

Our vision

To be a world-class business generating long-term value by creating successful, sustainable places where people aspire to live

OUR PEOPLE

DEVELOP A HIGHLY SKILLED WORKFORCE WHO RUN AUTONOMOUS BUSINESSES, OPERATE IN A SAFE AND SUPPORTIVE WORKING ENVIRONMENT, AND CONTRIBUTE TO WIDER SOCIETY



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£5m

committed to over 60 charities and worthy causes via the Berkeley Foundation

700

young adults in structured training with us and our supply chain

115

apprentices worked on our sites in 2013/14

5.6

jobs supported per home built

55

new graduates employed in 2013/14

Platinum Award

in 2014 for Payroll Giving

2.92

Accident Incident Rate per 1,000 employees and operatives

140

new jobs created as part of the Job Creation Programme

OUR PEOPLE



INTRODUCTION

This report sets out our approach in the business area of Our People. It provides performance information on the commitments that we had in place from 1 May 2012–30 April 2014 and sets out our goals for 2014–16.

OUR APPROACH

A devolved business structure is at the heart of our strategy. Our recognised brands and autonomous operational teams carefully manage each individual scheme to ensure that the entrepreneurial spirit of the business continues. Recruiting and retaining a high calibre workforce is crucial to our approach.

We must support both our direct employees and the wider workforce of the contractors working on our sites. We are proud to be safe; safety continues to be a key focus area across all of our operations, in addition to enhancing health and wellbeing. We also aim to have a positive impact on society and enable young people to get into work through our support of the Berkeley Foundation.

Training
Skills Values
Operatives Wellbeing Talent Expertise
Diverse Support Workforce
Our People
Leadership Culture Health
Staff Safety Autonomy
Charities Society

OUR PEOPLE



WHAT WE'VE DONE: 2012-2014 PERFORMANCE AT A GLANCE

Measure staff retention rates and workforce diversity and benchmark performance.



Provide all direct employees with an individual health and safety training assessment and allocate training based on their job role/function.



Provide all direct employees with an individual sustainability training assessment and allocate training based on their job role/function.



Develop and trial personal development plans and annual performance and career development reviews.



Undertake a review of employee engagement of sustainability and develop an action plan for continued successful engagement.



Undertake staff satisfaction surveys and develop action plans to address any issues raised.



Nominate a Vision2020 (now Our Vision) champion in each of our project teams.



Continue to achieve a RIDDOR reportable Accident Incident Rate (AIR) of less than 3.5 incidents per 1,000 employees and contractors.



Continue to achieve a RIDDOR reportable Accident Frequency Rate (AFR) of less than 0.175 per 100,000 hours worked.



Key: Fully achieved Percentage achieved Not achieved

Further enhance the Group's 'Good Work' health and safety programme through active engagement with contractors' operatives on all our projects.



Set a performance target for our projects and contractors in respect to the 'Good Work' programme.



Participate in an external health and safety benchmarking programme and report results annually.



Undertake regular internal health and safety audits on all our projects.



Implement a Health Promotion Programme across the company.



Capture and quantify our work with charities and local communities and benchmark performance.



Raise over £250,000 annually for the Berkeley Foundation through employee fundraising and donations.



Match employees' donations and fundraising for the Berkeley Foundation.



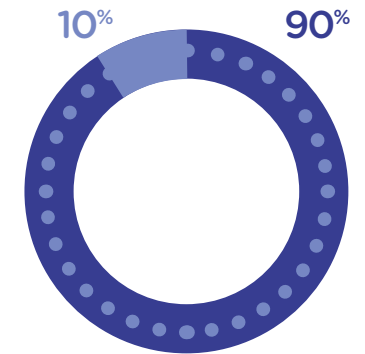
Invest £2 million to support young people and their communities through the Berkeley Foundation.



Operate a Give As You Earn scheme.



Launch a Job Creation Programme to help 250 unemployed people into work.



- Fully achieved
- Partially achieved
- Not achieved

Two of the twenty commitments were not fully achieved during 2012-14, the details of which are outlined in the body of this report.

