

ESG Report 2025/26

Creating healthier homes and places to live

The Hill Group

2025/26 *highlights*

FINANCIAL

£1,164.3m
turnover

3,329
new homes delivered (2,360 affordable homes)

£733.9m
in land and work in progress

£92.5m
pre-tax profit

£8.8m
Section 106 contributions

£692m
value spend with suppliers and sub-contractors

£300m
Sustainability Linked Loan

£103.6m
of tax paid through Corporation Tax, RPDT, NI & PAYE, VAT, SDLT & CIS

£4.6m
community infrastructure levy contributions

SOCIAL

£718m
Total social value delivered including our spend with micro, small and medium-sized businesses

200
Donated or committed SoloHaus homes pledged as part of Foundation 200

£26m
in added social value activities

20,325
earn as you learn weeks

£496,000
charitable donations

24,657
hours of school engagement

3,910
staff volunteering hours

10
Released on Temporary Licence (ROTL) work placements

640
work placement weeks

598
jobs created local to Hill projects

ENVIRONMENTAL

99%
of construction waste diverted from landfill

74%
brownfield development

483
Passivhaus homes completed and 237 in progress

37.2%
average Biodiversity Net Gain (BNG) score

85
average Standard Assessment Procedure (SAP) rating of the homes built

2338
bathroom pods and utility cupboards manufactured in our own offsite facility

74%
of the homes we delivered are 'zero carbon ready', powered by air-source heat pumps and renewable energy, ahead of the Future Homes Standard

75%
pre-manufactured value score at Sawyers Close in Windsor

104lpppd
average internal water efficiency of homes completed

800kg CO_2e/m²
whole life carbon score for Active Homes at Douglas Bader Park

GOVERNANCE

4th place
in the NextGeneration sustainable housebuilder benchmark; Hill is the leading private company in the sector

15 of 17
United Nations Sustainable Development Goals are being progressed

4th
Task Force on Climate-related Financial Disclosure published

95%
HBF customer satisfaction rating

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Knights Park, Cambridge.

74%
of the homes we delivered were 'zero carbon ready'

A view across the River Thames towards Kew Bridge Rise, Brentford.

Creating healthier homes and places to live

The Hill Group is a leader in strategic and sustainable placemaking and regeneration, creating healthier homes and neighbourhoods that positively impact the environment.

At Hill, we are committed to shaping a more equal society by delivering healthier homes and vibrant, inclusive places, where people love to live, and communities can thrive.

Nearly three-quarters (74%) of our projects were on previously developed or brownfield, land, helping to reduce pressure on undeveloped greenfield sites. In 2025/26, I'm proud to say that 74% of Hill homes delivered were 'zero carbon ready', meaning they are 100% fossil fuel free, well ahead of the Future Homes Standard (FHS). We expect this figure to exceed 80% next year and we are aiming to achieve net zero carbon by 2050, prioritising homes that enable low-carbon lifestyles.

Working with major industry groups such as the Future Homes Hub, we are addressing the climate and environmental demands of the new homes sector. We extended our Sustainability-Linked Loan to £300m this year by aligning business growth with our sustainability goals. This status, first achieved in 2021, reflects the Group's ongoing commitment to environmental performance, social value and responsible development.

The Hill Group achieved 37% Biodiversity Net Gain (BNG) in the reporting period, far higher than the Government-mandated 10% in the Environment Act 2021.

01. CEO'S MESSAGE

We're delighted to retain our position as the UK's highest-ranked private housebuilder on the NextGeneration Sustainability Benchmark. Ranking 4th overall, this result reflects our continued commitment to sustainability. I was particularly pleased to see our strong performance in the Energy & Carbon and Socio-Economic Development categories this year. Hill scored above average against all eight sustainability benchmarks, demonstrating our holistic commitment to sustainable development.

We've increased our off-site construction capabilities, enabling efficient use of materials and reduction in on-site construction waste. Our ongoing investment in modern methods of construction (MMC) has delivered over 1,500 bathroom pods and 835 utility cupboards this year – significantly lowering our carbon footprint.

Our commitment to quality has been recognised across the UK's most prestigious housebuilding competitions. In the 2025 WhatHouse? Awards, Hollymead Square in Newport, Essex, won Gold in the 'Best Sustainable Development' category while The Shadwell house type at Hollymead Square won Silver for 'Best Energy Efficient Home'.

We're especially proud that Hollymead Square was the first Zero Bills development to guarantee social housing residents zero energy bills for at least five years. We partnered with Octopus Energy and used its Kraken technology for energy management and grid support on the project, which features air-source heat pumps, solar panels, home battery storage and Electric Vehicle (EV) charging points. The WhatHouse? Awards judges praised the development highly: "Design is not compromised; neither is the environmental stewardship and the wider landscaping and ecology. The gold standard indeed."

The operating environment over the past year has been challenging. It is still harder than it should be to obtain implementable planning permissions, mortgage financing remains difficult for homebuyers, and our clients and partners who deliver affordable housing have less to invest. Despite these headwinds, Hill's performance has been strong.

We delivered 3,329 homes during 2025/26, an increase from 2,811 in the previous period. We achieved marginally higher turnover and profit, at £1,164.3m, and £92.5m respectively.



Hollymead Square in Newport won the Best Energy Efficient Home' and Silver for 'Best Sustainable Development' at the 2025 WhatHouse? Awards.



Canalside Quarter, Oxford North.

We retained our five-star HBF homebuilder status for the ninth year running, with a 95% Customer Satisfaction rating. Particularly impressive as it's the first time the rating has been measured across both the eight-week and nine-month customer surveys, with a focus on build quality and customer service. We also edged up to 9th place in Building Magazine's Top 50 Housebuilders listing, cementing our position as a leading developer in the UK.

But it's about so much more than building houses. We invest in people and communities, creating sustainable new neighbourhoods where those who live, work and visit can establish lasting connections and a healthy lifestyle for their families.

Our social impact remains a key focus for the business, and Hill remains sector leader in creating lasting social value. Our developments create opportunities, support local people and help build stronger communities.



Andy Hill OBE, Founder and Group Chief Executive.

In 2025/26, Hill generated £718m of social value, including our spend with micro, small and medium-sized enterprises, equating to 61% of our turnover. We donated close to £500,000 to charities and completed 24,657 hours of school engagement.

Our social value team is now 13 strong, with a strategy built around three priorities – Inclusive Opportunities for All, Prosperity for All and Community at the Heart.

We are focused on training the next generation of housebuilders and took on 29 new management apprentices in the reporting period. And we achieved Platinum accreditation with The 5% Club for the third year in a row. Through this initiative, we demonstrate our commitment to 'earn and learn' opportunities for apprentices, graduates and sponsored students.

So, we are making great progress. With our robust financial performance, talented team and strong supply chain network, we are exceptionally well-positioned for another successful year. A heartfelt thank you to Team Hill, our partners and suppliers – your commitment and expertise make our responsible growth story possible.

Andy Hill OBE
Founder and Group Chief Executive

Please share your feedback on this report at **ESG@Hill.co.uk** so that we can continuously and responsibly improve our ESG activities.

Our ESG strategy and goals

Now in the fifth year of our ESG strategy, we remain focused on our vision: to be the UK's leading, most trusted housebuilder, creating exceptional homes and sustainable communities.

JARGON GARDEN

See page 40 for definitions and acronyms.



Hartley Acres in Cranbrook, Kent.

We are committed to shaping a more equal society by delivering vibrant, inclusive neighbourhoods that bring people together and help communities thrive.

Despite ongoing geopolitical uncertainty and economic headwinds, we have continued making progress against the majority of our objectives, by embedding sustainability more deeply into our business and projects with clients and supply chain partners.

Our '2025/26 Highlights' reflect the positive impact of our three-pillar strategy in action. Our progress is further reflected in our ***fourth just transition statement***.

In principle, we welcome the government's steps to address barriers to housing delivery, including: the imminent amendments to the National Planning Policy Framework (NPPF), the Clean Water Bill, and the Future Homes Hub (FHH) evolving 'Future Homes, One Plan Scaling up delivery'. Whilst each represents a positive intervention, these steps need to be carefully balanced against the increasing regulatory burden identified in the ***HBF's Viability Crunch report***. The report identifies a cumulative increase of £76,000 to build each new home due to rising material and labour costs, regulatory requirements, taxes, and site-specific obligations, representing roughly 20% of the average new home value of £365,000.

Through pragmatic partnership and government support, we aim to double the size of our business by 2030, and support a new era of high-quality, affordable, and sustainable homes for local communities.

OUR ESG PILLARS

ENVIRONMENTAL

- Creating net zero carbon homes
- Taking care of our natural resources
- Reducing our environmental impacts

SOCIAL

- People come first
- Communities and customers
- Tackling homelessness

GOVERNANCE

- Strategy and responsible business
- Reporting and assurance
- Future proofing



Nexus, Stevenage.



Farehurst Park, Fulbourn.

Building thriving, sustainable places

We integrate sustainability principles throughout our projects with climate-proofed masterplans and 'zero carbon ready' homes.

Our approach creates healthy, intergenerational communities with a strong sense of place, lower household running costs and a long-term vision for economic, environmental, and social value.

We adopt a place-led approach to development, engaging with local communities and stakeholders to inform masterplans that respond to the needs of both existing and future residents. Working in partnership with registered providers and other delivery partners, our long-term stewardship focus integrates green, blue, and grey infrastructure to support resilient, well-connected, and sustainable places.

74% (68%:2024) of our projects were delivered on brownfield land, with the remaining 26% (32%:2024) of developments on greenfield sites. As our land portfolio diversifies, we intend to expand our reporting to include designated grey belt delivery.

JARGON GARDEN:
See page 39 for definitions and acronyms.

CREATING 'ZERO CARBON READY' HOMES

Following an extended period of consultation, the Approved Document for the 2025 FHS was published on 24 March 2026 and will take effect from 24 March 2027. A 12-month transitional arrangements period will apply before full implementation. While the government has deferred the introduction of the accompanying Home Energy Model (HEM), Standard Assessment Procedure (SAP) 10.3 remains the approved compliance methodology until HEM is introduced, which is currently expected by the end of 2026.

Under the FHS, compliant new homes are expected to produce 75–80% fewer carbon emissions than homes built to the 2013 Building Regulations. This significant reduction will be achieved through the removal of fossil fuel heating, the widespread adoption of heat pumps and rooftop photovoltaic (PV) systems, together with the continued decarbonisation of the national electricity grid.

In preparation for the transition to low-carbon homes, we began designing to enhanced fabric-first standards in 2021, integrating low-carbon electricity and heat pump technologies to improve energy efficiency and reduce operational emissions. Since 2023, we have applied solar form design guides and passive design, as well as Passivhaus principles, further strengthening building performance and resilience.

During the reporting period, 74% of homes we delivered were 'zero carbon ready'; a figure expected to exceed 80% next year. This innovative approach ensures our homes are future-proofed and deliver lasting benefits for our partners and, importantly, our residents.



Case study

Kew Bridge Rise

Our approach combines fabric-first standards, heat pumps and solar design to reduce emissions.



