

# INDEPENDENT ASSURANCE REPORT

To: The Stakeholders of The Hill Group



## 1. Introduction and objectives of work

Bureau Veritas UK Ltd ('Bureau Veritas') has been engaged by The Hill Group ('Hill') to provide limited assurance of its GHG emissions (Scope 1, Scope 2 and partial Scope 3) and other selected ESG KPIs (the 'Report'). The objective is to provide assurance to Hill and its stakeholders over the accuracy and reliability of the reported information and data.

## 2. Scope of work

The scope of our work was limited to assurance over the following information included within the report for the period January 1<sup>st</sup> 2022, to December 31<sup>st</sup> 2022 ('the Selected Information'):

- Scope 1 emissions
- Scope 2 emissions (market & location based)
- Selected Scope 3 emissions (covering below categories and sources)
  - Waste generated
  - Water consumption
  - Business travel
  - Use of products sold (Regulated CO<sub>2</sub> emissions of the homes completed by Hill Group in 2022 calendar year)
- Selected ESG KPIs
  - Scope 1 & 2 performance compared from 2021 and 2022
  - Biodiversity Gain (BG) on pre-Planning projects 2022.
  - Average SAP score Use of products sold (Regulated CO<sub>2</sub> emissions of the homes completed by Hill Group in 2022 calendar year).
  - Verification of Social Return On Investment evaluation of Foundation 200 (F200 SROI evaluation) for Hill Group performed by external third party (measured as value per amount invested)

Our assurance does not extend to any other information included in Hill's ESG report.

## 3. Reporting criteria

The Selected Information needs to be read and understood together with the methodology set out in Hill's ESG report for each category of GHG emissions and selected ESG KPIs

## 4. Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined assurance period;
- Positional statements of a descriptive or interpretative nature, or of opinion, belief, aspiration or commitment to undertake future actions;
- Other information included in the Report other than the Selected Information.
- For the Performance comparison of Scope 1 & 2 emissions between 2021 and 2022, Bureau Veritas verification scope is limited by the period defined within 'The Selected Information' and did not cover the underlying reasons for the change;
- Calculations of Biodiversity Gain (BG) on pre-Planning projects 2022 and the underlying exclusion criteria;



- Information that was dependent on reports/certificates provided to Hill by external third parties specifically the SAP Rating Regulations Compliance Report and CO<sub>2</sub> emissions per plot covered in the Energy performance certificates (EPC);
- The SROI methodology and the assumptions, estimations, extrapolations, data modeling considered within the study that were based on judgement and rationale identified and defined by the third party involved in the process; and
- Review of waste data mapping and accounting limited to a representative sample for a selected data point

The following limitations should be noted:

- This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails;
- The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, not addressed as part of this assurance; and
- This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

## 5. Responsibilities

This preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of Hill.

Bureau Veritas was not involved in the drafting of the Report or of the Reporting Criteria. Our responsibilities were to:

- Obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria;
- Form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- Report our conclusions to the management of Hill.

## 6. Assessment Standard

We performed our work to a limited level of assurance in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15, 2015), issued by the International Auditing and Assurance Standards Board.

## 7. Summary of work performed

As part of our independent verification, our work included:

1. Reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, and the data scope and reporting boundaries;
2. Conducting interviews with relevant personnel of Hill;
3. Reviewing documentary evidence provided by Hill;
4. Agreeing a sample of the Selected Information to the corresponding source documentation;
5. Assessing the disclosure and presentation of the Selected Information to ensure consistency with assured information;
6. Reviewing Hill's systems for quantitative data aggregation and analysis;



7. Reperforming a selection of aggregation calculations of the Selected Information; and
8. Cross referencing and checking data and figures across the range of internal and external records and standard documents including certificates, reports issued by third parties and assessing relevant information is feeding into the calculations of KPIs.

A 5% materiality threshold was applied to the assurance of the Selected Information. It should be noted that the procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

## 8. Conclusion

On the basis of our methodology and the activities described above nothing has come to our attention to indicate that the Selected Information in the table below is not fairly stated in all material respects.

Verified GHG Emissions	
<b>Scope 1 emissions (tCO<sub>2</sub>e)</b> Total: 3020 Natural Gas: 51 Heating Oil: 0 Red Diesel: 1,178 LPG: 18 White Diesel: 1,068 Biodiesel: 26 Company Cars: 680	<b>Scope 2 emissions (tCO<sub>2</sub>e)</b> Total: 812 Market-based: 0 Location-based: 812
<b>Scope 3 emissions (tCO<sub>2</sub>e)</b> Total: 123,471 Waste generated: 787 Water Consumption: 60 Business travel: 1,184 Use of products sold: 121,440	
<b>Average Biodiversity Gain (BG) on pre-Planning projects 2022</b>	
34.10%	
<b>Scope 1 &amp; 2 decrease from 2021 to 2022</b>	
40.4%	
<b>Average SAP score Use of products sold (Regulated CO<sub>2</sub> emissions of the homes completed by Hill Group in 2022 calendar year)</b>	
85	
<b>Verification of Social Return On Investment evaluation of Foundation 200 (F200 SROI evaluation) for The Hill Group performed by external third party (measured as value per amount invested)</b>	
£1.88	

## 9. Statement of Independence, Integrity and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified<sup>1</sup> Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, quality reviews and applicable legal and regulatory requirements which we consider to be equivalent to ISQM 1 & 2<sup>2</sup>.

<sup>1</sup> Certificate available on request

<sup>2</sup> International Standard on Quality Management 1 (Previously International Standard on Quality Control 1) & International Standard on Quality Management 2



Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA)<sup>3</sup>, across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities. We consider this to be equivalent to the requirements of the IESBA code<sup>4</sup>. The assurance team for this work does not have any involvement in any other Bureau Veritas projects with Hill.



### **Bureau Veritas UK Ltd**

Registered in England & Wales, Company Number: 1758622

Registered Office: Suite 206 Fort Dunlop, Fort Parkway, Birmingham, B24 9FD

**London, 30<sup>th</sup> March 2023**

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<sup>3</sup> International Federation of Inspection Agencies – Compliance Code – Third Edition

<sup>4</sup> Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants

