

Our Fourth Just Transition Statement

Despite a challenging economic marketplace, geopolitical uncertainty, a viability pressures, planning delays, and a 7% decline in UK housing delivery, we have increased completions to 3,329 homes, up from 2,811 in the previous reporting period.

By delivering more high-quality, sustainable homes across all tenures, we are helping to address the homes shortage, support the transition to a low-carbon future and helping residents manage the rising cost of living.

This fourth just transition statement outlines how we continue to embed sustainability across our business. In collaboration with our clients, partners, and supply chain, we remain focussed on creating long-term value by delivering economic, environmental, and social results.

Our actions are guided by our vision, values, and **sustainability-related policies, 2030 Roadmap**, and commitment to our three ESG pillars: Environmental, Social and Governance. In the next financial year, we will undertake our third double materiality review to shape a more detailed roadmap to 2030 and looking towards net zero by 2050.

2025/26 OBJECTIVES HIGHLIGHTS

FINANCIAL PERFORMANCE

- £1,164m turnover
- £92.5m pre-tax profit
- 3,329 new homes delivered (2,360 affordable homes)
- £98.7m Land investment commitments
- £103.6m of tax generated through Corporation Tax, RPDT, NI & PAYE, VAT, SDLT & CIS
- £4.6m Community Infrastructure Levy contributions
- £8.8m Section 106 contributions
- £692.3m value of spend with suppliers & sub-contractors

ENVIRONMENTAL

- 74% brownfield development
- 37.2% average Biodiversity Net Gain (BNG) score
- 7.7% absolute increase in Scope 1 and 2 greenhouse gas emissions
- 74% of the homes we delivered are 'zero carbon ready', powered by heat pumps and renewable energy, ahead of the Future Homes Standard (FHS)
- 85 average SAP rating of the homes built
- 483 Passivhaus homes built & 237 dwellings in progress
- 800 $kgCO_2e/m^2$ whole life carbon score for Douglas Barder Park
- 99% of construction waste diverted from landfill
- 104 lpppd average internal water efficiency of homes completed
- 2,338 modular bathroom & utility cupboards delivered

SOCIAL

- £26m in added social value activities
- £718m social value supply chain spend equating to 55% of turnover
- 3,910 staff volunteering hours
- £496,000 Charitable donations
- 10 Released on temporary licence (ROTL)
- 20,325 earn as you learn weeks
- 640 work placement weeks
- 24,657 of schools' engagement hours
- 598 jobs created through Hill and our supply chain
- 6 long-term unemployed people moved into employment

GOVERNANCE

- 95% customer satisfaction rating
- 4th place in the NextGeneration sustainable housebuilder benchmark; leading private company in the sector and gold award winner
- 15 of 17 United Nations Sustainable Development Goals are being progressed
- 4th Task Force on Climate-related Financial Disclosure published

During the reporting period, our ESG disclosures continued to be structured around our **Principal ESG Risks and Uncertainties Register** and our **ESG Objectives**. Our reporting remains aligned with the UN Sustainable Development Goals.

EMPLOYMENT AND MOBILITY

Since our inception in 1999, we have maintained our privately-owned structure. We have significant outreach, employing more than 1,000 (980:2024) people directly. Our people age, gender and disability balances can be seen in the ESG report. More than 25% of our employees have progressed through our Future Talent programme, many of whom are now senior managers and directors. This investment demonstrates how we support social mobility within our business.

We also support over 5295 (4,000:2024) individuals indirectly across approximately 85 active sites (80:2024), with additional teams working on our behalf across the UK and offshore. Our Equality, Diversity & Inclusion (EDI) policy underpins our approach to being a fair, inclusive, and responsible employer and partner.

HUMAN RIGHTS AND SUPPLY CHAIN

We continue to be committed to our excellent supply chain partners and treating them with fairness, respect, and paying them promptly. Whilst aiming to reduce our environmental impact through sustainable procurement, ISO 14001, and 50001-certified systems. As with previous years, no environmental prosecutions occurred during the reporting period.

To support a fair and inclusive transition to a low-carbon economy, we continue to work with the Future Homes Hub and the Supply Chain Sustainability School. Through these partnerships, we promote awareness, capability building and collaborative action across our supply chain, with a particular focus on SMEs and social enterprises, which represent 84% of our supply chain. Our UK-based VML facilities support local jobs and supply low/zero-carbon components, including Foundation200 homes.

Our annual Modern Slavery Statement reaffirms our commitment to respecting human rights and undertaking robust due diligence across our operations, and supply chain companies with a turnover of over £36m.

SKILLS

To address the sector's skills gap, we've invested in developing talent across our workforce and supply chain. Around 21% of our local labour lives within 10 miles of our sites, helping attract new entrants to the industry. Through partnerships with the HBF and SCSS, we supported a more inclusive and diverse built environment. Our wider social value commitments reflected this ongoing effort.

INNOVATION

To date we have delivered (and have in progress) 720 FHS 'zero carbon ready' homes across Passivhaus-certified, Active Homes trial and a Zero Bills™ development.

'Watt a Save: The new build advantage' report highlights the inherent embedded energy efficiency of new build homes, and how they help reduce consumption, unlock lower energy bills and cut carbon emissions. Savings of many hundreds of pounds through to zero bills with Octopus Energy brings positive benefits during the energy and climate changes crises. In preparation for the recently published FHS, 74% of our homes in 2025/26 are already zero carbon ready (fossil fuel-free).