Knights Park, Cambridge.

We have delivered or have in progress 720 FHS 'zero carbon ready' homes across Passivhaus-certified, Active Homes trial and Zero Bills™ developments.

The latest ***'Watt a Save: The new build advantage' report**** highlights the inherent embedded energy efficiency of new build homes and their potential to reduce consumption, lower household bills, and cut carbon emissions. From savings of many hundreds of pounds a year to zero bills through our partnership with Octopus Energy, these benefits are increasingly important as households face the pressures of the energy and climate crises.



Case study

Hollymead Square

Climate resilience is embedded throughout our development and design process, making sure new homes are prepared for both the physical impacts of climate change and the transition to a low-carbon economy. Our approach addresses key risks identified through our climate risk assessments, including flood resilience, overheating, water scarcity, resource efficiency and the transition to net zero, as outlined in our Taskforce on Climate Related Financial Disclosure ***(TCFD) analysis***.

These priorities are reflected in our design standards, which also promote effective daylighting and climate-responsive layouts. Together, these measures create homes that are more resilient to future climate conditions, reduce environmental impacts and provide comfortable, healthy living environments for residents throughout the year. During the reporting period, our homes achieved an average SAP rating of 85 and EPC B-ratings and increasingly A-ratings.



Case study

Golf Links

Water efficiency is an increasingly important aspect of climate resilience as changing weather patterns and population growth place greater pressure on water resources. We design all new homes to achieve a maximum potable water consumption of 105 litres per person per day (lpppd), significantly exceeding the current Building Regulations Part G requirement



East Wick and Sweetwater, London.

of 125 lpppd. At Knights Park in Cambridge, some dwellings are designed to achieve water consumption of less than 80 litres per person per day (lpppd), significantly exceeding current Building Regulations requirements. Each specification responds well to future development in water-stressed regions and the recently consulted Building Regulations Part G.

Reducing embodied and whole life carbon (WLC) is becoming an increasingly important component of the built environment's transition to net zero, as set out in the ***FHH New Homes Sector Net Zero Transition Plan***. In anticipation of emerging national policy and industry expectations, we are embedding WLC assessment and circular economy principles across our portfolio to inform design decisions, reduce embodied carbon and improve resource efficiency throughout the building lifecycle.

The data and insights generated through these assessments strengthen our evidence base for future projects and a possible new Building Regulation Part Z. This proactive approach ensures we remain well positioned to respond to regulatory change while continuing to reduce the environmental impact of the homes and places we deliver.

* The recently introduced FHS is expected to make zero carbon homes standard practice across the sector. However, it is still too early for energy performance improvements to be consistently reflected in property values, mortgage lending decisions or rental outcomes through a recognised 'green premium'. We continue to collaborate with the Valuation and Lending Liaison Group to help capture and evidence these financial benefits, while communicating the long-term value, lower running costs and enhanced comfort that high-performing homes provide across all tenures compared with older, less efficient housing stock.

JARGON GARDEN:
See page 39 for definitions and acronyms.



Projects securing planning consent last year achieved 37.2% BNG on average.

Aylesborough Close, Cambridge.

Prioritising the planet

At Hill, we create places with purpose, delivering high-quality homes and neighbourhoods that respond positively to their surroundings.

Our design-led approach is rooted in a clear understanding of each site's landscape, heritage, and community context, ensuring developments contribute to the long-term vision for the area.

Sustainable placemaking and stewardship are central to what we do. We prioritise high-quality design, resource efficiency, and biodiversity enhancement to create resilient, climate-proofed places for current and future generations, improving their quality of life.

Taking a bespoke approach to every project, we balance contemporary living needs with responsive design. Creating attractive, well-connected communities that strengthen local rural and urban identity, enhance wellbeing, and deliver lasting social, environmental, and economic value.

As design advocates, we recently contributed to the revision of Building for a Healthy Life (BHL), as its application will help housebuilders create better communities. BHL is embedded into our design and sustainability briefing processes and certified ISO 9001 and 14001 standards. We collaborate with qualified architects, ecologists, engineers, landscape, and urban designers, and specialist consultants to deliver consistently high-quality developments, with more than 500 awards recognising our work to date.

In preparing for the FHS, we are measuring post-occupancy evaluation outcomes to understand how residents live with innovation and embed lessons learned. This learning will be shared with residents to help deliver a just transition.

We design places to succeed in the rapidly changing climate. By embedding nature-based solutions and essential blue and grey infrastructure, we create resilient, healthy, and distinctive communities. This approach enhances biodiversity, helps manage climate risks, improves environmental quality and supports lasting social value.

By integrating increasing annual BNG targets into our Sustainability Linked Loan (SLL) in 2021, we were prepared for The Environment Act 2021 mandating a 10% BNG requirement from February 2024. As a result, projects securing planning consent during the reporting period delivered an average 37.2% BNG and an average 34.25% gain in habitat units only.

However, whilst aiming to create places that enhance biodiversity, off-site residual units form part of regulatory carbon, water and nutrients neutrality compliance. For BNG purposes, we employ an internal offsetting due diligence framework to ensure timely, cost-effective and high-quality long-term arrangements for our partners and customers.


Case study
Oxford North


Case study
Watling Garden Estate



Prioritising biodiversity.

JARGON GARDEN:
See page 39 for definitions and acronyms.

Reducing our footprint

We are committed to the New Homes Sector 2050 Net Zero Transition Plan.

We continue to collaborate with the FHH and industry partners to help develop the ***New Homes Sector Net Zero Transition Plan***. The plan brings together homebuilders, suppliers, contractors, financiers, and the government to address decarbonisation challenges, while increasing the delivery of more efficient and comfortable new homes.

Our Scope 3 emissions reduced by 4% during the year, reflecting continued progress in addressing emissions across our wider value chain. Against a backdrop of continued business growth and increased operational activity, our overall Scope 1, 2 and 3 GHG (SECR) emissions, excluding energy use from completed homes, increased by 4%. Importantly, carbon intensity remained relatively stable, increasing by just 2% from 4.7 to 4.8 tCO_2e per £ million turnover.

We remain focused on improving the carbon efficiency of our operations and reducing emissions as the business grows. During the year, we continued to improve site efficiency, transition from diesel to HVO (hydrotreated vegetable oil), invest in renewable electricity tariffs and trial battery technologies to reduce reliance on traditional site power. We are also supporting lower-carbon employee travel through our greener vehicle fleet and salary sacrifice scheme.

Together, these measures support our continued transition towards lower-carbon operations while maintaining our focus on long-term emissions reduction.

Balancing significant growth and reducing emissions is a challenge for Hill and the sector; hence the importance of collaboratively signalling to the supply chain the importance of embedding innovation and mitigating regulatory burden. We are expanding and learning from an increasing number of whole life carbon (WLC) and circular economy assessments and scores for new projects. Combined with our ISO 50001 Energy Review strategy that aligns with the New Homes Plan, these actions support our revised ***2030 ESG Roadmap*** and the longer-term decarbonisation ambitions. Our Scope 1 and Scope 2 carbon emissions have been independently assured by a third party. Further details on the scope and outcome of the assurance can be found on ***page 45***.



Lampton Parkside, Hounslow.

Greenhouse gas (GHG) emissions	Category	Year ended 31.12.2021	Year ended 31.12.2022	Financial year ended 31.03.2024*	Financial year ended 31.03.2025	Financial year ended 31.03.2026	% Change FY25 compared to FY24
For Streamlined Energy and Carbon Reporting (SECR)	Scope 1 emissions (t CO_2e)	5,449	3,020	3,045	2,848	3,302	16%
	Scope 2 emissions (t CO_2e)	980	812	1,190	1,013	857	-15%
	Combined scope 1 & 2 emissions (t CO_2e)	6,429	3,832	4,235	3,861	4,159	8%
	Scope 3 emissions (t CO_2e) – business travel in employee-owned cars	881	1,184	1,202	1,451**	1,391	-4%
	Total SECR scope 1, 2 & 3 emissions t CO_2e location based	**7,310**	**5,016**	**5,437**	**5,312**	**5,550**	**4%**
	Carbon intensity (t CO_2e/£ million turnover)	9.7	7.0	4.7	4.7	4.8	2%

*Financial year ended 31.03.2024 was a 15-month reporting period.

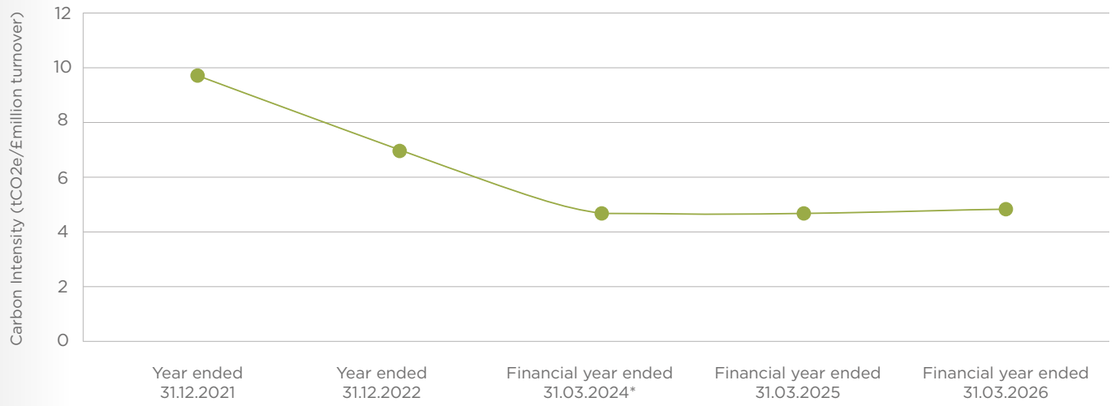
**The 2024/25 Scope 3 emissions figure has been updated from 1,460 tCO_2e to 1,451 tCO_2e following a review and refinement of the underlying data and calculations. The updated figure is reflected in the table above.

Reporting Methodology: For the sixth consecutive year, we are reporting our performance. For this period, we have followed the government's 2025/26 Environmental Reporting Guidelines and the 2025 DEFRA Conversion Factors for Company Reporting. Our footprint has been calculated in line with the Greenhouse Gas Reporting Protocol – Corporate Standard and ISO 14064 – part 1. We report on an operational control basis, meaning that our data covers energy use from premises where we have the authority to introduce and implement operating policies.

For consistency, our reporting scope covers all construction sites, including temporary welfare accommodation, mobile plant, both Hill and contractors' fuel, our main operational offices, and business travel. We have allowed for all forms of contracts, including joint ventures. We have not included our off-site manufacturing facility.

As can be seen in the graph below, our carbon intensity has reduced significantly, falling from 9.7 tCO_2e/£ million turnover in 2021 to 4.8 tCO_2e/£ million turnover in 2025/26 – an overall reduction of approximately 51%. While there was a marginal increase in the latest year, the longer-term trend demonstrates substantial progress in reducing the carbon intensity of our operations as the business has grown.

GREENHOUSE GAS (GHG) EMISSIONS CARBON INTENSITY



JARGON GARDEN:
See page 39 for definitions and acronyms.



