

# Biodiversity Net Gain Policy



Hill's vision is to be the UK's leading, most trusted housebuilder, creating exceptional homes and sustainable communities. To achieve this, we have developed an Environmental, Social and Governance (ESG) strategy that is central to business planning and underpins company culture and values. Safeguarding the environment is a key theme within our ESG strategy; green and blue infrastructure and biodiverse habitats can improve health and wellbeing, help us better adapt to climate change and enhance the resilience of developments and communities.

Our Sustainability Leadership Group (SLG) and its focus groups operationalise our Double-Materiality Review findings, and the resulting Principal ESG Risks and Uncertainties. These outcomes have informed our ESG pillars and the integrated 2030 net-zero pathways Roadmap (2030 Roadmap), and in the short-term compliance with the emerging 2025 Future Homes Hub, Future Homes, One Plan (FHH One Plan). This policy also informs our just transition statement and annual improvement plans.

This policy is to be read in conjunction with the 2030 Roadmap that sets out milestones to become a net zero company by 2030 and specific objectives regarding Biodiversity Net Gain (BNG). Our 2030 Roadmap and associated objectives are steered by the FHH One Plan, which requires places and developments to be zero carbon in use, nature-rich, resilient, healthy, well designed, and beautiful. In conjunction, the FHH One Plan marks significant requirements in the Environment Act (2021) which requires at least a 10% BNG for new home developments. Our objectives are also informed through other external advocacy and sectorial requirements including the National Model Design Code, policies and the NextGeneration sustainable housebuilder benchmark.

## Our Objectives:

- Comply with ecological legislation, national and local planning policy. This is in alignment with Sustainable Development Goal 15 (life on land), to sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss.
- Satisfy requirements of FHH One Plan, BREEAM and Urban Greening Factor ((UGF) London based), as required through urban regeneration methods, such as blue, green infrastructures and/or brown roofs.
- Ensure that from the time of land purchase to the handover to the communities we create, ecological aspects of our developments are identified and managed.
- Guarantee at least 10% BNG is applied on all developments that seek planning permission through on-site measures in accordance with the regulation hierarchy, or as a last resort apply good quality biodiversity off-setting.
- Consider applying Environmental Net Gain (ENG) on trial projects.
- When engaging with external specialist ecology organisations, we will ensure that we collaborate and support them to strengthen our approach in ecology adaptation, enhancement and 30-year management plans.
- We will communicate the benefits of BNG to the communities and customers, and stakeholders including, but not limited to our employees, landowners, local authorities, partners, investors, and supply chain.

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## Our Targets:

- Aim to deliver a 22.5% BG across our portfolio (new projects controlled by Hill) being progressed through planning during 2024 and implement an annual 2.5% increase until 2025/26. Due to our diversified business model, projects that are contracted with a third party, such as those not land-led or reserved matters consents, may not be able to attain these standards as we have limited control over their outcomes.
- As part of the London Plan, we aim to achieve an urban greening factor of 0.4 on all residential and 0.35 non-residential developments.

## Governance:

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

Greg Hill – Deputy Chief Executive

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