OUR PEOPLE



WHAT'S NEXT? COMMITMENTS FOR 2014-2016

We have set four stretching commitments in the area of Our People to further improve our approach during 2014-2016. These are in addition to a number of business-as-usual actions, many of which are a continuation of or have evolved from the commitments we have had in place in previous years.

PAY AT LEAST THE LIVING WAGE TO ALL DIRECT EMPLOYEES



The Living Wage is calculated according to the basic cost of living and provides enough for an acceptable standard of living. We have committed to paying at least the Living Wage to all our employees.

REDUCE ENERGY COSTS BY UP TO £500,000, INVESTING 50% OF THE SAVING IN NEW HEALTH AND WELLBEING INITIATIVES



We have set a target to reduce energy by around 10% each year across all aspects of the business including sites, offices and sales suites. Half of the savings will be directly invested in new health and wellbeing initiatives for staff.

LAUNCH A TALENT MANAGEMENT PROGRAMME WHICH DEVELOPS NEW IDEAS TO ENHANCE THE BUSINESS



This commitment looks to recognise employees' performance and potential and to provide support and further development through a focus on implementing their ideas to enhance the business.

ENCOURAGE AND SUPPORT EVERY MEMBER OF STAFF TO BE INVOLVED WITH THE BERKELEY FOUNDATION EACH YEAR



In 2013 two thirds of our employees were involved in the Berkeley Foundation through a variety of ways including fundraising, Give As You Earn and volunteering. Our aim is for all employees to be involved with the Foundation each year.

OUR PEOPLE



OUR VISION: FOCUS ON OUR PEOPLE

Who are our people?



We have a diverse workforce of around 1,850 direct employees working across our sites, offices and sales suites. We also have a network of around 10,500 operatives employed by our contractors who work on our sites.

Our Vision: the plan for the business



Our People is one of the five focus areas under Our Vision alongside Customers, Homes, Places and Operations. Our People underpin the plan for the business; without their support and expertise we would not be able to run our business effectively.

In April 2014 we held a materiality session with industry professionals and members of our supply chain, which highlighted key issues we should try to address. These included a focus on developing talent within the business and undertaking health checks across our sites to help improve work-life balance.

Focusing on Our People to ensure success



Our People are key to the development process, from the identification and purchase of land through to the sale of our homes and ongoing customer service.

To run any business successfully it is vital to ensure that the workforce is highly skilled and motivated. We understand the importance of supporting all our employees to allow them to work in a safe environment and to continue to advance their knowledge and skills. Developing and retaining our workforce enables us to deliver our objectives and grow as a business.

OUR PEOPLE



AUTONOMOUS BUSINESSES



Proud to be a member of the Berkeley Group of Companies



We operate through a number of recognised brands. As the company has grown in size, these brands and the structure in place to support them have been granted a high degree of autonomy to ensure that the entrepreneurial spirit of the business is not lost. This devolved business structure has continued to be at the heart of Berkeley's business strategy ever since and is one of the key principles of our business model.

Each of the brands and operating companies which operate within them is autonomous and has its own Board. The operational teams carefully manage each individual scheme, regardless of size, to a bespoke design, and embrace Berkeley's core values in their approach. This approach to the business allows greater independence between the operating companies allowing the people that are part of the business to direct and schedule their work.

CULTURE AND VALUES

The Berkeley Group has a strong culture. The core values that underpin the company remain unchanged from its early days. These are a passion for great places, having integrity, showing respect for people, thinking creatively and achieving excellence through detail.

This culture informs the way we work, the way we lead the business, and what we deliver to our customers. We focus just as hard on the way we work as the products we deliver.

This year we have reviewed and tested our values and defined the behaviours that bring them alive. These help explain to both new and existing employees what we expect of them and what they can expect of us.



OUR PEOPLE



OUR EMPLOYEES



Our business continues to grow; we now have 1,850 direct employees. This growth is coupled with an essential stability which continues to retain a core pool of knowledge and experience within the Group, demonstrated by an average service length of 10 years for directors.

We recognise the importance of encouraging diversity throughout the business. Our Equality and Diversity Policy sets out our goal of ensuring that all employees, potential employees and other individuals receive equal treatment. Nearly 40% of all employees and 20% of the Main Board are female. It has been decided not to set specific representation targets for women at Board level at this time, but the benefits of all types of diversity are recognised and will continue to be an active consideration when further changes to the Board's composition are considered.