We hosted our 6th annual festival at the Teviot Estate in Tower Hamlets in 2026.

Sector-leading social value

We generated more than £718 million in total social value, equating to 61% of our turnover for 2025/26.

Our social value initiatives generated £26 million in added social value, reflecting the tangible benefits delivered through our activities. We continued to support local businesses, spending £621.2 million with micro, small and medium-sized enterprises (MSMEs), while contributing £496,000 to charitable causes. Through these efforts, we are driving long-term social impact, strengthening local economies, and helping to build communities where people can prosper.

THIS YEAR WE DELIVERED:

- **24,657** HOURS OF SCHOOL ENGAGEMENT
- **20,325** EARN AS YOU LEARN WEEKS
- **10** RELEASED ON TEMPORARY LICENCE PLACEMENTS
- **598** JOBS CREATED LOCAL TO HILL PROJECTS
- **6** LONG-TERM UNEMPLOYED PEOPLE MOVED INTO EMPLOYMENT
- **£496,000** CHARITABLE DONATIONS
- **640** WORK PLACEMENT WEEKS
- **£26M** OF SOCIAL VALUE THROUGH INITIATIVES ON OUR PROJECTS
- **£718M** TOTAL SOCIAL VALUE* *Including our spend with MSME sized businesses

SOCIAL VALUE STRATEGY

Our strategy is built around three priorities:

1 INCLUSIVE OPPORTUNITIES FOR ALL

Empowering under-represented groups through employment, training, and youth engagement.

2 PROSPERITY FOR ALL

Supporting local economies and small businesses, promoting social mobility, and building sustainable communities.

3 COMMUNITY AT THE HEART

Creating connected, healthy neighbourhoods where people feel they belong.

Together, these priorities focus on widening access to employment and training, supporting local businesses and ensuring communities benefit from local Hill developments.

IN THE FIVE-YEAR PERIOD FROM 2025 TO 2030, WE WILL:

Deliver

- 1,000 apprenticeships across our projects and supply chain
- 30 youth-led initiatives
- 150 community events
- 20,000 hours of volunteering

Support

- 200 candidates from under-represented groups
- 200 local businesses through project-linked mentoring and training
- 10,000 hours of volunteering in the communities in which we work
- 500 local residents through inclusion sessions to reduce social isolation

Provide

- 50,000 hours of school engagement
- Grant funding or in-kind support to 300 local initiatives



Randall Close, Battersea. Photographer: Tom Bright©

JARGON GARDEN:
See page 39 for definitions and acronyms.

Creating positive impact

We believe that our developments deliver more than just homes. They also create opportunities, support local people, and help build stronger communities. This principle drives our commitment to leading the sector in creating social value.



Youth centre refurbishment gives Dagenham students hands-on construction skills experience.

AN AWARD-WINNING TEAM

Our social value team is now 13 strong, including three apprentices. We have been recognised through several awards this year:

- At the 2025 Social Value Portal Awards, we were shortlisted for the Private Sector Leadership Award and the Rising Star Award.
- In November, we won Developer of the Year and Best Project Overall at the 2025 Ealing Construction Awards, for our work in creating meaningful residents' programmes and the Greenford Library rejuvenation, respectively.
- At the BPIC Awards in December, Social Value and Community Manager, Salma Khan, was shortlisted for the Inspiring Diversity Champion Award.
- In National Apprenticeship Week 2026, Peabody awarded Hill its Supply Chain Partner of the Year at its Apprenticeship Excellence Awards, for our extensive work with apprentices across our North Gate Park, Dagenham Green and Blackbird Leys developments.

INVESTING IN PEOPLE

We achieved Platinum accreditation with The 5% Club for the third year in a row. Through this initiative, we demonstrate our commitment to 'earn and learn' opportunities for apprentices, graduates and sponsored students. Our accredited membership is recognition of our inclusive and accessible workplace training via The 5% Club's 2025/26 Employer Audit Scheme.

We're a committed signatory to the Care Leaver Covenant, supporting young people aged 16-25 leaving care as they transition to independent life by opening pathways to training, employment and long-term growth. By aligning with the Covenant's five key outcomes (Education, Work, Money, Wellbeing, Home), we're embedding long-term social value into how we recruit, develop and support our workforce and communities.

In 2025, Hill's Head of Social Value, Siân Rebourg, was appointed chair of the Youth Employment Group's West London action team, which ensures quality employment, education and training pathways are available for all young people, in particular the most marginalised in society and those at risk of becoming NEET (Not in Employment, Education or Training).



Aylesborough Close completion event, Cambridge.

Case study

Aylesborough Close Phase 2

Aylesborough Close is a high-quality 100% affordable development delivered through Cambridge Investment Partnership (CIP), an equal partnership between Cambridge City Council and Hill, completed in June 2025. Through collaboration with residents, we developed a shared vision to build modern, low-carbon homes that enhance community character and address the urgent need for affordable housing. The development replaces 36 outdated council homes with 70 energy-efficient apartments.

All homes meet Passivhaus standards, achieving a 58% reduction in regulated carbon emissions through a fabric-first approach, including high levels of insulation, triple glazing, airtight construction, mechanical ventilation with heat recovery (MVHR), air-source heat pumps and solar panels. Meaningful community and environmental benefits include a 20% BNG through new trees, planting, and mini meadows, a dedicated residents' garden and play area plus enhanced green space.

We have supported a range of community initiatives as the project continues. We hosted a 34-week ROTL placement for a general labourer and welcomed a T-Level student from Harlow College on an eight-week placement in Design, Surveying and Planning. Our team also recorded 21 hours of school engagement, including an interactive skills session with GSQ Brickwork and Kings Hedges Primary School, as well as a sustainability-themed hoarding art project with the same school.



CIP unveiled its 1,000th home in 2025 at Aylesborough Close.

JARGON GARDEN:
See page 39 for definitions and acronyms.



Topping out event at Vincent Street in Newham, East London.

Case study

Vincent Street in Newham, East London.

Vincent Street is the first phase of the wider Canning Town Estates Regeneration in East London, delivering 2,000 low-carbon homes co-designed with local residents and community stakeholders.

The development includes 147 one to five-bedroom homes for existing social housing tenants, all designed to achieve Passivhaus “Classic” certification. Aligned with the London Mayor’s energy hierarchy, the development targets a 73.8% reduction in regulated carbon emissions. The remaining 26.2% will be offset via the borough’s carbon offset fund to achieve net-zero regulated carbon.

The project has created 107 jobs specifically for local residents. 23 apprenticeships have been delivered, alongside 31 weeks of work experience opportunities for local people. 121 hours of tailored career advice have also been given to those hoping to build confidence and improve their employability. 16 school events and four careers fairs inspired young people to consider careers in the construction industry, while over £6 million has been spent with local businesses, boosting the local economy. 25% of the labour used on the project was sourced locally. Two ‘Meet the Buyer’ events were also hosted, offering local suppliers the chance to connect directly with project opportunities.

Case study

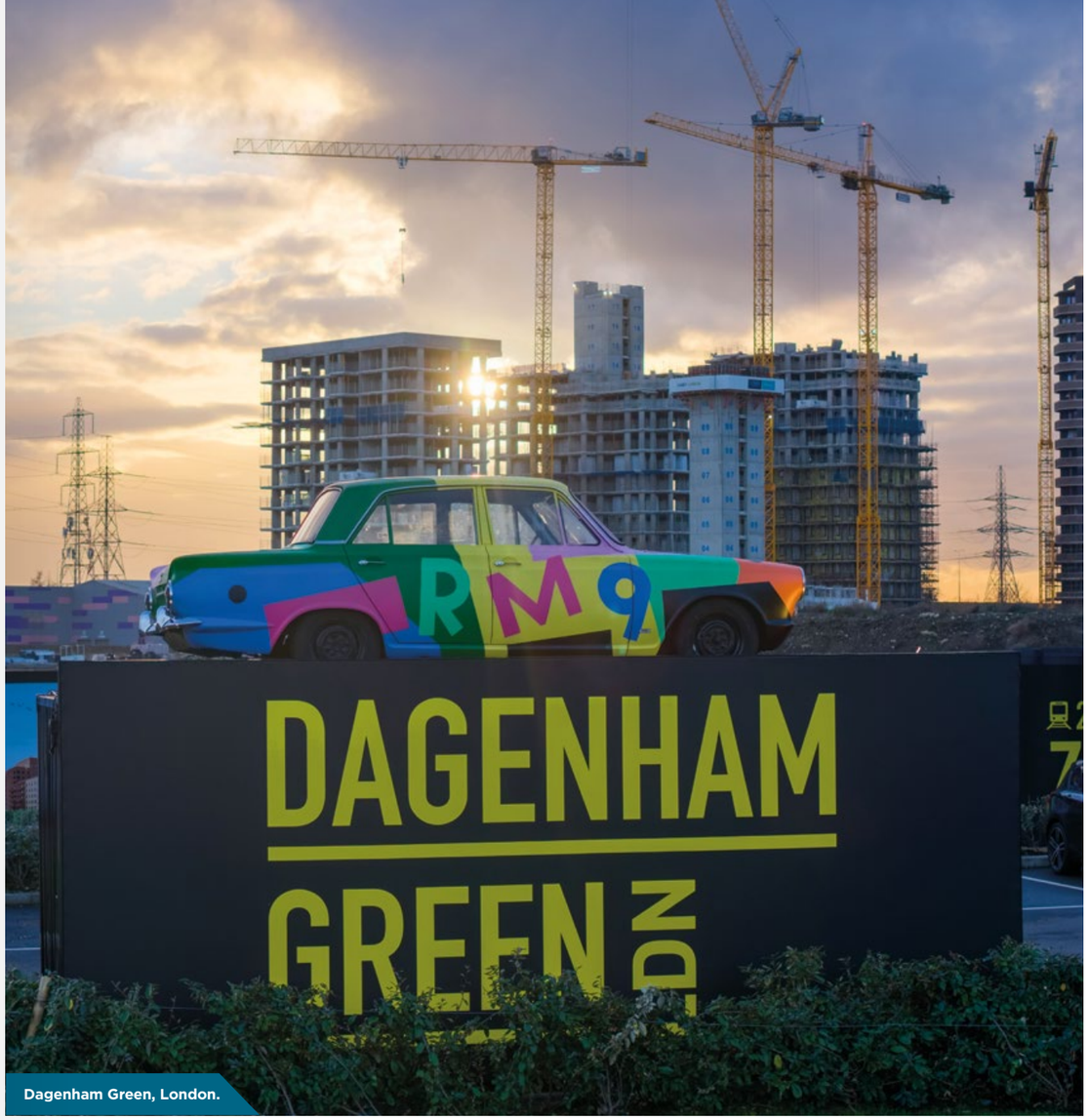
Coventry – City Centre South project

Hill, together with Coventry City Council and the West Midlands Combined Authority (WMCA), share a vision to deliver the landmark project of City Centre South focusing on high-quality homes and an inclusive development that meets the needs of the whole community. Phase One of the wider regeneration will deliver 991 new homes, 8,000 sq m of commercial space and 17,000 sq m of new public open space, transforming this key site in the heart of the city.

