

Hammerson



Sustainability Report 2021





About our 2021 reporting suite

The Hammerson Sustainability Report 2021, published March 2022, is part of our comprehensive reporting suite. It is complemented by the following online documentation:



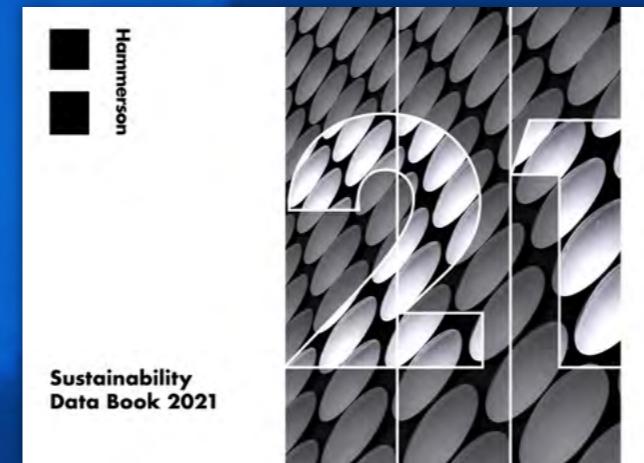
Sustainability Report 2021

Outlining strategic direction and achievements.



Sustainability Basis of Reporting 2021

Outlining the approach and scope used for data collection and verification of sustainability performance data, plus frameworks and standards we report against.



Sustainability Data Book 2021

Our key sustainability performance data, indexed against key frameworks and standards.



Managing Climate Risk Report 2021

Our approach for identifying, managing and responding to key sustainability and climate risks.

 The Sustainability Data covered across all documents has been independently assured by Deloitte. Their statement is on page 45.

 For wider group performance the Hammerson Annual Report and Accounts 2021 is available at www.hammerson.com.



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We report in accordance with the core option of the **Global Reporting Initiative (GRI) standards and European Public Real Estate (EPRA)**, of which we have consistently achieved gold."

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STRATEGY AND HEADLINES

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1.1 CEO statement

With 2021 came COP26, bringing with it a continued spotlight on the critical state of our planet and the need for everyone to play their part in driving change globally. Sustainability and climate change increasingly play a role in investment decisions. Customers, partners, and future talent also have high expectations of organisations to take action rather than just setting targets. Hammerson's sector-leading approach on sustainability underpins our overall strategy. In 2021, we have continued to deliver reductions in carbon, water and waste, and supported the communities in which we operate.



-68%

landlord carbon emissions
v 2015

Global energy intensity

-40%

v 2015

Rita-Rose Gagné, CEO

In 2017 we committed to becoming Net Positive for Carbon by 2030, a target that was sector leading, and significantly ahead of many nations' Net Zero ambitions – even the UK at 2050. We set out clear plans to tackle both landlord emissions and, those from our occupiers. We also set out plans to become Net Positive for water and resources, as well as delivering positive socio-economic benefits across our Group.

The setting of these targets changed the way we make decisions and the way we work with our occupiers and partners. The transformation has delivered significant reductions in absolute and intensity figures:

We reduced our landlord emissions in 2021 by 68% to 9,928 tCO₂e from a 2015 baseline of 30,599 tCO₂e

Our landlord water use is down 55% on the 2015 baseline

Our resource use footprint has come down to 10,112 tonnes, from 22,050 tonnes in 2015

Our intensity figures, which are calculated on a total portfolio basis, have all followed a downward trend:

Water intensity, measured per visitor, is down from 2.1 litres in 2015, to 1.9 litres in 2021

Our global energy intensity ratio, measured by floor area, was down by 40% when compared to 2015

Our total waste intensity, measured by floor area, has reduced by 50% since 2015

As climate risk becomes increasingly urgent, our move in 2021 to link our financial commitments to sustainability targets through our €700 million sustainability linked bond, clearly demonstrates our ongoing commitment to carbon reduction.

A FAST PACED AND CHANGING LANDSCAPE

A lot has changed since we launched our Net Positive Commitment:

1. Net Zero commitments have been adopted across the sector

The real estate sector has adopted Net Zero ambitions and there are pathway and certification tools available to make our progress easier to communicate. Our early commitment to reducing carbon emissions meant that we were well prepared to set out and publish our Transition Pathway to Net Zero when we became signatories of The Better Buildings Partnership Climate Agreement in 2019. The pathway set out our course for Net Zero by 2030.

2. Our sustainability performance targets (related to our sustainability linked bond) have brought forward our commitment to tackle occupier carbon emissions

Initially planned for 2025 onwards, we will now report occupier emissions from 2022, alongside landlord operational and new development emissions.

In 2021, our occupier emissions were estimated to be five times higher than from the areas we control as landlords. Our focus will now be on deepening our understanding of our occupiers' energy use, and on working collaboratively with them to reduce this. In addition, we engage with occupiers through the retail delivery process to improve their energy performance (EPC) during store fit-out. In 2021 we went beyond the mandatory requirement by targeting a B rating which exceeds the regulatory minimum E rating under the 2023 Minimum Energy Efficiency Standards.

3. We have formalised TCFD reporting

We embraced the TCFD recommendations in 2018 before they became mandatory and apprised our Board of our climate risks. In 2021, as the TCFD recommendations and recommended disclosures became mandatory, we published a new Managing

Climate Risks report. We performed a climate scenario analysis for global temperature rises of around 1.5°C and 2.0°C above pre-industrial levels by 2100

and identified the risks and opportunities for the business under these circumstances. We will plan mitigations for these risks as we determine when they are likely to arise.

