

Hill's vision is to be the UK's leading, most trusted housebuilder — creating exceptional homes and sustainable communities. Sustainability and Climate Change mitigation is central to our wider ESG Strategy and how we make decisions, develop our business and create a positive legacy for future generations.

Our ESG Strategy sets the direction for how Hill manages its environmental, social and governance impacts, risks and opportunities. This policy supports that strategy by setting out our commitments to reducing environmental impact, responding to climate change, creating resilient and sustainable homes and communities and operating responsibly.

Hill is committed to the New Homes Sector Net Zero Transition Plan and its pathway to Net Zero by 2050, working across our value chain to deliver more efficient, comfortable, resilient and sustainable homes.

## **Our Commitments:**

### **Climate change and carbon**

- Reduce greenhouse gas emissions across our operations, developments and value chain, supporting the sector-wide pathway to Net Zero for Scope 1, 2 & 3 by 2050.
- Measure, monitor and report energy use, greenhouse gas emissions and climate-related risks in accordance with applicable legislation, regulation and reporting requirements.
- Meet the requirements of the Future Homes Standard and applicable building performance requirements, while improving energy efficiency, performance and resilience of our homes and promoting lower-carbon ways of working.
- Reduce the carbon impact of our developments, improving the comfort and resilience of the homes we build.
- Work with our supply chain to reduce embodied carbon, improve resource efficiency and embed whole-life carbon and responsible procurement principles.
- Design for climate resilience, considering risks including flooding, water scarcity, overheating and other relevant future climate hazards.

### **Sustainability Linked Loan**

Hill's Sustainability Linked Loan (SLL) commitments form part of our sustainability performance framework and are subject to annual independent third-party verification.

- By 2031, achieve 90% fossil-fuel-free heating sources, measured in accordance with the agreed SLL methodology.
- By 2031, achieve a 2.5% year-on-year reduction in combined Scope 1 and 2 emissions, measured against the agreed SLL baseline.

### **Nature, resources and environmental impacts**

- Protect and enhance biodiversity and comply with applicable Biodiversity Net Gain requirements, while delivering Hill's approved biodiversity ambitions.
- Use water, materials and resources responsibly, reducing waste and supporting the transition towards a circular economy.
- Prioritise avoidance and reduction of environmental impacts, using recognised and credible approaches to address residual impacts where appropriate

### **Sustainable homes, customers and communities**

- Create sustainable, well-designed and nature-rich places that support health, wellbeing, resilience and connected communities.
- Use recognised sustainability assessment approaches, including the NextGeneration Benchmark for housebuilders and relevant ISO standards, where appropriate.
- Enable customers to understand and benefit from the sustainable features of their homes, supporting comfort, wellbeing and lower running costs.
- Work with communities and stakeholders to create positive social and environmental outcomes through our developments.

## **People and responsible business**

- Put people first, supporting an inclusive culture, skills development and opportunities within Hill and the wider construction industry.
- Embed responsible business and sustainability considerations into decision-making, procurement and relationships with our supply chain and partners.

## **Governance, Reporting and Review**

- The Sustainability Leadership Group will oversee delivery of this policy, supported by appropriate governance, risk management and improvement planning.
- We will measure and report on our sustainability and climate performance transparently, supported by appropriate assurance and verification.
- This policy will be reviewed at least annually to reflect changes in legislation, regulation, climate science, material risks, stakeholder expectations, SLL requirements and Hill's approved targets and transition pathway.
- This policy will be communicated to relevant stakeholders and made available on Hill's website.

## **Supporting Framework**

This policy is supported by Hill's 2030 Roadmap's and relevant policies, standards and procedures, including Biodiversity Net Gain, Sustainable Procurement, Waste and Resource Management, Water, Social Value, Community Engagement and Just Transition Statement.