

Advisor's Statement

To the Stakeholders of The Berkeley Group Holdings PLC

Jones Lang LaSalle has been appointed by The Berkeley Group to validate its performance against its Vision2020 commitments, as set out on its website and in its Vision2020 summary reports.

Jones Lang LaSalle provides industry-leading advice on sustainable property development and environmental sustainability. The team has extensive experience in producing and validating sustainability reports, data, information, systems and processes.

Jones Lang LaSalle is Berkeley's long-term strategic sustainability advisor, working with the business since 2002. In 2013, Jones Lang LaSalle was responsible for assessing Berkeley's progress against its commitments, providing guidance on GRI compliance and analysing the energy, water and waste data reported. The Berkeley Group was responsible for preparing and collating all other content relating to sustainability in the Annual Report and Accounts, on the website and in its Vision2020 summary reports. This statement does not therefore provide independent verification of the content of the sustainability reporting, but is an external evaluation of Berkeley's reported performance.

Scope of work

Jones Lang LaSalle was involved in three main capacities:

1. Assessing and validating progress made towards The Berkeley Group's 2012-14 Vision2020 commitments.
2. Providing guidance to ensure that the 2013 Sustainability Report meets the requirements of the GRI CRESS reporting framework Level B.
3. Analysing the energy, water and waste data provided by the Berkeley Group to establish performance against their Vision2020 commitments.

Review of progress against Vision2020

In June 2013, Jones Lang LaSalle assessed Berkeley's progress towards its 85 Vision2020 commitments set for the period 2012 – 14. For each commitment, trackers used to summarise information for each project and planning application were reviewed to establish the performance against each commitment. This was validated using evidence from a select sample of projects and an interview with the Group Head of Sustainability.

The Vision2020 review did not validate the environmental performance (energy, water and waste) data reported by Berkeley. Jones Lang LaSalle analyses this data during the course of the year and at year-end but validation is limited to reviewing performance trends and highlighting errors in data reporting.

While our assessment flagged a number of queries and points for clarification, these were raised with Berkeley and the overall assessment was updated to reflect these accordingly. Overall:

- 29% of commitments have been met in 2012/13
- 53% of commitments are on track to be met at the end of 2013/14
- 18% of commitments are not on track to be met at the end of 2013/14

Based on the scope of work outlined above, it is Jones Lang LaSalle's opinion that Berkeley's reported performance is fairly stated and free from material error.

Global Reporting Initiative (GRI) compliance

Jones Lang LaSalle has provided guidance to Berkeley to ensure that the 2013 sustainability report meets the principles of GRI version 3.1 and the Construction and Real Estate Sector Supplement (GRI CRESS). Berkeley's sustainability report has been self-certified to **GRI Level B**. A GRI Compliance Report, which demonstrates this, is available on the Berkeley Group website.

Observations and Recommendations

Overall, Berkeley made good progress in 2012/13 towards its Vision2020 commitments. This reflects the business' strong approach to sustainability; in particular the continued evolution of Vision2020 to ensure it provides the business with a strong business strategy, not just a sustainability strategy.

Jones Lang LaSalle observed notable progress in the following areas:

- Trialling of the social sustainability metrics on a number of developments across the Berkeley Group
- Launching sustainability options packages for home buyers across four divisions
- The Group-wide Health Promotion Programme for staff, which will be launched in late 2013/14
- Raising over £782,000 for The Berkeley Foundation through employee fundraising, donations and match-funding

Jones Lang LaSalle considers that further attention should be paid to the following areas in 2013/14 and beyond:

- Improving the sustainability of the Group's supply chain to reduce the whole life cost of its developments
- Employee engagement on sustainability should be prioritised as a key step towards being one of the UK's most sustainable businesses by 2020
- The business should endeavour to open up a two-way dialogue with its key stakeholders to boost transparency and continue to remain a sustainability leader

It is Jones Lang LaSalle's opinion that The Berkeley Group continues to demonstrate a leading approach to sustainability through its Vision2020 strategy. This is reflected by their position at the top of the NextGeneration Sustainability Benchmark of homebuilders for the 6th year running. The evolution of Vision2020 further strengthens the Group's approach by better aligning Vision2020 with the business structure and should ensure their continued success.

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