"Berkeley's achievements are testament to the skill and dedication of our employees, and to the commitment of our partners on our schemes and in the supply chain, and I would like to express my thanks to all of them."

Annual Report 2014

Tony Pidgley CBE

Berkeley Group Chairman

OUR PEOPLE



ATTRACTING AND RETAINING STAFF

We are mindful of the need to attract, develop, motivate and retain a talented and diverse group of professionals at every level and constantly benchmark remuneration packages against the industry to ensure they remain competitive. In 2013, we came second across all industries in a vote for 'Britain's Most Admired Company', conducted by the business magazine Management Today. This was testament to our ability to attract talent, as well as our business performance and social responsibility. Our St James business also retains its Investors in People Bronze standard.



In recent years, we have developed a particular focus on helping young people into work. Since 2005, we have recruited over 230 new graduates. More than 60% remain in the business, including many who have successfully been promoted to management level. In 2013/14, 55 new graduates joined the business alongside 16 people who joined via a sales academy and 11 through an intensive production managers programme.

Staff satisfaction is extremely important for the Group and has become an area of increasing focus. In 2013, we joined the Institute of Customer Service (ICS), which requires a survey of all employees to help identify areas of business improvement. Every divisional employee was surveyed in autumn 2013. This has given an indication of employee satisfaction levels and areas where we need to improve to become a better employer.

We continue to monitor staff retention rates and benchmark our performance. During 2012-2014 our turnover rates were higher than the industry average; this is partially due to significant changes in the locations of our regional offices, but we recognise that there is further work to be done in this area.

OUR PEOPLE



TRAINING AND DEVELOPMENT

The skills, expertise and knowledge of our staff is paramount to securing the long-term success of the business. Each employee must be provided with a supportive working environment and any training required to complete their role.

There are several requirements set out at Group level to cover core areas of training such as health and safety and sustainability. Each of our autonomous businesses is responsible for undertaking an individual training assessment for every member of staff and allocating training based on their job role or function. We encourage employees to pursue accreditation of relevant industry membership groups and to identify other areas where they could benefit from training and support.

The Group's membership of the Institute of Customer Service (ICS) has also led to a broader range of training being delivered. During 2013/14 more than 500 employees have had training over two or three days to include skills for effective communication, working together and empowering others. There are plans to extend this to additional staff in 2015/16.

The majority of our businesses operate formal training and development processes to ensure staff progress and are provided with the support they need. Moving forward, in 2014-2016 we are launching talent management programmes across each of our businesses to further develop individuals.

CASE STUDY

STAFF DEVELOPMENT

In Berkeley Southern there is an online appraisal system to assist employees and line managers with staff development. Line managers were given training on how to manage one-to-one meetings with employees to ensure a two-way discussion. The scheme aims to:

- > **Understand employees' current satisfaction in their roles.**
- > **Enable employees to assess themselves against competencies relevant to their own job description.**
- > **Give employees the ability to set goals for the coming year.**
- > **Drive employee engagement.**

The development plan process works alongside staff satisfaction surveys to gain further insight into employee morale and to enable better employee engagement.

