

Our vision is to be the UK's leading, most trusted housebuilder, creating exceptional homes and sustainable communities. To achieve this, we have developed an Environmental, Social and Governance (ESG) strategy that is central to business planning and underpins company culture and values. Safeguarding the environment is a key theme within our ESG strategy; climate change adaptation and mitigation, improve health and wellbeing, enhance the resilience of developments and communities.

Climate change is already causing more weather extremes such as intense droughts, water scarcity, heatwaves, rising sea levels, increased rainfall, flooding, and storms. These impacts have significant implications on our operations, supply chain and customers. This policy demonstrates how we will adapt to and mitigate the impacts of climate change.

We have reset our Sustainability Leadership Group (SLG) and its focus groups to operationalise our first Double-Materiality Review findings, and the resulting Principal ESG Risks and Uncertainties. These outcomes have informed our ESG pillars and the integrated 2030 net-zero pathways Roadmap (2030 Roadmap), and in the short-term compliance with the emerging 2025 Future Homes Standard (FHS). This policy also informs our just transition statement and annual improvement plans.

This policy is to be read in conjunction with the 2030 Roadmap that sets out milestones to become a net zero company by 2030. Our 2030 Roadmap and associated objectives are steered by the FHS Framework, which requires places and developments to be low carbon, nature-rich, resilient, healthy, well designed, and beautiful. Our objectives are also informed through other external advocacy and sectorial requirements including the National Model Design Code, policies and the NextGeneration sustainable housebuilder benchmark.

Our objectives:

Mitigating climate change through minimising our operational impact:

- Comply with legislation, national and local planning policy. This is in alignment with Sustainable Development Goal 13 (climate action), to take urgent action to combat climate change and its impacts.
- Measure, monitor and report; Energy Savings Scheme (ESOS); and Streamlined Energy and Carbon Reporting (SECR), and Task Force on Climate-Related Financial Disclosures (TCFD).
- Improve energy efficiency of our sites, offices, and promote sustainable travel measures including staff e-drive scheme.
- Manage and monitor the use of water, materials, and the generation of waste, this will be reviewed on SmartWaste.

Climate change mitigation through the design of our homes and developments:

- Reduce the carbon emissions of our developments and progress towards FHS compliance and 2030 Roadmap objectives.
- Implement BREEAM assessments where required and pilot and embed Building for A Healthy Life Standard into our ISO systems.
- Help customers understand the sustainable features of their homes, to enjoy lower running costs and better wellbeing.

Create an integrated supply chain

- Collaborate with our supply chain to reduce the embodied carbon of materials; introduce circular economy; whole life carbon assessment, and responsible procurement principles into our practices and requirements.

Designing our developments for climate adaptation:

- Establish and develop project specific adaptation methods on all our developments to address future climate change risks, with a focus on flood risk, water shortage, overheating and resident's thermal comfort.

Adaptation and innovation:

- Increasingly embed modern methods of construction and off-site manufacturing to increase environmental efficiencies.
- Undertake Post Occupancy Evaluations to gain feedback on the buildings performance and prepare for the FHS.

Our targets:

- Design net zero operational carbon ready homes by 2030 and net zero carbon in our scope 1 and 2 by 2030.
- Divert 100% non-hazardous waste from landfill by 2025 and aim for water neutrality in 2030.
- Aim to deliver a 20% biodiversity gain across our portfolio in 2023 and increase this by 5% to 30% during 2025.

Governance:

To reflect priorities of Hill and our stakeholders, this policy will be periodically reviewed annually by the SLG Focus Groups and amended or revised where appropriate. This policy is shared and communicated to stakeholders and is available on our website.