

Sustainable Procurement Policy



Hill's 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; we have a responsibility to use sustainable resources and materials from the outset and continue to develop supply chain capacity, innovation, and resilience.

Our Sustainability Leadership Group (SLG) operationalise our Double-Materiality Review findings, and the resulting Principal ESG Risks and Uncertainties. These outcomes have informed our ESG pillars and the integrated 2030 Roadmap, and in the short-term compliance with the emerging Future Homes Standard, and the Future Homes Hub One Plan (FHH One Plan). This policy also informs our just transition statement and annual improvement plans.

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 Objectives:

- Complying with relevant legislation. This is in alignment with Sustainable Development Goal 12 (responsible production and consumption), to ensure minimisation of environmental and social impacts of the materials, services and labour within our operations and supply chain.
- Strive to maintain long-term relationships with our suppliers, and we will collaborate with them to ensure that they understand our needs and deliver the correct goods and services when required. We will also provide training and support to our suppliers to help them improve their performance and meet our standards. We have implemented a subcontractor minimum standards procedure (via Constructionline and SupplyBase), to ensure that environmental and ethical factors are considered when making procurement decisions.
- We work closely with our supply chain partners to minimise any negative impacts on people and the environment, while also seeking to maximise the socio-economic benefits resulting from our procurement decisions.
- To minimise the overall amount of energy consumption and environmental impact across our developments.

Our Policy:

The key elements of our Policy to suppliers and subcontractors are:

- Compliant with Hill's Anti Bribery & Corruption, Equality Diversity and Inclusion, Health & Safety, Modern Slavery, Social Value, and sustainability related documents; biodiversity net gain, sustainability & climate change, waste & resource management, and water, and relevant audited ISO9001,14001, 45001 and 50001 independently certified management systems.
- Meeting UK legislation including but not limited to the Modern Slavery Act 2015.
- Through prequalification and auditing we ensure timber and related products are sustainably sourced with FSC/PEFC Chain of Custody Certification through Group buying deals and 3rd party sub-contractor procurement.
- Procuring materials compliant with the BES6001 Responsible Sourcing Standard.
- Sourcing Environmental Product Declarations (EPDs) and for example 'cradle to grave circular economy certification,' and ISO14024:2018 certification will be given consideration and preference when specifying materials.
- Encourage and progressively mandate the payment of the relevant local living wage.

Hill will assess opportunities to procure construction products, materials and services from local and regional suppliers wherever practicable. Where suitable suppliers are available, preference will be given to locally sourced construction products to reduce transportation impacts and associated carbon emissions, support local economic growth and employment, improve supply chain resilience, and maximise social value within host communities. Where local procurement opportunities are not pursued, the justification for this decision shall be recorded as part of the procurement decision-making process.

In accordance with the principles of BS ISO 20400:2017 Sustainable Procurement Guidance, Hill shall consider procurement-related risks and opportunities across social, environmental and economic themes throughout procurement activities. These considerations may include, but are not limited to, the impacts of climate change and carbon emissions, resource efficiency and waste reduction, the responsible sourcing of raw materials, biodiversity, water stewardship, modern slavery and labour standards, health and safety performance, equality, diversity and inclusion, community benefits and social value, and supplier resilience and economic sustainability.

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Our bidding processes for major procurements remain open and fair, ensuring we obtain the best possible value for money. We will ensure that all our suppliers adhere to our ethical standards, and we require them to demonstrate their compliance with all relevant laws and regulations, assessing them on their qualifications, experience, capacity, and financial stability. The most suitable suppliers based on these criteria are then selected. We strongly encourage our suppliers to provide feedback on our procurement processes, enabling us to continually improve our policies and practices.

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