OUR PEOPLE



THE WIDER WORKFORCE



21,000
JOBS

supported in 2013/14 either directly or indirectly



87%
INCREASE

in our workforce between 2010 and 2014

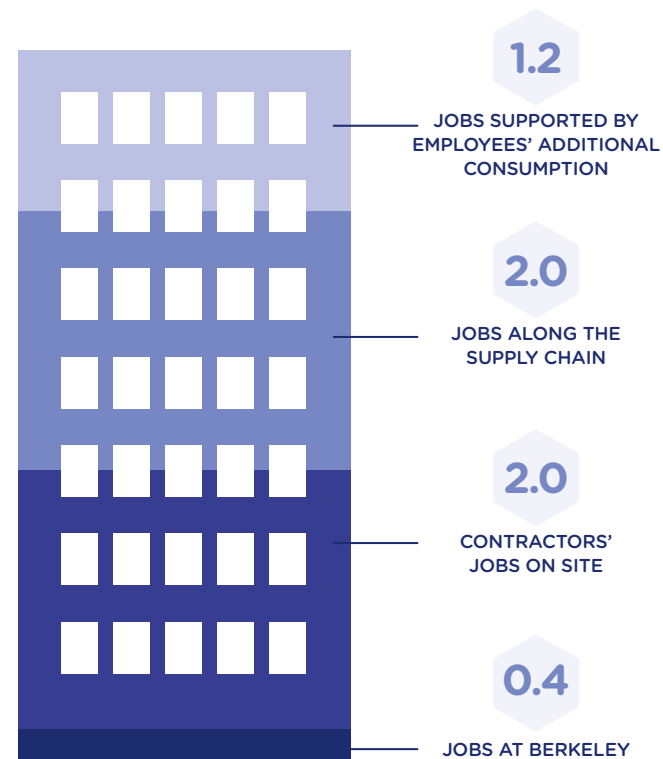
EY estimate that in 2013/14 we supported a total of 21,000 jobs either directly, indirectly, through its contractors and suppliers, or through the induced effect of their employees' expenditure, creating jobs in the wider economy. Whilst employment has only increased by 5% in London and the South East between 2010 and 2014, our workforce has increased 87%.

All contractors on our construction sites are provided with a full induction to the site, including information on health and safety and sustainability. This initial introduction is continually reinforced through toolbox talks and information displays. Where appropriate, staff also receive targeted bespoke training on key topics such as working at height and pollution prevention.

We aim to support the supply chain in providing employment and training. Our commitment to achieve a 50% increase in site-based apprenticeships and training is set out within our Operations report.

5.6 JOBS
ON AVERAGE

in the uk are supported for every home built by berkeley



OUR PEOPLE



MANAGEMENT OF HEALTH AND SAFETY

Proud to be Safe

Health and safety continues to be a core focus for the Berkeley Group and we are proud to be safe.

Significant changes have been made to how we manage health and safety in the past couple of years in order to support the continuing strong growth in production and increasing site complexity. The focus has been on risk management and a drive for all to show strong leadership. Directors and senior managers are actively involved in health and safety in all areas of the business, including weekly visits to construction sites. All sites maintain a register of high risk, safety critical operations, which reflect their current operations.

May 2014 saw the release of a new health and safety management system including Group Standards, which are designed to provide a framework for managing activities, processes and procedures and to achieve a consistent approach to health and safety. This enables the divisions to operate autonomously, whilst complying with high level standards.

OUR HEALTH AND SAFETY VISION

Berkeley is committed to operating incident and injury free and aspires to have a positive health impact on all those employed and affected by what we do.

Our health and safety vision is supported by eight strategic objectives:



OUR PEOPLE



DELIVERING HEALTH AND SAFETY

We have two established programmes for delivering health and safety; Good Order and Good Work. These were both reviewed in 2014 and a third has been added relating to health. The three programmes are designed to provide a platform for actively delivering health and safety improvements in all operations.



GOOD ORDER

To raise standards of the physical working environment to the highest possible, thus reducing the potential for injury



GOOD WORK

To promote a positive culture and develop attitudes and behaviour. To focus on hazards and risks, work planning and delivery through effective management and supervision, thus reducing the potential for injury



GOOD HEALTH

To improve health awareness and promote enhanced arrangements to create conditions which have a positive impact on health in the working environment

A commitment in 2012 was to set a performance target for our projects and contractors in respect to the 'Good Work' programme. Each project assesses contractor performance on a scored scale on at least a monthly basis to help drive performance in this area.

All construction sites are inspected on a monthly basis by an independent group team of health and safety professionals. These occur on an unannounced basis and are in addition to the inspections carried out by the local teams and directors. The ambition is to exceed the minimum legal requirements and frequently to achieve good and best practice levels of performance.

The Berkeley Group is also launching a new Innovation Fund in the area of health and safety to support the supply chain as a headline commitment for 2014-2016. More detail is provided in our Operations report.