In September, a new skills and training hub was established at City Centre South to help create pathways into construction careers for local people. Developed by the WMCA in partnership with one of the UK’s leading construction training providers, The Skills Centre, and the Construction Industry Training Board (CITB), the centre offers local people a free pathway into construction careers through industry-leading training programmes, apprenticeship opportunities, as well as providing upskilling opportunities for those already in the sector. The WMCA funds the programmes, with CITB supporting delivery through its training organisation. Once fully operational, The Skills Centre will offer a wide range of training opportunities, from entry-level programmes through to NVQ Level 7 qualifications, supporting learners to develop careers across a range of construction and built environment disciplines.



Skills hub opening event at City Centre South, Coventry.



Dagenham Green, London.

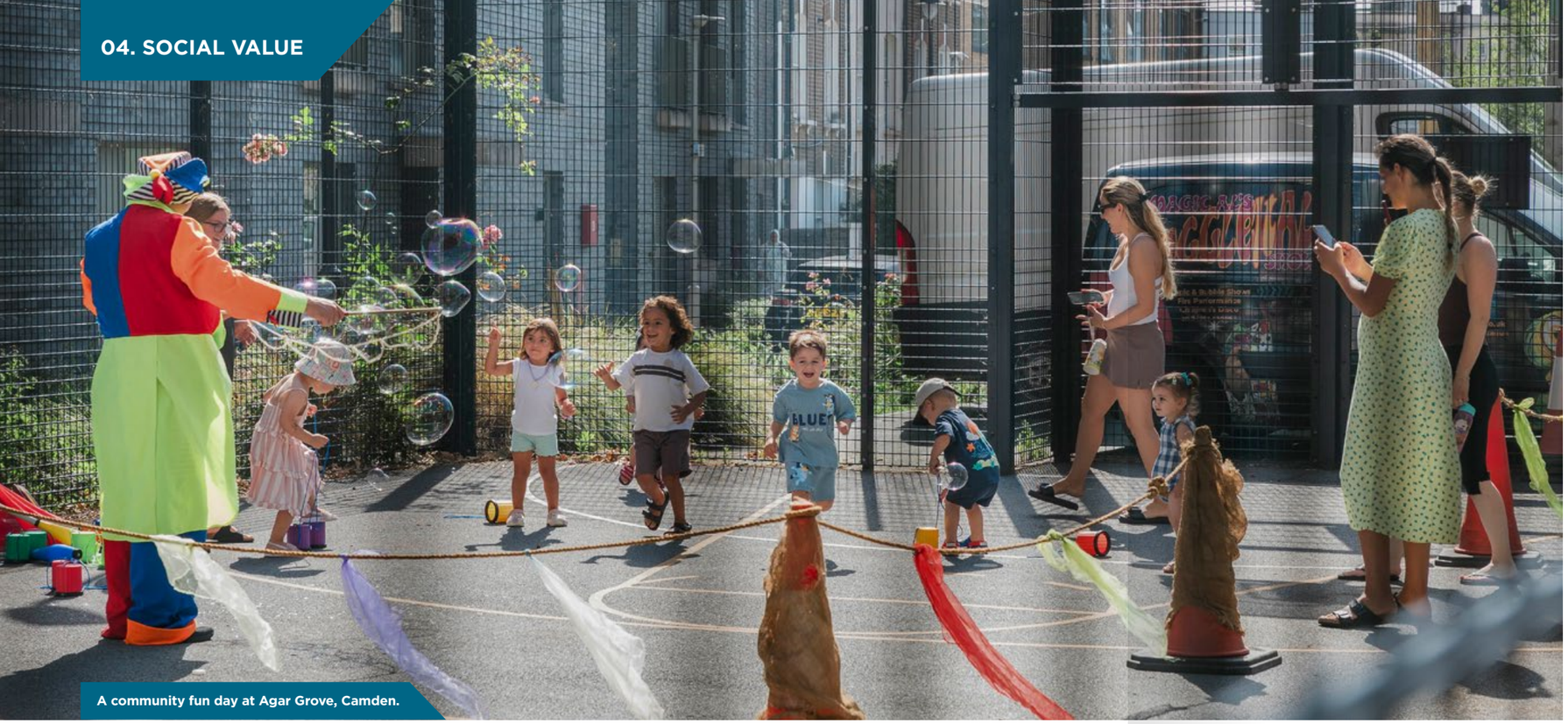
Case study

Dagenham Green

Local businesses came together at the first Dagenham Construction Industry Forum to connect, support and champion local entrepreneurs and small businesses. The event, hosted alongside Peabody and Barking and Dagenham Council, gave guests the chance to learn about opportunities available to construction businesses at our Dagenham Green development, and find out what wider support is on offer for local firms.

> *This is exactly the kind of initiative we want to see – a space where businesses can talk openly, get support, and build the connections they need to grow. We know how tough times are right now, so making sure opportunities stay local really matters.*
>
> Councillor Sade Bright, Cabinet Member for Employment, Skills and Aspiration at Barking and Dagenham Council

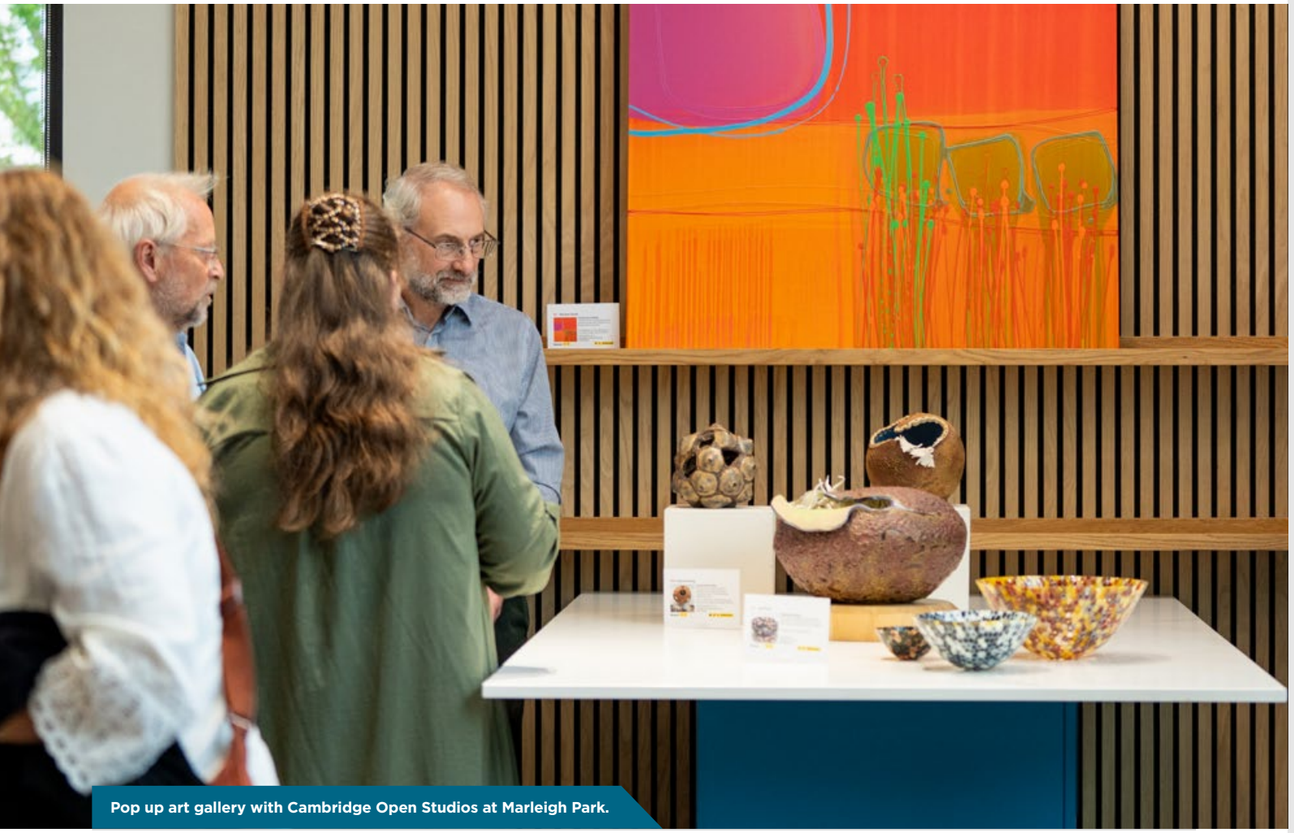
JARGON GARDEN:
See page 39 for definitions and acronyms.



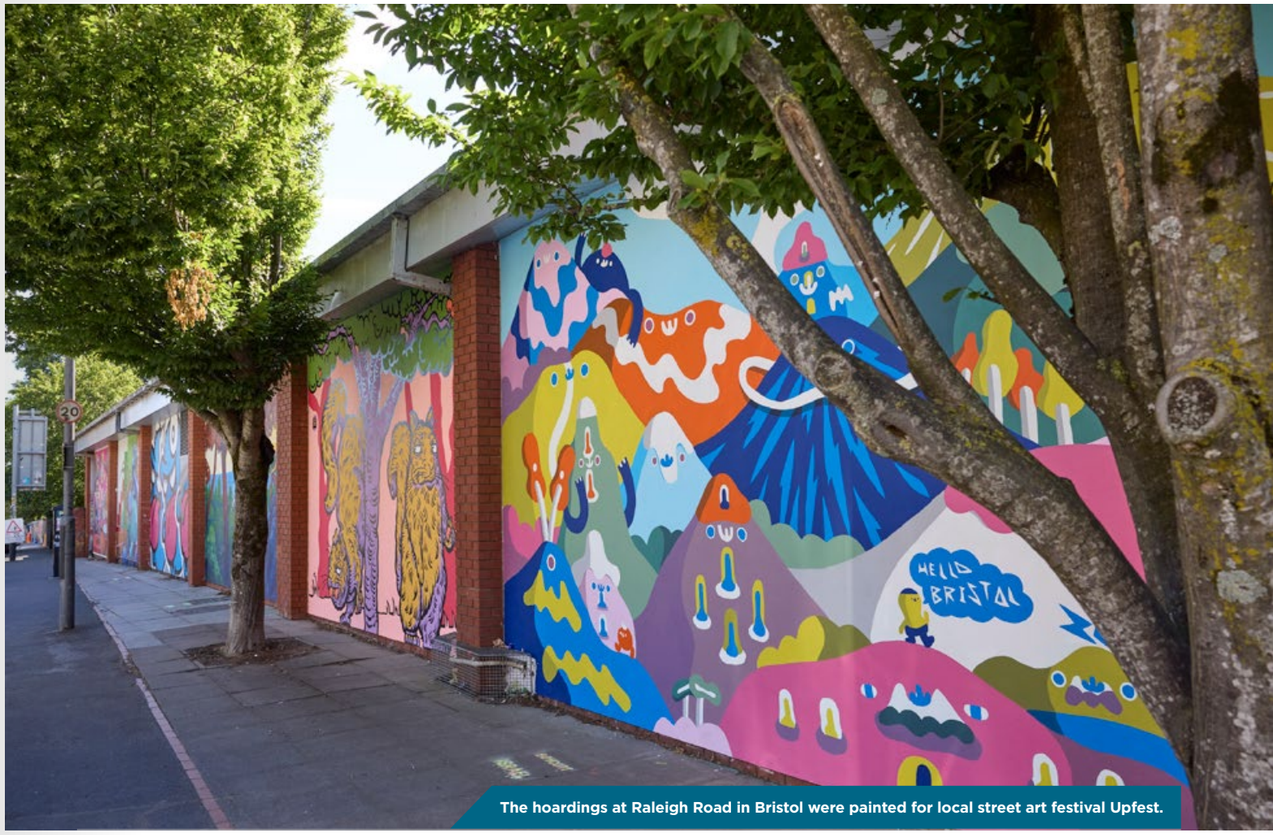
A community fun day at Agar Grove, Camden.



