

Just transition statement

Our second 'just transition' statement summarises how we are contributing to sustainable development.

By achieving a balance between economic, environmental and social aspects, in collaboration with our clients, partners and supply chain, we are delivering long-term benefits for our customers and communities. This balance is being embedded through the application of our [sustainability related policies](#), [2030 Roadmap](#) and our commitment to three ESG pillars (Environmental, Social and Governance).

Each pillar is underpinned by a suite of objectives to decrease our environmental impacts, expand our social value outreach and ensure good governance. Whilst the majority of these commitments are set within our current business plan to 2025, through our double materiality reviews, we are gradually setting more detailed commitments to take us through to the end of the decade. This transparency informs our industry advocacy to support the sector's evolving policy, regulatory requirements and emerging standards, which are primarily being collaborated through the Future Home Hub (FHH) and the Home Builders Federation (HBF). A selection of our 2023/4 objectives, progress and highlights are noted here:

FINANCIALS²

- £1,145.9m turnover (£716m:2022)
- £70.1m pre-tax profit (£65.6m:2022)
- 2,886 new homes delivered (2,203:2022)

ENVIRONMENTAL

- **Reduced our scope 1, 2 and 3 greenhouse gas emissions by 13%.**
- **By the end of 2024, 41% of our zero carbon ready homes will be using heat pumps and renewables. This is set to rise to over 76% in 2026, in preparation for the Future Homes Standard (FHS) being introduced from in 2026.**
- **A 22.3% (34.14%:2022) average Biodiversity Net Gain score across our portfolio surpassing the 10% regulation.**
- **98% of waste diverted from landfill (97%:2022), aiming to send zero non-hazardous materials to landfill from 2025.**

SOCIAL

- £528.2m social added value (£357.3:2022)
- 201 SoloHaus (including Foundation 200) homes delivered to date (169:2022/23)
- 3,756 staff volunteering hours (754:2022)

GOVERNANCE

- 95.4% customer satisfaction rating (92.2%:2022)
- 5th place in the NextGeneration sustainable housebuilder benchmark (5th:2022)
- 2nd TCFD statement published

We continue to structure our ESG updates in accordance with the Paris Agreement as it aligns with our [Principal ESG Risks and Uncertainties Register](#) and our Key Performance Indicators (KPIs). These align with the [UN Sustainable Development Goals](#) by providing a global connection to our strategy and local projects. As we progress through the decade, we will develop more detailed disclosure.

EMPLOYMENT AND MOBILITY

Since our inception in 1999, we have maintained our privately-owned structure. We have significant outreach, employing more than 860 (750:2022) people directly. 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. More than 4,000 people are indirectly employed across circa 75 (60:2022) sites on any one day, while significantly more people work on Hill's behalf within the UK and offshore. Our [Equality, Diversity & Inclusion \(EDI\)](#) and related policies set out how we aim to be a responsible employer and partner.

HUMAN RIGHTS AND SUPPLY CHAIN

We aim to treat our supply chain partners with fairness and respect. Endeavouring to continuously reduce our environmental footprint by embedding our [Sustainable Procurement](#) and related policies, certified ISO14001 & 50001 Management Systems and our [2030 Roadmap](#) objectives, through our business, and gradually our supply chain. During the reporting period we did not receive an environmental prosecution, and we have none pending.

To meet the challenges of the climate emergency, cost-of-living crisis and the loss of habitat and nature, we are collaborating with the FHH and the Supply Chain Sustainability School (SCSS) to raise awareness, and to leverage the value of collective collaboration with SMEs and increasingly social enterprises. Overall, these organisations represent some 82% (83%:2022) of our supply chain. Each year we publish our Modern Slavery and [Human Trafficking statement](#) - we aim to mitigate human rights risks within our supply chain. As a result of embedding our [Social Value Strategy 2022-2025](#) and [Health, Safety and Environment Strategy 2022-26](#), we are delivering enhanced social value across all our developments and offices.

SKILLS

In response to the sector's skills gap, during the reporting period, we have invested heavily in providing new skills and opportunities for our people and wider supply chain. Around 21% of our local labour live within 10 miles of our developments, which helps attract new talent to our industry. Through our collaboration with the HBF and the SCSS, we aim to play a part in creating an inclusive and diverse built environment for the 21st century. More examples of how we deliver these opportunities can be seen through Hill's commitment to social value.

INNOVATION

To ensure the places and homes that we create are being future-proofed, we continue our commitment to innovation, having built the most Passivhaus homes at scale in the UK. Furthermore, the Active Homes project and Zero Bills™ homes at Hollymead Square will provide invaluable customer evidence of sustainable living. To improve our readiness for the FHS, we have also invested in our zero carbon ready (fossil free) homes plan and Fusion and VML manufacturing facilities in the UK, to support local jobs and deliver low/zero-carbon components and homes.

CUSTOMERS

For the seventh consecutive year, we maintained our status as a five-star homebuilder in the HBF annual customer satisfaction survey and achieved a sector-leading score of 4.9 out of 5 stars on Trustpilot, making us the top-rated housebuilder on the platform.

By collaborating with our customers, supply chain and other stakeholders, we aim to increase the turnover of our business to £1.2bn by 2025. This responsible growth is helping provide more sustainable homes in reaction to the chronic shortage of new homes.