

2024 WINNER



Energy and Carbon

Decarbonising our business and the built environment



Energy and Carbon

This outlines our energy consumption and carbon emissions performance across Scopes 1, 2, and 3, with a baseline year of 2021. It presents annual emissions data through to 2024/25 and evaluates progress toward our net zero target by 2050.

The report also aligns our strategy with sector-wide roadmaps, such as the Future Homes Hub (FHH), and details the actions we are taking to reduce operational and embodied carbon across our operations.

BASELINE: 2021

Target: Net zero 2050 target, scope 1, 2 and 3

| | T/CO2e 2022 | T/CO2e 2023/24 | T/CO2e 2024/25 |
|---|-------------|----------------|----------------|
| Scope 1 (gas, diesel, and other fuels) | | | |
| Offices | 61 | 68 | 30 |
| Sites | 2,864 | 2,051 | 2,177 |
| Company owned vehicles | 850 | 926 | 640 |
| Total scope 1 | 3,775 | 3,045 | 2,848 |
| Scope 2 (electricity, location-based) | | | |
| Offices | 113 | 130 | 105 |
| Sites | 903 | 1,060 | 906 |
| Electric vehicles | N/A | N/A | 2 |
| Total scope 2 | 1,015 | 1,190 | 1,013 |
| Scope 3 | | | |
| Business travel (where Hill purchases fuel) | 1,480 | 1,202 | 1,460 |
| Total scope 3 | 1,480 | 1,202 | 1,460 |
| | | | |
| Total emissions in tonnes CO ₂ e (location based) | 6,270 | 5,437 | 5,320 |
| Intensity ratio (tonnes CO ₂ e / £ million turnover) | 8.8 | 4.7 | 4.6 |
| Total energy consumption (MWh) | | | |

| The Sector Roadmap | | | 2024 and 2025 | 2026-2030 | 2031-2035 | > 2035 |
|-------------------------------------|------------------------------|-----------|--|---|--|--|
| Homes that are | Zero carbon in use | Out-comes | <ul style="list-style-type: none">• Reduced carbon emissions• Charging points for electric vehicles | Zero-carbon ready homes (75% reduction in emissions) | Homes zero carbon in operation | |
| | Healthy safe and comfortable | Ena-blers | <ul style="list-style-type: none">• Publish 2025FHS and HEM• Embedding and improving the Part L 2021 regulation• Delivering solutions through the FHS implementation board | Potential future regulation to reduce peak loads, address energy measurement and performance and to align local requirements with national policy | Grid fully decarbonises | |
| | | | <ul style="list-style-type: none">• Consultation on parts K and M• Regulation on overheating and ventilation | Future approach to levels for overheating, air quality, sound space and accessibility, safety and daylighting | | |
| Production and construction that is | Low embodied carbon | Out-comes | <ul style="list-style-type: none">• Consultation on whole life carbon• Delivering solutions through the proposed embodied carbon implementation board• Mainstream measurement of embodied carbon• Collaboration with materials suppliers to define procurement roadmap of low carbon materials• Design rationalisation to remove carbon intensive products | <ul style="list-style-type: none">• 25% reduction in embodied carbon• Phase out of fossil fuel generators on site | <ul style="list-style-type: none">• 55% reduction in embodied carbon• Phase out of direct purchase of fossil fuels onsite• Head office sites and cars off fossil fuels | Phase out of all fossil fuel on site and head office |



HILL GROUP UK: NET ZERO ROADMAP ALIGNMENT WITH FUTURE HOMES HUB

Our with sector-wide targets and industry best practices.

| Hill Group Action | FHH Sector Roadmap Theme | Alignment Commentary |
|--|--|--|
| 2024-2025 | | |
| Maintain 100% HVO use and REGO electricity across operations | Decarbonising Site Operations & Business Energy | Aligns with sector targets to reduce operational emissions and use verified low-carbon energy sources on-site. |
| Finalise Scope 3 emissions baseline | Scope 3 Data, Baselines & Target Setting | Critical early step for FHH-aligned embodied carbon strategy and supplier engagement. |
| Embed net zero in corporate governance and align with FHH One Plan | Governance, Strategy & Culture | Direct alignment with FHH call for governance integration and strategic commitment to the One Plan approach. |
| Expand Passivhaus and Future Homes Standard pilots | Home Energy Performance & Fabric Efficiency | Accelerates readiness for full FHS compliance and sector innovation leadership. |
| Increase SCSS training and carbon literacy in supply chain | Workforce Competence & Supply Chain Engagement | Supports wider sector goals on training, culture shift and enabling suppliers to reduce emissions. |
| Enhance POE and SMARTWaste dashboards | Data, Digital Tools & Performance Metrics | Fully supports the FHH priority of real-time data and feedback loops for operational and embodied carbon. |
| Launch an authentic ESG narrative | Sector Transparency & Communication | Addresses FHH emphasis on authentic reporting and avoiding greenwashing/greenhushing. |
| 2026-2030 | | |
| Ensure all homes meet/exceed Future Homes Standard | Homes: Future Homes Standard Delivery | Meets statutory and sector targets to deliver FHS-compliant homes from 2025 onward. |
| Set and track embodied carbon reduction targets per m² | Embodied Carbon Reduction Targets & Material Decisions | Aligns with sector push for intensity targets and EPD-informed design/specification. |
| Standardise low-carbon heating (heat pumps, communal systems) | Low-Carbon Heat & Energy Systems | Critical to delivering FHS-compliant homes and reducing operational emissions. |
| Begin TPT and TNFD reporting | ESG & Financial Disclosure | Prepares Hill for alignment with evolving sustainability disclosure expectations. |
| Trial circular economy approaches (material passports, deconstruction) | Resource Efficiency & Circular Economy | Strong alignment with FHH calls to reduce material waste and increase reusability. |
| Develop credible offsetting framework | Residual Emissions & Offsetting | Necessary for sector-wide net zero alignment once in-house reductions are maximised. |