A community fun day at Agar Grove in Camden.



Pop up art gallery with Cambridge Open Studios at Marleigh Park.



The hoardings at Raleigh Road in Bristol were painted for local street art festival Upfest.

JARGON GARDEN:
See page 39 for definitions and acronyms.



SoloHaus on Channel 4's Amazing Spaces with George Clarke, alongside Mark Otter, a former SoloHaus resident.



Through Foundation 200, we are creating safe, secure homes and pathways towards independent living.



FOUNDATION 200

Launched in 2019, Foundation 200 was our pledge to design, build and donate 200 modular SoloHaus homes to local authorities and homelessness charities. SoloHaus homes provide a safe, comfortable, and independent space for residents, arriving furnished and ready for installation onto a pre-prepared site. Designed to house single people, the homes have a 60-year lifespan and are built to Future Homes Standards, exceeding building regulations for energy efficiency and sound insulation.

To date, we have either donated or committed all 200 SoloHaus homes across the country, with strong support from both councils and charities. Hundreds of individuals have already benefited from living in these homes, and many have since moved on to stable, permanent accommodation.

In January, Hill handed over eight SoloHaus homes to Southwark Council. Installed at Leroy Street, the homes offer dignity, hope and a place to call home to residents who have been experiencing homelessness.

> *These temporary homes are a lifeline for people who have faced unimaginable challenges, and we're proud to be working with The Hill Group to provide this essential support for homeless people in our borough. This initiative reflects our commitment to becoming a good landlord, tackling homelessness and ensuring every Southwark resident has the chance to live in a decent home and build a secure future.*
>
> Councillor Sarah King, former Leader of Southwark Council



SoloHaus handover at Leroy Street, Southwark, with Councillor Sarah King, former Leader of Southwark Council.

JARGON GARDEN:
See page 39 for definitions and acronyms.

Our approach to risk and materiality review

Our 2025 – 2030 business plan is underpinned by a clear ESG framework that will continue to develop in response to emerging regulatory requirements, reporting standards and stakeholder expectations.

Given the significant policy and regulatory consultations currently underway, including consultations on the NPPF, substantial changes to the Next Generation (NextGen) framework, and the development of the FHH One Plan metrics, we have deferred our third double materiality review. Conducting the review once these key developments have been finalised will enable a more accurate assessment of evolving regulatory requirements and stakeholder priorities. Following this, we intend to undertake reviews every two to three years, or sooner should there be significant changes to our operating environment.

During 2025/26, we continued to strengthen our ESG governance by maintaining active engagement with stakeholders and advocacy groups, while updating our ***Principal ESG Risks and Uncertainties Register***, our ***2030 ESG Roadmap*** and our associated ***ESG Objectives***.

In parallel with publishing our fourth TCFD report, we also assessed the implications of the emerging UK Sustainability Reporting Standards (UK SRS), including IFRS Sustainability Disclosure Standards S1 and S2. This preparatory work positions us to respond effectively should these reporting requirements become applicable in the future.



HEALTH & SAFETY

We remain committed to the highest standards of safety and wellbeing across all operations. On any given day, we are responsible for approximately 5,295 operatives and employees (4,900:2024/25). During the reporting period, 12.3 million person-hours were worked (12.6 million:2024/25), with an Accident Frequency Rate (AFR) of 0.07 (0.09:2024/25) and Annual Injury Incidence Rate (AIIR) of 151 (222:2024/25). This performance compares favourably with both the construction industry average AIIR of 280 (306:2024/26) and the Home Builders Federation (HBF) AIIR of 242 (223:2024/25).

Comprehensive reviews of our AIIR performance have informed a targeted improvement plan, delivering measurable and positive outcomes across the business. We remain fully committed to achieving the objectives set out in our Health, Safety and Environment Five-Year Strategy and Vision (2022-2026).

During the reporting period, there were no environmental prosecutions, and none are currently pending.



We strive to ensure people are kept safe on our sites.

JARGON GARDEN:
See page 39 for definitions and acronyms.



Billy the Bear, Hill's much-loved mascot, at a community day at Marleigh Park.

INTEGRATED MANAGEMENT SYSTEM

We operate an integrated management system (IMS) aligned with ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 50001:2018 standards. This framework ensures consistent quality, environmental stewardship, energy performance, and health and safety excellence across the business. By standardising processes across all sites and offices, the IMS provides strong governance, enhances performance monitoring, supports effective risk management, and drives a culture of continual improvement.

Our Digital Transformation Journey is accelerating project delivery and strengthening operational performance. By combining standardised business processes with connected digital platforms, real-time reporting, and data-driven decision-making, we are creating a more efficient, transparent, and collaborative organisation. Investments in business intelligence, automation and IMSs provide insights that help teams identify opportunities, manage risks, and improve performance. Beyond technology, this transformation equips our people with better information, and supports smarter decisions across the business.

BEING A CONSIDERATE CONSTRUCTOR

We continue to prioritise the wellbeing of our people, supply chain partners and local communities through the implementation of Construction Environmental Management Plans (CEMPs) and active participation in the Considerate Constructors Scheme (CCS).

During the year, our sites achieved an average CCS score of 44 out of 45, significantly exceeding the industry average of 40 out of 45. Notably, our Lampton Parkside development in Hounslow consistently achieved the maximum score of 45 out of 45 across nine monitoring visits, with two visits receiving an 'Outstanding' performance score of 46, reflecting exemplary standards of site management, community engagement and environmental stewardship.

25 of our sites were recognised in the national CCS awards: a Gold at Lampton Parkside, a Silver at Eastwick and Sweetwater in East London and 23 Bronze awards across sites nationwide. The awards spotlight projects that demonstrate excellence beyond the basic building requirements, recognising teams that actively consider their impact on local communities, the environment, and their workforce.

MODERN SLAVERY AND HUMAN TRAFFICKING RISK

Our ESG governance framework ensures our supply chain companies with a turnover in excess of £36 million comply with the Modern Slavery Act through the application of the Constructionline pre-qualification vetting process. In addition, all Hill employees are required to complete mandatory modern slavery e-learning training. Our Modern Slavery and Human Trafficking Statement is publicly available, reflecting our commitment to transparency and accountability.

RESPONSIBLE PROCUREMENT

To support our growth, we continue to build an innovative and integrated local supply chain, with 84% of our suppliers being SMEs (Small Medium Enterprises), which importantly supports the UK economy and a just transition. Across our geographical areas of business, regular 'Meet the Buyer' events are held to further improve supply chain capacity, resilience and to grow together.

Shared values, robust sustainable procurement policies, and the use of Constructionline support the effective management of ESG risks, including those associated with the transition to a net-zero economy. In the current challenging economic environment, providing suppliers with a stable pipeline of work and maintaining prompt payment practices are particularly important, given the high levels of insolvencies and business failures across the construction industry. Long-term partnerships are fundamental to our way of working, with many supplier relationships spanning more than a decade, demonstrating the strength of our collaborative approach and shared success.

Our biennial Supply Chain Awards, most recently held in September 2026, provide an important opportunity to recognise our supply chain partners for their resilience, innovation, collaboration, and commitment, celebrating excellence across 16 areas including customer service, diversity and inclusion, social value, and sustainability.

JARGON GARDEN:
See page 39 for definitions and acronyms.



Hill has a Women's Ambassadors Network which creates a space for women to connect and support each other.

An inclusive approach

PEOPLE AND CULTURE

At Hill, we believe that creating a sustainable future depends on investing in people as well as places. Alongside the homes and communities we deliver, we remain committed to fostering an inclusive, supportive and rewarding workplace where employees can develop their skills, fulfil their potential and build successful careers.

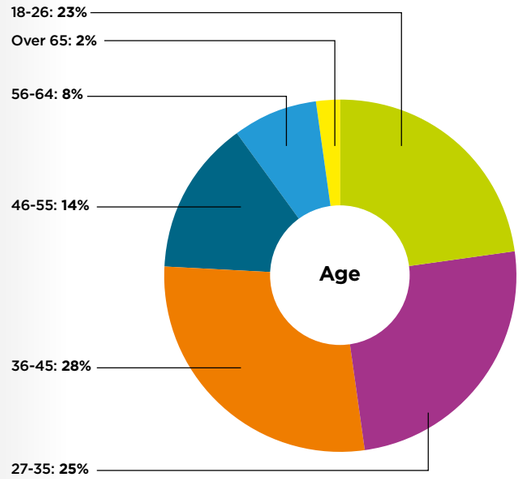
Supporting employee wellbeing continues to be a key priority. Through our partnership with The Lighthouse Club and ongoing support for initiatives such as the Help Inside the Hard Hat campaign, we continue to promote awareness of mental health across our business and the wider construction industry. This is supported by our network of 29 trained Mental Health First Aiders, who help create a culture where wellbeing is openly discussed and support is readily available.

We remain committed to ensuring that everyone has access to opportunities to succeed. Our ***Equality, Diversity and Inclusion (EDI) Policy*** and wider EDI strategy continue to guide our efforts to build a workforce that better reflects the communities we serve. We continue to actively support a range of industry and national initiatives, including Women into Homebuilding, the Armed Forces Covenant, the Age Friendly Pledge and Disability Confident, helping us attract, retain and develop talent from a broad range of backgrounds.

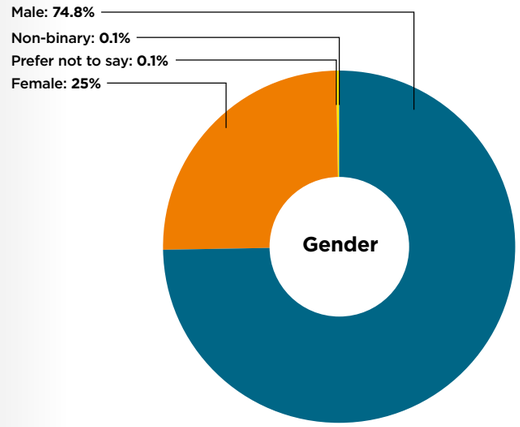
Our participation in social mobility initiatives reflects our belief that the construction industry has an important role to play in creating accessible career opportunities.

