2025 WINNER

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SILVER

2025




# Energy and Carbon

*Decarbonising our business and the built environment*

Hill

The Hill Group

# 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 2025/26 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 2021 | T/CO2e 2022 | T/CO2e 2023/24 | T/CO2e 2024/25 | T/CO2e 2025/26 |
|---|---|---|---|---|---|
| **Scope 1 (gas, diesel, and other fuels)** | | | | | |
| Offices | 26 | 49 | 68 | 30 | 34 |
| Sites | 4,867 | 2,291 | 2,051 | 2,177 | 2,506 |
| Company owned vehicles | 556 | 680 | 926 | 640 | 762 |
| **Total scope 1** | **5,449** | **3,020** | **3,045** | **2,848** | **3,302** |
| **Scope 2 (electricity, location-based)** | | | | | |
| Offices | 93 | 90 | 130 | 105 | 99 |
| Sites | 887 | 772 | 1,060 | 906 | 754 |
| Electric vehicles | N/A | N/A | N/A | 2 | 4 |
| **Total scope 2** | **980** | **812** | **1,190** | **1,013** | **857** |
| **Scope 3** | | | | | |
| Business travel (where Hill purchases fuel) | 881 | 1,184 | 1,202 | 1,451* | 1,391 |
| **Total scope 3** | **881** | **1,184** | **1,202** | **1,451** | **1,391** |
| **Total emissions in tonnes $CO_2e$ (location based)** | **7,310** | **5,016** | **5,437** | **5,312** | **5,550** |
| **Intensity ratio (tonnes $CO_2e$ / £ million turnover)** | **9.7** | **7** | **4.7** | **4.7** | **4.8** |

*The 2024/25 Scope 3 emissions figure has been updated from 1,460 $tCO_2e$ to 1,451 $tCO_2e$ following a review and refinement of the underlying data and calculations. The updated figure is reflected in the table above.



| The Sector Roadmap | | 2024 and 2025 | 2026-2030 | 2031-2035 | > 2035 |
|---|---|---|---|---|---|
| Homes that are | Zero carbon in use | • Reduced carbon emissions<br>• Charging points for electric vehicles | • Zero-carbon ready homes (75% reduction in emissions) | | |
| | Healthy safe and comfortable | • Embedded and improving the Part L 2021 regulation<br>• Delivering solutions through the FHS implementation board | • Future Homes Standard Published<br>• Potential future regulation to reduce peak loads, address energy measurement and performance and to align local requirements with national policy | • Grid fully decarbonises | |
| | | • Consultation on parts K and M<br>• 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 | • Consultation on whole life carbon<br>• Delivering solutions through the proposed embodied carbon implementation board<br>• Mainstream measurement of embodied carbon<br>• Collaboration with materials suppliers to define procurement roadmap of low carbon materials<br>• Design rationalisation to remove carbon intensive products | • 25% reduction in embodied carbon<br>• Phase out of fossil fuel generators on site | • 55% reduction in embodied carbon<br>• 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

We are already committed to contribute to sectoral decarbonisation in line with the plan, and to collaborate by sharing data, expertise, and to work together to reduce emissions at scale - see membership page: Current Future Homes Hub Project - Net Zero Transition Plan.

### 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 $m^2$ | 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. |
| **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. |

**74%**

of completed units 2025/26 from fossil fuel-free heating sources

AVERAGE SAP

**85**

Average operational carbon intensity of completed homes in 2025/26

**7.45**

$kgCO_2e/m^2/yr$

| Normalised Scope 1+2 GHG emissions (SECR-aligned)* | |
|---|---|
| **2022** | 286.98 $kgCO_2e/100m^2$ |
| **2023** | 252.88 $kgCO_2e/100m^2$ |
| **2024** | 215.10 $kgCO_2e/100m^2$ |
| **2025** | 257.15 $kgCO_2e/100m^2$ |

*Intensity metrics per $100m^2$ relate to completed floor area plus area under construction (for large multi-unit buildings that have multi-year construction programme).

| | |
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