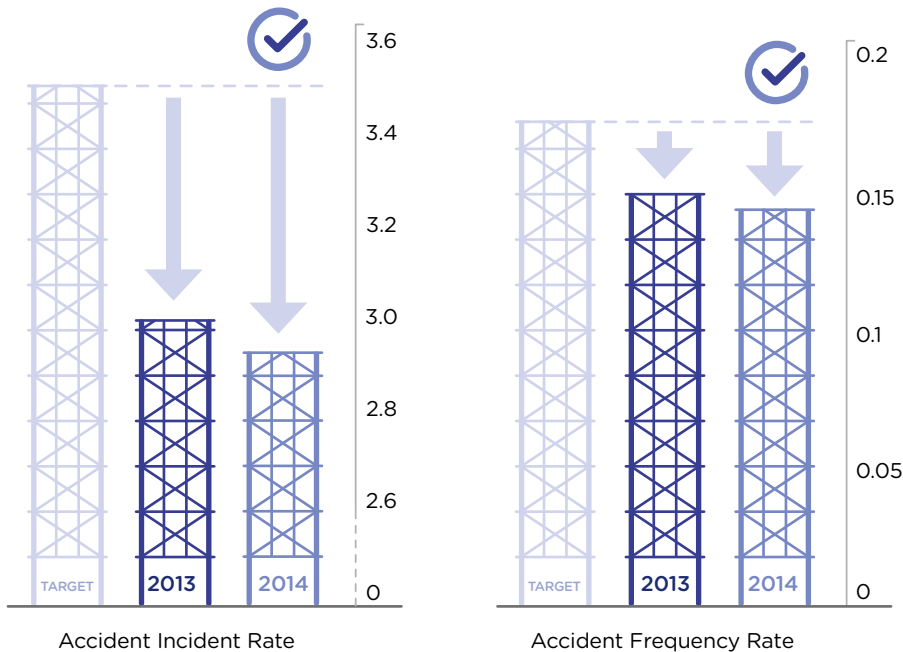
"There is nothing more important to the Berkeley Group than the elimination of all worker injury and the promotion of healthy living throughout our organisation."

Rob Perrins, Managing Director

OUR PEOPLE



SAFETY PERFORMANCE



We are pleased to report a further reduction in our Accident Incident Rate (AIR); in 2013/14 this was 2.92, down from 2.99 in 2012/13. The Accident Frequency Rate (AFR) is 0.143 per 100,000 hours worked, down from 0.147 in 2013. Our commitment to health and safety has been recognised externally over the past two years by receiving several awards from the Royal Society for the Prevention of Accidents (RoSPA), together with one national winner, two regional winners and six highly commended sites from the NHBC Health and Safety Awards.



In 2012, we set ourselves a commitment to participate in an external benchmarking programme and report the results annually. We had initially identified the HSE's Corporate Health and Safety Performance Index (CHaSPI) as a relevant tool but this was withdrawn due to funding cuts in early 2013. All businesses have since undertaken a pre-assessment against the British Safety Council's Five Star Occupational Health and Safety Audit, which is a scored process used for benchmarking businesses both in the construction industry and on a broader cross-industry basis.