While representation across the sector continues to evolve, we recognise there is still more work to do. Through targeted initiatives, ongoing engagement and collaboration with our partners and supply chain, we remain committed to building a more diverse and inclusive workforce that supports a fair and responsible transition for the future. Read our latest ***Gender Pay Gap report***.

WORKFORCE BY AGE



WORKFORCE BY GENDER



TRAINING RESPONSIBLY

Our ongoing investment in Team Hill has supported the growth of our workforce to 1,000 employees, while ensuring our people have access to the skills, knowledge and opportunities needed to succeed.

Every new employee is welcomed through a comprehensive induction programme that introduces The Hill Way and provides a strong foundation to introduce our values, culture and sustainability commitments. ESG-focused learning forms an important part of our onboarding process and is complemented by a suite of mandatory e-training modules that promotes responsible business practices across the organisation.

Key training areas include:

- Equality, Diversity and Inclusion
- Modern Slavery and Human Trafficking
- Resource and Environmental Management
- Business Data and Cyber Security
- Sexual Harassment Prevention

During the reporting year, we strengthened our approach to employee development through the introduction of a new Learning Management System (LMS). Designed to provide a more intuitive and personalised learning experience, the platform simplifies access to training, development resources and career pathways, enabling employees to take greater ownership of their learning and professional growth. Our learning culture is underpinned by Hill's core values of **Ambition**, **Collaboration**, **Agility** and **Impact**.

The new LMS enhances our ability to deliver relevant, role-specific learning opportunities and supports clearer progression pathways across the organisation. Through access to a broad catalogue of high-quality learning resources, employees can identify and develop the skills needed both for their current roles and future career aspirations. By making learning more accessible and tailored to individual development needs, we are supporting a culture of continuous improvement and helping to equip our workforce for the evolving challenges of the built environment sector.

Beyond our own workforce, we continue to promote learning and knowledge sharing with our supply chain. Through partnerships such as the Supply Chain Sustainability School and wider supplier engagement initiatives, we encourage best practice, strengthen sustainability capabilities and support collaboration across the industry.

We also recognise colleagues who make an exceptional contribution through our Values in Action Awards. These awards celebrate employees who demonstrate our values through their commitment to sustainability, social value, ethical leadership and community engagement, helping to inspire positive action across the business.

JARGON GARDEN:
See page 39 for definitions and acronyms.

Future proofing

PUTTING OUR CUSTOMERS' NEEDS FIRST

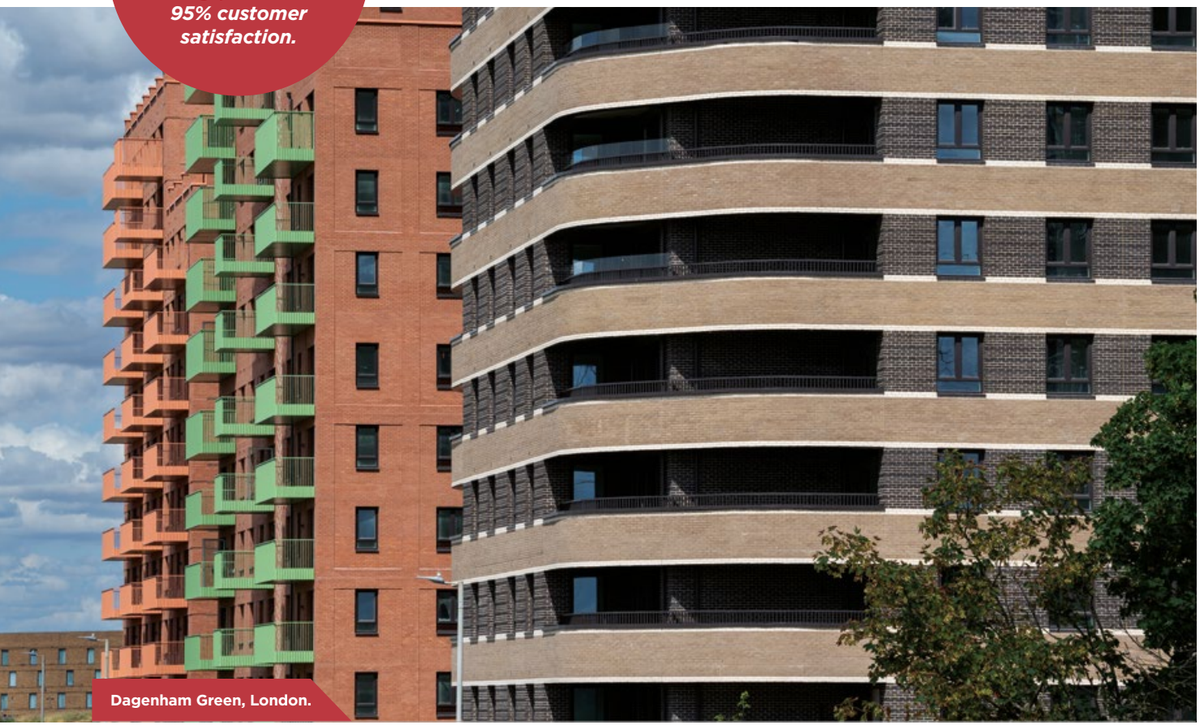
For the ninth consecutive year, we achieved 5-star HBF and NHBC ratings with over 95% customer satisfaction. Hill also holds an industry-leading Trustpilot score of 4.9 out of 5 (from over 4,000 reviews). This recognition demonstrates the strength of our reputation, our commitment to quality and the pride Team Hill takes in delivering exceptional homes and an outstanding customer experience. All customers receive demonstrations to support the use of sustainability features within the homes such as heating systems, thermostats, and EV charging provision (where applicable).

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DRIVING INNOVATION

As widely reported, the Building Safety Act (BSA) 2022 has introduced new regulatory requirements and delays to the sector. Despite these challenges, we have worked closely with the regulator and our supply chains to ensure the appropriate safety standards are consistently introduced and maintained. Through these project collaborations, approval times halved during the reporting period. We continue to liaise with the regulator, statutory bodies, and peers to share best practice learnings, reflecting our commitment as a responsible housebuilder to leaving a positive legacy for future generations of residents.

As an innovative business, we continue to enhance our building information models (BIM) delivery and digital tools, in response to client requirements for BIM and COBie asset information. This approach aligns with the Golden Thread principle from the BSA, which continues to influence our procedures and practices, resulting in better client outcomes and ISO 19650 compliance.



Dagenham Green, London.



Inside the Volumetric factory.





2338 bathroom pods and utility cupboards were installed last year.





EMPLOYING MODERN METHODS OF CONSTRUCTION (MMC)

MMC are central to our delivery strategy, improving productivity, reducing environmental impact, upskilling our people, and supporting the evolving needs of the housing sector. Through our Design for Manufacture approach, we aim to align with the objectives of Homes England's Affordable Homes Programme, delivering greater quality, consistency, and programme certainty to maximise funding opportunities. Our developments typically achieve a baseline Pre-Manufactured Value (PMV) score of 55%, and up to 75% at Sawyers Close in Windsor.

Volumetric Modular Ltd, our modular manufacturing business based in Shropshire, has delivered a significant increase in production output. Last year it delivered 1,503 bathroom pods and 835 utility cupboards, enhancing efficiency and reducing waste across our sites. The workforce has been upskilled through training, while the factory has undergone significant refurbishment to improve employee welfare and safety.

JARGON GARDEN:
See page 39 for definitions and acronyms.



City Reach, Cambridge.

NEXTGENERATION SUSTAINABILITY BENCHMARK

For the fifth year, we maintained our position as the highest-ranked private housebuilder in the NextGeneration Sustainability Benchmark, and received a silver award in this leading sustainability assessment for UK homebuilders. Being ranked in fourth place reflects our commitment to building responsibly and sustainably. The benchmark evaluates performance across a wide range of metrics. As a result, we are pleased to have met or exceeded the industry average in all areas, with a first place result in Energy and Carbon, and second place in Socio-Economic initiatives. The recognition acknowledges the dedication and collaboration of Team Hill, our partners, and our supply chain.

NextGeneration assesses the sustainability performance of the 25 largest homebuilders in the UK annually. Congratulations to Hill Group for achieving a silver award in the 2025 assessment, obtaining a score of 59, above both the member and industry average score. Furthermore, Hill Group ranked 4th out of 28 homebuilders, maintaining its position as the highest-ranked privately owned homebuilder in the UK. We look forward to seeing further delivery of their sustainability strategy next year.

Iona Deacon, NextGeneration Initiative Lead, JLL

SUSTAINABILITY LINKED LOAN (SLL)

In 2021, we secured our first SLL (£220 million), with Lloyds, NatWest, HSBC UK, and Santander UK. Since then, we have made progress in meeting our sustainability targets, typically achieving between two and three KPIs each year. More widely, we monitor a broad set of KPIs linked to 15 of the 17 relevant United Nations Sustainable Development Goals (UN SDGs), which can be seen in the ***ESG objectives***. During this reporting period, we have achieved two of the four KPIs.

- **Biodiversity Net Gain:** We achieved an average of 37.2% (19%:2024) across our portfolio compared to our 25% target. This means we are well-positioned to achieve the national regulatory target of 10%.
- **Reducing operational carbon in the homes we produce:** We installed air-source heat pumps in 74% (53%:2024) of our homes (non-fossil fuel heating sources), significantly exceeding our annual 10% improvement target and positioning us ahead of our peers. This continuous progress ensures we are well prepared for the recently introduced FHS.
- **Reducing Scope 1 and 2 carbon emissions in our business operations:** As a result of our business growth, we increased our emissions by 8% (reduced by 9%:2024), missing our 5% reduction target. Looking ahead, we aim to reduce our relative footprint.
- **Sustainability rating:** Hill's sustainability rating, as measured by NextGen, was revised during the reporting period following an update to the criterion. As a result, we did not achieve our 2.5% improvement target.
- **Second Sustainability Linked Loan:** In January 2026, we secured our second SLL for £300 million with our existing banking syndicate. The loan is linked to KPI 2, KPI 3 and a new social value KPI. As KPI 1 (BNG) has been superseded by regulation and KPI 4 (NextGen) is subject to future rationalisation and consolidation with the FHH core and extended metrics, we agreed with our banking partners to recalibrate the KPI framework. Effective from 1 April 2026, the revised KPIs will support our five-year business plan and reinforce our commitment to sustainable growth.



Goldfinch Point, North London.

JARGON GARDEN:
See page 39 for definitions and acronyms.



Jargon Garden

There are lots of terms and acronyms specific to our industry. We've put together this handy glossary to give you more information about what we are referring to throughout this report.