| Hill Group Action | FHH Sector Roadmap Theme | Alignment Commentary |
|---|--|---|
| 2031-2040 | | |
| Transition to electric plant and on-site renewables | Zero-Carbon Construction | Reflects FHH goals for decarbonising construction activities and site energy. |
| Integrate Whole Life Carbon (WLC) assessments in all projects | Whole Life Carbon Decision-Making | Deep alignment with sector requirement to consider both embodied and operational impacts in design. |
| Require EPDs and carbon thresholds in procurement | Green Procurement & Supply Chain Requirements | Supports industry standardisation around carbon-informed buying decisions. |
| Deliver measurable biodiversity net gain | Nature-Based Solutions & Environmental Integration | Matches biodiversity goals in FHH and national policy (Environment Act). |
| 2041-2050 | | |
| Offset residual emissions using verified schemes | Sector-Wide Net Zero Delivery | Ensures compliance with final stage net zero validation via credible offsetting. |
| Achieve third-party net zero certification | Independent Verification & Standards | Aligns with sector push for transparent and verified climate performance. |
| Maintain POE, resident engagement, and maintenance systems | In-Use Performance & Post-Occupancy Engagement | Supports sector move from theoretical performance to in-use carbon accountability. |
| Influence industry and policy | Leadership, Collaboration & Innovation | Reflects FHH goal of cross-sector collaboration and knowledge-sharing leadership. |

53%

of completed units 2024/25 from non-fossil energy sources



| NextGen 4.1 (1) | |
|--|-----------|
| Normalised energy usage tonnes/100m2 over 3 years: | |
| 2022 | 90.21 |
| 2023 | 58.75 |
| 2024 | 34.53 |
| NextGen 4.2 (4) | |
| 2022 | 27,420MWh |
| 2023 | 29,876MWh |
| 2024 | 23,161MWh |

Hill Group's Just Transition Plan

DELIVERING A FAIR, INCLUSIVE, AND SUSTAINABLE PATHWAY TO NET ZERO BY 2050

Our Commitment

At Hill, we recognise that a truly sustainable future must balance environmental ambition with social equity and economic resilience. Guided by the principles of the World Benchmarking Alliance and aligned with the Paris Agreement, our Just Transition approach ensures that no one is left behind as we decarbonise our business and the built environment.

Our strategy is embedded within our 2030 Roadmap and structured around three ESG pillars—Environmental Impact, Social Value, and Governance. These pillars are supported by our Double Materiality Review, ESG Risk Register, and alignment with the UN Sustainable Development Goals (SDGs).

OUR JUST TRANSITION FRAMEWORK

1. Environmental Responsibility

- We have already implemented HVO fuel across all sites and use REGO-backed electricity, significantly reducing our operational carbon footprint.
- Our ISO 14001 and 50001 certifications ensure continuous improvement in environmental performance.
- We are scaling up delivery of Passivhaus-standard homes and investing in UK-based manufacturing for low- and zero-carbon components.
- We collaborate with the Future Homes Hub (FHH) to shape national policy and raise industry standards.



2. Employment, Skills & Mobility

- We directly employ over 765 people and support over 4,000 indirectly across ~60 UK sites.
- 25% of our workforce has progressed through our trainee schemes.
- 24% of our supply chain labour is sourced locally, supporting regional economies and reducing travel-related emissions.
- Through the SCSS and HBF Training Skills Partnership, we are expanding access to green skills and promoting diversity in construction.

3. Human Rights & Supply Chain Fairness

- We treat our supply chain with fairness and respect, with 83% of partners being SMEs or social enterprises.
- We publish an annual Modern Slavery and Human Trafficking Statement and embed our Social Value and HSE strategies across all operations.
- We are working with SCSS to build capacity and awareness across our supply chain, ensuring a just and inclusive transition.

4. Innovation & Inclusion

- Hill has delivered more Code Level 5 and Passivhaus homes than any other UK housebuilder.
- We are investing in innovation to meet the Future Homes Standard by 2025 and create local green jobs.
- Our homes span multiple tenures, with a significant proportion delivered as affordable housing to support inclusive growth.

5. Customers & Communities

- As a 5-star housebuilder for six consecutive years, we prioritise quality, affordability, and sustainability.
- We are committed to addressing the housing crisis, supporting the cost of living challenge, and delivering homes that are energy-efficient and future-ready.
- Our goal is to grow turnover to £1.2bn by 2025 while increasing the delivery of sustainable, affordable homes.

Next Steps & Delivery Method

To ensure our Just Transition is credible and measurable, we will:

- Expand our Double Materiality Review to identify emerging risks and opportunities.
- Set clear, time-bound targets across all ESG pillars through to 2030.
- Increase transparency through enhanced ESG disclosures and stakeholder engagement.
- Continue to align with evolving frameworks such as the Transition Plan Taskforce (TPT) and Taskforce on Nature-related Financial Disclosures (TNFD).
- Monitor progress through our ESG Risk Register and report annually on outcomes.

hill.co.uk



Hill Group UK



@HillGroupUK