ACHIEVEMENTS FROM RoSPA DURING 2012-2014



OUR PEOPLE

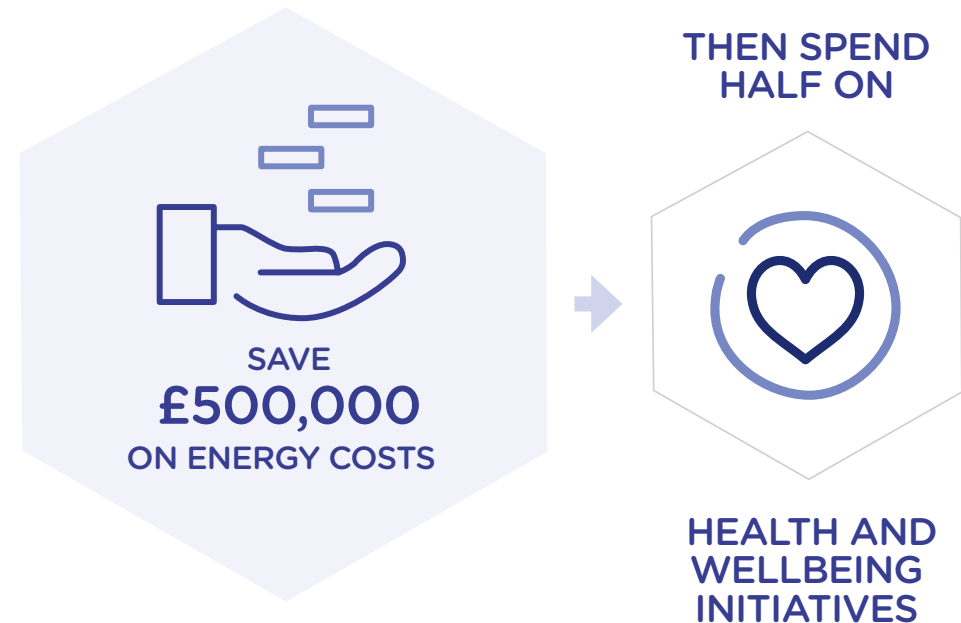


HEALTH AND WELLBEING

In 2012 we set a commitment to launch a health and wellbeing programme across the company. Unfortunately we have not fully met this commitment, although we do have programmes across parts of our business.

Safety critical works, such as crane drivers, are required to have specific health checks and records are maintained on each site. For the wider workforce, we aim to promote health through a range of measures, from well person clinics providing checks, to individual campaigns covering issues such as heart disease, to supporting healthy living by providing fruit in some of our divisional and site offices.

We have also set a headline commitment, which aims to have a positive impact on health and wellbeing throughout the company; our goal is to save £500,000 on energy costs and to invest half of this in new health and wellbeing initiatives.



OUR PEOPLE



THE BERKELEY FOUNDATION



EMPLOYEES INVOLVED IN FUNDRAISING, GIVE AS YOU EARN OR VOLUNTEERING IN 2013

The Berkeley Foundation is now a registered charity, which has committed or invested almost £5 million to the lives of young people and their families over the past three years. Of this, more than £900,000 was raised by our employees.

Two thirds of our employees were involved with the Foundation during 2013, whether by fundraising, volunteering or payroll giving and we are aiming to increase this to 100% over the next two years. Every penny raised by staff for the Foundation or our partner charities is matched by the Berkeley Group.



In March 2014, the Group received a Platinum Payroll Giving Quality Mark in the Payroll Giving Quality Mark Award. This recognises the high percentage of staff that have signed up to payroll giving.

Across the Group 21% of employees give through the scheme, and in our St George business it is nearly 50%.

A new five year strategic plan has been published to take the Foundation to 2019, focusing on the four key areas. For more information, please see www.berkeleyfoundation.org.uk





CASE STUDY

USING SPORT TO TACKLE YOUTH UNEMPLOYMENT



9 months of training and mentoring

79%

of participants from Years 1 and 2 are now in work or education

STREET ELITE

Street Elite is a 'training for work' initiative that uses sport, mentoring and youth engagement to inspire and motivate young people who are currently not in education, employment or training (NEET). The programme is delivered by the Change Foundation and the Berkeley Foundation. Street Elite takes young men and women, often living on the edge of gangs and criminality, through a nine month mentoring and training programme, which develops their coaching and life skills, helping them to gain the confidence, qualifications and self-esteem needed to get a job or go on to further and higher education.

THE JOB CREATION PROGRAMME



88%

HAVE SUSTAINED EMPLOYMENT

In July 2013, the Foundation made a commitment to create 250 new jobs for people who are currently unemployed. The candidates are placed either directly within the Berkeley Group and its operating companies or through our supply chain including consultants and charities that the Foundation supports. All of the positions are over and above the apprenticeship and local labour commitments that are part of our Section 106 agreements with local councils.

In the first six months of the programme, 140 people gained jobs, putting the Foundation on target to achieve the goal of 250. Given this success, a second year has now been added with the aim of delivering 500 new jobs in total.



OUR PEOPLE



DATA APPENDIX

	2010	2011	2012	2013	2014
Number of employees	748	935	1,139	1,312	1,850
Percentage of direct employees who are female	32%	32%	33%	36%	37%
RIDDOR Accident Injury Rate (AIR)	3.83	3.63	2.69	2.99	2.92
RIDDOR Accident Frequency Rate (AFR)	-	0.178	0.132	0.147	0.143