TERM	DEFINITION
Active Homes	An Active Home is a vision for buildings that create healthier and more comfortable lives for their occupants without impacting negatively on the climate – moving us towards a cleaner, healthier and safer world.
Apprenticeship Levy	The Apprenticeship Levy is a tax inherited by the UK government in 2017 where employers with an annual pay bill of more that £3m are charged a levy of 0.5% which can be used by employers to buy apprenticeship training for employees of all ages and levels.
Biodiversity Net Gain (BNG)	***BNG*** is an approach to development. It makes sure that habitats for wildlife are left in a measurably better state than they were before the development. In England, BNG is mandatory under Schedule 7A of the Town and Country Planning Act 1990 (as inserted by Schedule 14 of the Environment Act 2021). Developers must deliver a BNG of 10%. This means a development will result in more or better-quality natural habitat than there was before development. There are 3 ways a developer can achieve BNG. 1. They can create biodiversity on-site (within the red line boundary of a development site). 2. If developers cannot achieve all of their BNG on-site, they can deliver through a mixture of on-site and off-site. Developers can either make off-site biodiversity gains on their own land outside the development site or buy off-site biodiversity units on the market. 3. If developers cannot achieve on-site or off-site BNG, they must buy statutory biodiversity credits from the government. This should be a last resort. The government will use the revenue to invest in habitat creation in England.
Blue infrastructure	Blue infrastructure refers to water features, including ponds, lakes, streams, rivers and storm water provision swales, raingardens, wetlands and canals and their banks.
Brown, green and blue roofs	In case of a brown roof, the rooftop surface is covered with a layer of substrate, which will heat and dry up. Brown roofs are the best way of replicating exactly the wild urban spaces that are found at ground level and similar plants will colonise the area. In case of a green roof, the surface is covered with dense vegetation layer to provide shade and reduce temperatures of the roof surface and surrounding air. A blue roof stores the water or restricting the speed at which it can run off. The water can be 'harvested' and used to irrigate a green roof or for flushing toilets in the building below. This reduces demand on the mains water supply. Like green roofs, blue roofs can also be used to cool urban environments.
Brownfields	Previously developed land or land which is or was occupied by a permanent structure. For example, factories, office buildings, or any location that was once a work site.
Building for a Healthy Life (BHL)	Building for a Healthy Life (BHL) updates England's most widely known and most widely used design tool for creating places that are better for people and nature. The original 12-point structure and underlying principles within are at the heart of BHL.
Building Safety Act 2022	The Building Safety Act 2022 is a legislative response to the Grenfell Tower tragedy in 2017, aimed at ensuring the safety of residential buildings. It introduces new processes for addressing fire and structural risks in both new and existing buildings. Among its key changes are the establishment of clear responsibilities for building owners, developers, and managers regarding fire safety, as well as the creation of a Building Safety Regulator to oversee compliance.
The Building Regulations Approved Document F: 'Ventilation'	Sets out the minimum standards for ventilation in buildings in England and Wales. It is designed to ensure that buildings have adequate ventilation to prevent condensation, dampness, and mould growth, and to provide fresh air to occupants.
The Building Regulations Approved Document L: 'Conservation of fuel and power'	Sets out the minimum standards for energy efficiency in buildings in England and Wales. It is designed to reduce the energy consumption of buildings and to help to combat climate change.
The Building Regulations Approved Document O: 'Overheating'	Sets out the minimum standards for preventing overheating in buildings in England and Wales. It is designed to ensure that buildings are comfortable to live and work in, even during hot weather.
The Building Regulations Approved Document G: 'Sanitation, hot water safety and water efficiency'	Sets out the minimum standards for sanitation, hot water safety and water efficiency in buildings in England and Wales. It is designed to ensure that buildings are safe and healthy to use, and that they are water efficient.
The Building Regulations Approved Document Z: 'Whole Life Carbon assessments'	Sets out the minimum standards for whole-life carbon assessments in buildings in England and Wales. It is designed to reduce the carbon footprint of buildings throughout their entire life cycle.
Carbon intensity	The carbon intensity of electricity is a measure of how much CO_2 emissions are produced per kilowatt hour of electricity consumed.
Care Leavers / Care Experienced	An individual who has spent time in the care system as a child (under 18). This could be with a foster family, children's home or supported housing.
Community Infrastructure Levy (CIL)	The Community Infrastructure Levy - GOV.UK (www.gov.uk) is a charge which can be levied by local authorities on new development in their area. It is an important tool for local authorities to use to help them deliver the infrastructure needed to support development in their area. The levy only applies in areas where a local authority has consulted on, and approved, a charging schedule which sets out its levy rates and has published the schedule on its website.
Circular economy	The circular economy is a system where materials never become waste and nature is regenerated. In a circular economy, products and materials are kept in circulation through processes like maintenance, reuse, refurbishment, remanufacture, recycling, and composting.
Considerate Constructors Scheme	The Scheme is an independently managed, not-for-profit organisation that works side-by-side with the construction industry and the public to raise standards and build trust. They promote and support improvement in the way construction activity impacts the community, the environment and its workforce.
Construction, Operation, Building Information Exchange (COBie)	COBie is a non-proprietary data format for the publication of a subset of building information models (BIM) focused on delivering asset data as distinct from geometric information.
Constructionline	Constructionline is a leading online platform in the UK construction industry. It serves as a centralised hub for contractors, suppliers, and consultants to connect with potential clients. By providing a database of pre-qualified professionals, Constructionline streamlines the procurement process for clients and helps contractors showcase their expertise and capabilities.
DEFRA conversion factors	The DEFRA Conversion Factors are numerical values used to convert measurements of various activities or substances into equivalent measurements of greenhouse gas emissions. These factors are published by the UK's Department for Environment, Food & Rural Affairs (DEFRA) and are essential for organisations to accurately calculate and report their greenhouse gas emissions..

06. JARGON GARDEN

TERM	DEFINITION
Double Materiality Review	A Double Materiality Review is a process used in environmental, social, and governance (ESG) reporting to assess the significance of an issue from both a financial and a non-financial perspective. This involves considering how an issue can impact the company's financial performance, its reputation, social and environmental impact. By conducting a double materiality review, companies can identify the most critical ESG issues that need to be addressed to ensure long-term sustainability and value creation.
Energy Service Companies (ESCO)	An energy service company (ESCO) is a company that provides a broad range of energy solutions including designs and implementation of energy savings projects, retrofitting, energy conservation, energy infrastructure outsourcing, power generation, energy supply, and risk management.
Environment Act 2021	An Act to make provision about targets, plans, and policies for improving the natural environment. Under this Act, all planning permissions granted in England (with a few exemptions) except for small sites will have to deliver at least 10% BNG from 12 February 2024. BNG is required for small sites from 2 April 2024.
Fabric-first standard	The 'fabric first' approach prioritises the energy efficiency of a property right from conception, at the start of the design and development process, as opposed to considering it as an afterthought or 'add-on' to ensure properties meet building requirements.
Future Homes Hub	The Future Homes Hub (FHH) is a platform that provides information and resources related to the Future Homes Standard. In September 2020, the Future Homes Task Force was set up to develop a long-term delivery plan for the sector in line with the Government's legally binding net zero and wider environmental targets. The Delivery Plan is divided into four areas with a goal and roadmap for each area.
Future Homes Standard	In 2025, compliance with the Future Homes Standard (FHS) will become mandatory. Its aim is to ensure that new homes built from 2025 will produce 75-80% less carbon emissions than homes built under the current Building Regulations.
Green biofuels	HVO renewable diesel is a direct replacement for red and white diesel, made for use in on and off-road vehicles and machinery. Derived from certified sustainable raw materials, HVO cuts up to 90% of net CO2 emissions.
Green infrastructure	A Green Infrastructure network can include street trees, green roofs/walls, parks, private gardens, allotments, sustainable drainage systems, through to wildlife areas, woodlands, wetlands, and natural flood management functioning at local and landscape scale.
Green biofuels	HVO renewable diesel is a direct replacement for red and white diesel, made for use in on and off-road vehicles and machinery. Derived from certified sustainable raw materials, HVO cuts up to 90% of net CO2 emissions.
Green infrastructure	A Green Infrastructure network can include street trees, green roofs/walls, parks, private gardens, allotments, sustainable drainage systems, through to wildlife areas, woodlands, wetlands, and natural flood management functioning at local and landscape scale.
Green belt	Green belts are a buffer between towns, and between town and countryside. There are 14 areas of green belt in England and one in Wales. A green belt designation is a planning tool, and the fundamental aim of green belt policy is to prevent urban sprawl by keeping land permanently undeveloped. The NPPF lists the five purposes of the green belt as follows: 1. To check the unrestricted sprawl of large built-up areas 2. To prevent neighbouring towns merging into one another 3. To assist in safeguarding the countryside from encroachment 4. To preserve the setting and special character of historic towns 5. To assist in urban regeneration, by encouraging the recycling of derelict and other urban land
Greenfield	Land which has not been developed.
Grey belt	An integrated management system consolidates multiple management systems to allow for a more streamlined and efficient process within an organisation. This includes ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environmental Management), ISO 50001:2018 (Energy Management) and ISO 19650 (Building Information Modelling).
Grey infrastructure	Just-transition is a vision-led, unifying and place-based set of principles, processes and practices that build economic and political power to shift from an extractive economy to a regenerative economy.
Integrated Management System (IMS)	An integrated management system consolidates multiple management systems to allow for a more streamlined and efficient process within an organisation. This includes ISO9001:2015 (Quality Management), ISO14001:2015 (Environmental Management), ISO50001:2018 (Energy Management) and ISO19650 (Building Information Modelling).
Just transition	Just-transition is a vision-led, unifying and place-based set of principles, processes and practices that build economic and political power to shift from an extractive economy to a regenerative economy.
Modern Methods of Construction (MMC)	Modern methods of construction (MMC) is a process which focuses on off-site construction techniques, such as mass production and factory assembly, as alternatives to traditional building. MMC can be employed to create whole homes using factory-built modules or may be used to speed up particular techniques, through innovative working processes. This approach provides benefits by speeding up delivery, reducing labour costs, eliminating unnecessary waste, and improving quality.
Net zero pathway	In 2015, world leaders signed on to a bold and necessary vision: a collective agreement to limit global warming to well below 2°C above pre-industrial levels, and pursue efforts to limit it to 1.5°C. To achieve this, net zero pathways are fundamental – a strategic plan outlining the steps necessary for an organisation, country, or region to achieve net-zero greenhouse gas emissions. This means balancing emissions with removals, effectively reducing the overall carbon footprint to zero.
NextGeneration	NextGen Benchmark - Next Generation (nextgeneration-initiative.co.uk) is the annual sustainability benchmark for the UK's largest (Public-listed and Privately-owned) top 25 homebuilders. The benchmark is made up of over 60 criteria, across 15 sections, covering the full ESG spectrum. These criteria require companies to go beyond regulation and achieve industry best practice.
Offsetting protocols	Offsetting protocols are sets of rules and standards that govern the process of carbon offsetting (& increasingly BNG & water). They provide a framework for quantifying, verifying, and certifying emissions reductions or removals to offset greenhouse gas emissions from another source. Offsetting is a process of neutralising or compensating for greenhouse gas emissions by purchasing carbon credits. These credits represent verified reductions or removals of greenhouse gases elsewhere.
Passivhaus-certified	Passivhaus Certified is a rigorous standard for building design and construction that emphasises energy efficiency and low environmental impact. Buildings that achieve Passivhaus certification are designed to minimise energy consumption for heating and cooling, while maintaining a high level of comfort.
Post Occupancy Evaluation (POE)	Post-Occupancy Evaluation (POE) is a systematic process of assessing a building's performance after it has been occupied. It involves collecting data and feedback from building occupants to evaluate how well the building meets their needs and expectations.
Pre-manufactured value (PMV)	PMV is a measure of the extent of offsite construction used on a project. A project that is predominantly of traditional construction will have a low PMV, whereas a modular construction project would be likely to have a high PMV.



