of our business. I think the new challenge we must address is climate change adaptation.

Earlier this year, the Government's climate change risk assessment highlighted two key risks for the built environment in the UK - rainfall patterns and over-heating. It described how extreme weather is likely to impact towns and cities across the country and the urgent need to build places that can deal with dramatic changes in water supply and temperature. We have experienced the consequences of this, more than ever, over the last few months.

In response, we have now committed to make climate change adaptation an integral part of how we design and build every new development. To manage anticipated water shortages, each new scheme we submit for planning from May 2012 will harvest rainwater and include living roofs on all suitable roof spaces. We will also continue to make major investment in landscape design and soft public realm.

Our second major shift will be to focus on the idea of social sustainability. Environmental performance is only one part of sustainability and there is no point in creating zero carbon homes if the community itself does not thrive. We have to understand what a business like Berkeley can do to create socially sustainable communities which support people's well-being and quality of life. We need to be able to measure this and direct our investments accordingly.

Over the last year we have worked with a team of experts to define social sustainability and produce a set of metrics to assess how well our own developments perform. We will publish the

results of this research in the year ahead and hope to encourage a debate in Government and across the industry about how to apply this idea much more widely. Sustainability is not just about the environment - it's about people and it offers us a way to address some of the key social issues facing Britain today.

At the end of the first two-year phase of our Vision2020 strategy, we have made very good progress, with 96% of our two-year commitments either partially or fully achieved. While we did not achieve 4% of our commitments, we will be carrying a number of these forward to ensure that they are delivered in the coming years. Amongst our key successes this year, we are delighted to have achieved our highest ever customer recommendation level (96.6%), our lowest ever RIDDOR Accident Incident Rate (2.69) and to be awarded the title of 'Britain's Most Admired Company'.

Looking ahead, we have established a new set of two-year commitments which will drive our sustainability strategy and performance forward once more. These commitments have been established through engagement with a number of stakeholders, including employees, to ensure that they are relevant and material to our business.

This is an exciting time for Berkeley. Our objectives are clear, and through Vision2020 our stakeholders have specific, identifiable commitments which focus on every area of the business. I firmly believe that we have the right strategy and the right people to give the company, our shareholders and our wider stakeholders confidence in Berkeley's ability to deliver its long term objective - to be one of the most successful and sustainable businesses in Britain.

Berkeley, Sustainability, Vision2020, Statement, Rob Perrins, Signature

A handwritten signature in black ink, appearing to be 'Rob Perrins', written in a cursive style.

Rob Perrins, Managing Director