

Advisor's Statement

Scope of statement

Each year, Jones Lang LaSalle reviews The Berkeley Group's sustainability report. In 2012, Berkeley has chosen to publish its detailed sustainability report content on its website. Jones Lang LaSalle has been involved in the following capacities during this process – advising on compliance with the Global Reporting Initiative requirements and developing appropriate content; reviewing and providing commentary on progress against the Vision2020 commitments; analysing key performance data.

Jones Lang LaSalle has also been asked to provide a statement commenting on overall progress against Vision2020 and the quality of reporting. The observations and recommendations made in this statement are based on interviews, independent analysis of documents and evidence provided by Berkeley, using reasonable efforts to check the quality, accuracy and credibility of the information.

Jones Lang LaSalle has been working with Berkeley as its strategic sustainability advisor since 2002, and provides a range of consultancy advice to help Berkeley both set and achieve its sustainability objectives. Therefore, this statement is not intended to provide independent verification of the sustainability report's contents but is intended to offer an external evaluation of progress against Vision2020.

Global Reporting Initiative (GRI) compliance

Jones Lang LaSalle has provided guidance to Berkeley to ensure that the 2012 sustainability report meets the principles of GRI version 3.1 and the Construction and Real Estate Sector Supplement (GRI CRESS). Berkeley's online sustainability report has been self-certified to **GRI Level B**. A GRI Compliance Report, which demonstrates this, is available on the website.

Review of progress against Vision2020

In June 2012, Jones Lang LaSalle independently reviewed Berkeley's annual progress against its 48 Vision2020 commitments, as well as assessing overall progress over the two-year cycle for which the commitments run (May 2010 to April 2012). The purpose of the review was to cross-check progress against Vision2020 as reported by Berkeley, to judge if it could be deemed reliable.

During the review, every Vision2020 commitment was assessed by selecting documents and information from a sample of projects across The Berkeley Group. Additionally and where appropriate, interviews were conducted or evidence received from the person responsible for delivering a commitment. In total, 206 tests were performed.

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

Our review highlighted a small number of queries and points of clarification which were raised with Berkeley; the achievements reported against Vision2020 have been adjusted to take account of these. The final assessment reported is as follows: Berkeley fully achieved 69% of its two-year Vision2020 commitments; 27% were partially

achieved; 4% were not achieved. Based on the evidence seen during the review, we believe this to be a fair assessment of performance. We have high confidence in the progress reported against 39 of the commitments. We had medium or low confidence in the evidence submitted to support progress against 3 commitments - these have been reported as 'partially achieved' to reflect this. 6 commitments were excluded from the review.

Observations and Recommendations

Berkeley has demonstrated good progress against its first cycle of two-year Vision2020 commitments. The Group must be commended on the efforts made to achieve its Vision2020 commitments, and on its wider work to further embed sustainability within the business. This is particularly so, given the increase in production levels experienced over the last two years.

Notable achievements during 2011/12 include:

- Ranked first place in the 2011 NextGeneration sustainability benchmark of the top 25 home builders for the fifth consecutive year
- Began research to understand and measure the socio-economic impact of its developments
- Continued to increase recycling and re-use of waste across all projects
- Donated over £1.8 million through The Berkeley Foundation
- Achieved the lowest RIDDOR AFR rate ever and continue to drive H&S improvements.

In terms of areas for further progress, Berkeley has made some significant steps in 2011/12 relating to engaging the supply chain but this represents a starting point and this should be a continued area of focus over the next two-year Vision2020 cycle. Berkeley has also taken an industry-leading approach to understanding social sustainability, which we welcome, but it should not lose sight of the challenges and benefits associated with delivering zero carbon homes and reducing operational carbon emissions. Finally, while Berkeley recognises that its success relies on the hard work and dedication of its employees, we would like to see more targeted employee engagement. This will ensure that Berkeley can realise the value offered by its employees to contribute to the shape and success of Vision2020.

Berkeley has established a strong position, both financially and in terms of its sustainability achievements. We anticipate that Vision2020 will continue to add value to the business over the next two-year cycle of commitments, and move Berkeley a step closer to its main Vision2020 objective: to be one of the most successful and sustainable businesses in Britain.

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