CUSTOMERS

For the ninth consecutive year we achieved 5-star HBF and NHBC ratings, with a 95% customer satisfaction. Hill also holds an industry-leading Trustpilot score of 4.9 out of 5. This industry recognition demonstrates the strength of our reputation, our commitment to quality and the pride Team Hill takes in delivering exceptional homes and an outstanding customer experience.
Our growth strategy is built on responsible collaboration with customers, our supply chain and stakeholders, with the ambition of achieving £2bn turnover by 2030, in support of the Government's target of 1.5 million new homes during this Parliament.

Placemaking Policy Update

Our *Placemaking Policy for High-Quality and Sustainable Community Development* establishes a consistent, Group-wide approach to placemaking, community engagement and local needs assessments.

Our policy applies to all developments and is embedded within our Design Brief requirements, which are issued to appointed architects, design consultants and relevant multidisciplinary teams. This ensures placemaking considerations are integrated from the earliest stages of planning and design, rather than treated as standalone activities.

We demonstrate 100% compliance across all three elements of the NextGeneration Placemaking criterion, covering all developments that have gone through planning in our 2025/26 compliance assessment.





1. HIGH-QUALITY PLACEMAKING POLICY AND STRATEGY – 100% COMPLIANCE

We have adopted a formal Placemaking Policy that requires every development to demonstrate how it delivers high-quality, inclusive, sustainable and resilient places through a measurable Placemaking Standard.

Our Standard is structured around six pillars:

- Identity and Context
- Inclusive Design
- Healthy Living
- Environmental Sustainability
- Connectivity and Accessibility
- Community Empowerment

These requirements are embedded within our development Design Briefs and communicated to appointed consultants, providing a consistent framework for assessing placemaking throughout the design process.

Our approach draws on recognised best-practice guidance, including Building for a Healthy Life, the National Design Guide and National Model Design Code.

Our policy extends beyond individual buildings to consider masterplanning, public realm, streets, landscaping, biodiversity, sustainable transport, accessibility, social infrastructure and long-term community wellbeing. We incorporate design reviews and design codes where appropriate to maintain quality throughout development.

Our 2025/26 Placemaking compliance tracker confirms that 100% of our developments assessed have applied a high-quality placemaking approach or strategy, supported by project-level evidence including Design Briefs, masterplans, design documentation and planning submissions.

2. COMMUNITY ENGAGEMENT BEYOND STATUTORY REQUIREMENTS – 100% COMPLIANCE

Our Placemaking Policy explicitly requires all our developments to undertake proportionate community engagement beyond statutory planning consultation requirements.

Our approach is designed to be inclusive, continuous, transparent and collaborative, ensuring existing communities and future residents have opportunities to influence development proposals.

Our policy references recognised best-practice engagement approaches, including Planning for Real, design workshops, community planning forums and other collaborative design methods.

The nature and extent of our engagement are proportionate to each development's scale, complexity and potential community impact. Importantly, our policy requires feedback received through engagement to inform design revisions, ensuring consultation delivers meaningful outcomes rather than simply satisfying planning requirements.

These expectations are incorporated within our Design Brief process and communicated to appointed design teams and consultants.

Our 2025/26 compliance tracker confirms that 100% of our developments assessed have undertaken community engagement beyond statutory consultation requirements. Project-level evidence is identified through consultation documentation, Statements of Community Involvement and associated planning records.





3. LOCAL NEEDS ASSESSMENTS – 100% COMPLIANCE

Our Placemaking Policy requires a proportionate local needs assessment to be undertaken for every development, irrespective of its size, location or value.

Our assessments consider the needs and priorities of existing communities and future residents, informed by relevant local evidence, planning policy, analysis and community engagement.

We require the findings to be recorded and considered within our development Design Brief and associated proposals, ensuring local needs directly influence design decisions and placemaking outcomes.

Our approach is proportionate to the development's scale, allowing our smaller schemes to undertake an appropriate evidence-led assessment while our larger, more complex developments receive more detailed consideration.

This ensures that local housing needs, accessibility, community infrastructure, environmental priorities and wider social and economic considerations are reflected in our design process.

Our 2025/26 compliance tracker confirms that 100% of our developments assessed have undertaken a local needs assessment. Supporting evidence is identified through planning documentation, local needs considerations, consultation records and development design information.

IMPLEMENTATION, MONITORING AND VERIFICATION

To demonstrate consistent implementation, we maintain a central NextGeneration Placemaking Compliance Tracker, which assesses our individual developments against each of the three criteria and records supporting evidence and document locations.

For our 2025/26 reporting period, our assessment confirms:

- **High-Quality Placemaking:** all developments compliant – 100%
- **Community Engagement:** all developments compliant – 100%
- **Local Needs Assessment:** all developments compliant – 100%

Our policy establishes the requirements for all our developments, while our Design Brief acts as the principal mechanism for communicating and embedding these requirements into project delivery and consultant appointments.

Our compliance is supported by project-specific documentation, with ongoing oversight through our Development and Sustainability functions. Our policy also provides for design reviews where appropriate, redesign where placemaking standards are not achieved, and periodic policy review to incorporate evolving best practice.

We therefore consider that we meet the requirements for full marks across all three NextGeneration placemaking components, demonstrating both our formal Group-wide policy commitment and 100% recorded compliance across our developments assessed during 2025/26.

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