06. JARGON GARDEN

TERM	DEFINITION
Public realm	Any publicly owned streets, pathways, right of ways, parks, publicly accessible open spaces and any public and civic building and facilities.
ROTL	Released on Temporary Licence, allows prisoners to be released from prison for a short period of time to take part in paid or unpaid work.
S106	A Section 106 is a legal agreement between an applicant seeking planning permission and the local planning authority, which is used to mitigate the impact of a new home on the local community and infrastructure.
Science Based Targets initiatives (SBTi)	A global partnership between numerous organisations that have developed a framework to link business carbon reduction targets to actual climate science and global reduction commitments. This methodology disaggregates the emissions reductions required for a company by the sector they operate in.
Scope 1 emissions	Scope 1 covers emissions from sources that an organisation owns or controls directly – for example from burning fuel on site or our fleet of vehicles.
Scope 2 emissions	Scope 2 are emissions that a company causes indirectly and come from where the energy it purchases and uses is produced. For example, the emissions caused when generating the electricity that we use in our buildings and sites would fall into this category.
Scope 3 emissions	Scope 3 encompasses emissions that are not produced by the company itself and are not the result of activities from assets owned or controlled by them, but by those that it's indirectly responsible for up and down its value chain. An example of this is when we buy, use, and dispose of products from suppliers.
SME and micro-enterprises	An SME – small medium enterprise – is any organisation that has fewer than 250 employees and a turnover of less than £50 million or a balance sheet total less than £43 million. Micro-Enterprises are a subset of SMEs, typically defined as businesses with a very small number of employees (usually fewer than 10) and a low annual turnover.
Social Enterprises	A business designed to achieve specific social objectives as its primary purpose. Social Enterprises strive to maximise profits whilst also maximising positive impacts on society and the environment.
Streamlined Energy Carbon Reporting (SECR)	SECR is a UK government initiative designed to simplify and standardise the reporting of energy and carbon data for large businesses and public sector organisations. The goal of SECR is to improve transparency and accountability in energy use and emissions, and to drive energy efficiency and carbon reduction. This includes reporting on scope 1, 2 and 3 emissions. This is submitted to Companies House each year.
Sustainable Linked Loan	Sustainability-Linked Loans (SLLs) are a type of loan facility where the interest rate is tied to a borrower's performance against pre-determined sustainability targets. This incentivises companies to adopt more sustainable practices and reduce their environmental impact.
Sustainable Urban Drainage Systems (SUDS)	By mimicking natural drainage regimes, SUDS aim to reduce surface water flooding, improve water quality, and enhance the amenity and biodiversity value of the environment. They lower flow rates, increase water storage capacity and reduce the transport of pollution to the water environment. The need for SUDs is likely to increase to meet environmental challenges such as climate change and population growth.
Task Force on Climate-related Financial Disclosure (TCFD)	TCFD disclosure has become a mandatory (since November 2021) for companies of more than 500-person and revenue of more than £500m to report and meet the TCFD (Task Force on Climate-related Financial Disclosures) recommendations requirements. Given Climate Change represents significant final risk to global societies' accordingly financial markets need clear, comprehensive, high-quality information on the impacts of climate change. This includes the risks and opportunities presented by rising temperatures, climate-related policy, and emerging technologies in our changing world.
Task Force on Nature-related Financial Disclosure (TNFD)	TNFD was established in 2021 in response to the growing need to factor nature into financial and business decisions. TNFD aligns with TCFD with the mission to develop and deliver a risk management and disclosure framework for organisations to report and act on evolving nature-related risks and opportunities, with the ultimate aim of supporting a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes.
The National Planning Policy Framework* (NPPF)	Sets out government's planning policies for England and how these are expected to be applied. It is essentially a document which acts as the rulebook for planning. It advises local planning authorities (LPAs, usually district or county councils) and developers on what they can and cannot do when planning developments.
The Standard Assessment Performance (SAP)	SAP ratings are required as part of Building Regulations (Part L) and show the energy performance of a property on a scale of 1 to 100, with A to G categories within this scale.
Transition Plan Taskforce (TPT)	TPT is a UK initiative, launched by HM Treasury in March 2022, that aims to develop good practice for transition plan disclosures for finance and the real economy, in order to support the UK's legally binding net zero and climate resilience goals.
Supply Chain Sustainability School (SCSS)	Launched in 2012, the Supply Chain Sustainability School is an award-winning virtual learning platform around sustainability, with the aim to upskill those working within, or aspiring to work within, the built environment sector.
United Nations Sustainable Development Goals (UN SDGs)	The SDGs were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The 17 SDGs are integrated – they recognise that action in one area will affect outcomes in others, and that development must balance social, economic, and environmental sustainability.
Urban greening factors	The Urban Greening Factor (GF) is a tool to evaluate the quality and quantity of urban greening. It enables major developments to demonstrate how they have included urban greening as a fundamental element of site and building design in order to meet to meet London Plan Policy G5 Urban Greening.
Urban heat island effect	Heat islands are urbanised areas that experience higher temperatures than outlying areas. Structures such as buildings, roads, and other infrastructure absorb and re-emit the sun's heat more than natural landscapes such as forests and water bodies. Urban areas, where these structures are highly concentrated and greenery is limited, become "islands" of higher temperatures relative to outlying areas.
Water neutrality	Water neutrality is defined as development that takes place which does not increase the rate of water abstraction for drinking water supplies above existing levels. Water Neutrality has impacts for the Local Plan, Neighbourhood Plans and Development Management.
Water nutrients neutrality	Nutrient neutrality requires that new housing developments in certain areas should not add more 'nutrient pollution' to the water catchment. It applies only to new housing developments in areas with protected habitats sites that are already in 'unfavourable condition' (due to nutrient pollution).
Whole life carbon (WLC)	WLC emissions account for the carbon footprint of a building throughout its entire lifespan, including the materials used, construction processes, operational energy consumption, and end-of-life disposal.

07. INDEPENDENT LIMITED ASSURANCE STATEMENT

INDEPENDENT ASSURANCE REPORT

Introduction and objectives of work
Tetra Tech Consulting Limited (Tetra Tech) was engaged by The Hill Group, "Hill" to provide assurance of sustainability data and information supporting four Key Performance Indicators (KPI's). The objective is to provide assurance to Hill, stakeholders, and investors of Hill.

Scope of work
The boundaries of the assurance process included the following information from Hill's head office and active development projects covering the reporting period 1st April 2025 to 31st March 2026:

- Review how Hill addresses Inclusivity, Materiality, Responsiveness and Impact in its business practices.
- Validation of performance measures used to inform the four KPI's. This includes:
  - Performance of KPIs in 2025-26 compared to the previous year (2024-25).
  - Reported Scope 1 and 2 greenhouse gas (GHG) emissions for 2025-26.
  - Delivery of homes with air source heat pumps, compared to homes with gas boilers, Combined Heat and Power (CHP) and/or district heating connection.
  - Average BNG across developments that gained planning permission in 2025-26.
  - NextGeneration Initiative Benchmark 2025 performance.
- Undertake limited assurance of GHG emissions processes of the following, in accordance with the requirements of ISO 14064 – part 3 standard:
  - Scope 1 (gas, diesel, other fuels, company-owned vehicles).
  - Scope 2 (electricity, location-based).

Limitations do apply. Please refer to the full assurance statement on the Hill Website.

Assessment Standard
Tetra Tech undertook the assurance in accordance with AA1000AS v3 (2020) Type 2 moderate-level assurance.

Adherence to AA1000 Assurance Principles
Inclusivity: People should have a say in the decisions that impact them.

- Hill undertakes a comprehensive review to identify its key stakeholders and engages with them in line with the Community Engagement Policy. Hill published feedback from stakeholders in their most recent Double Materiality Assessment in May 2023 (due to be updated in Q2 2026). For internal stakeholders, there is an Equality, Diversity, and Inclusion Policy in place.

Materiality: Decision makers should identify and be clear about the sustainability topics that matter.

- In the May 2023 Double Materiality Assessment, the topics were assessed to be most material based on survey feedback from internal and external stakeholders. The next Double Materiality Assessment is due to take place in

Q2 2026, with stakeholders engaged to identify any update to material sustainability topics.

Responsiveness: Organisations should act transparently on material sustainability topics and their related impacts.

- The outcomes of the Double Materiality Review were published in the 2023-24 ESG Report and aid in informing the ESG pillars and the 2030 Net Zero pathways roadmap. Reporting updates were provided in the 2024-25 ESG Report, in the form of the ESG Risks and Uncertainties Register, 2030 Roadmap and Sustainability Objectives.

Impact: Organisations should monitor, measure and be accountable for how their actions affect their broader ecosystems.

- Hill has published information on ESG issues in its ESG Reports to date. The report is structured in line with the Environmental, Social Value and Governance pillars and presents how Hill are performing against their objectives. All sustainability objectives are listed and available through the ESG Report with progress for the reporting year included alongside targets for the next reporting year. Elements of information within the ESG report has been subject to third party limited assurance.

Verified Performance Data	
2025 Scope 1 and 2 GHG emissions reduction compared to 2024	7.7% increase
Air Source Heat Pump installation target (homes delivered)	74%
Average BNG for sites that gained planning permission in 2025	37.2%
NextGeneration Initiative Benchmark 2025 performance score	59 final score (-15 points from 2024, -20% in the total score and -16% in the criteria score)

Conclusion
Nothing has come to our attention that causes us not to believe that, in all material aspects, Hill's sustainability data and information supporting the four KPI's provided in the table above and wider business practices do not adhere to the AA1000 Principles. No material errors were identified during the assurance process.

Independence and Competencies
Tetra Tech is an independent licensed provider of sustainability assurance services. Assurance has been managed by Tanya Lloyd Jones, Director, who has over 20 years' experience in producing and verifying environmental, sustainability and GHG information. Tanya is a Chartered Environmentalist and Member of the Institute of Sustainability and Environmental Professionals (ISEP).
Tetra Tech confirms that there is no conflict of interest with the parties collecting activity data. This assurance has been undertaken independently.



Tanya Lloyd Jones, MA (Oxon), MSc, MIEMA, CEnv.
Director – Sustainability at RPS Consulting UK & Ireland

29 June 2026

TETRA TECH

AA1000
Licensed Report
000-964/V3-W5J0B

Green space at Farehurst Park in Fulbourn.

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We expect 80% of the homes we build to be 'zero carbon ready' next year

East Wick and Sweetwater, Stratford, London.

hill.co.uk

Hill Group UK

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The Hill Group