We also created CRREM pathways for 23 assets (20 operational and 3 development) to help us understand which of our assets, if any, are at risk of stranding. Physical climate risk work for our assets is planned for 2022, having last been undertaken in 2018.

We also developed bespoke TCFD training for Executive and Non-executive Board members in 2021, strengthening their understanding of climate risk disclosure and our approach to climate risk.



4. Governance structure changes for sustainability

We have made changes to the governance structure for sustainability, bringing Risk and Sustainability together under a new Director of Audit, Enterprise Risk and Sustainability. In addition, two new committees – the Group Management Committee and Group Investment Committee, both sub committees of the GEC, were set up in 2021. These committees ensure that a ‘sustainability culture’ is embedded in the Group’s activities.

The new Director of Audit, Enterprise Risk and Sustainability attends both committees to connect business operations with the Group’s sustainability strategy and management of climate change risk. The Group’s exposure and response to climate change is continuously monitored at board and GEC level.

EVOLUTION OF OUR APPROACH TO SUSTAINABILITY

Our new group strategy recognises the unique position that Hammerson has in city locations. We have opportunities to leverage our experience and capabilities to create thriving mixed-use spaces, serving customers and communities, whilst generating sustainable total returns for shareholders.

Sustainability remains a foundational element to this strategy, and in a mission to keep things simple and relevant we will be reviewing our sustainability strategy in 2022, reflecting on where we are now, our achievements since 2017 and the results of a materiality review currently underway at the time of writing. Our materiality review gives us the chance to connect with our investors, joint venture partners, occupiers and internal colleagues to consider issues that are material in decision making.

We recognise that now is a good time to review our objectives and approach to our environment and communities. We want to make sure that our goals are still the right ones, that we communicate these in the simplest way to our stakeholders and that the way we report our achievements is aligned to our

progress against the sustainability-linked bond. We have already begun to make changes to the language in our Annual Report and Accounts to make sure our message is simple and easily understood. Examples of the changes we have already made include:

We now refer to our reporting as on a proportionally consolidated basis, rather than a Net Positive basis. Whilst there is no change in the basis of reporting, the language is better aligned to the rest of the Annual Report. We will continue to report our voluntary non-financial disclosures in line with GRI guidance and EPRA standards.

In 2017, under our Net Positive strategy, we had planned to reduce and report on landlord, development and occupier emissions in different phases with reporting on occupier emissions starting in 2025. In 2021, however, we accelerated our plans and started our work on development and occupier emissions earlier than planned. We will therefore no longer need to report against planned phases. We plan to make further changes in 2022.

THE WAY AHEAD

Changes in the demands from government, our investors, occupiers and customers continue to challenge our thinking towards sustainability. The results laid out here and shared in our Sustainability Data Book illustrate how our long-term, forward-thinking approach continues to drive change, bring down operational costs and make us a more climate resilient business that is fit for the future.

Rita-Rose Gagné

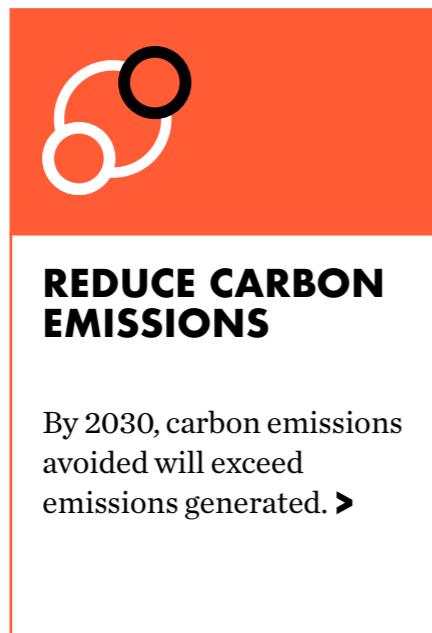
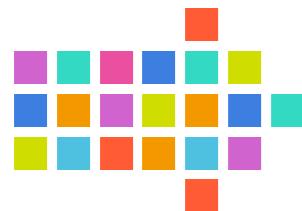


1.2 Sustainability at Hammerson

Our sustainability vision is to create places that deliver positive environmental and socio-economic impacts.

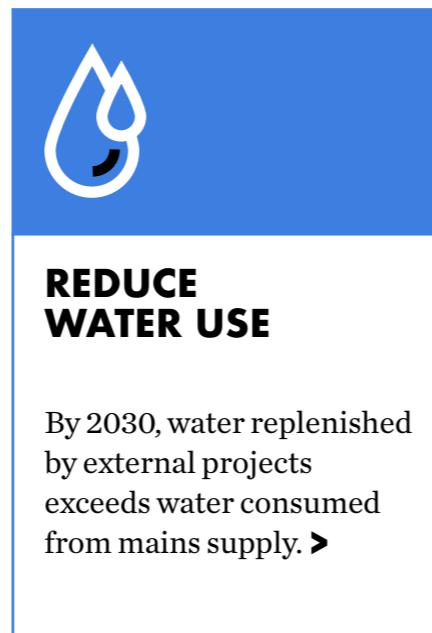
OUR KEY GOALS

Our short, medium and long term plans are shaped around our key goals:



REDUCE CARBON EMISSIONS

By 2030, carbon emissions avoided will exceed emissions generated. [►](#)



REDUCE WATER USE

By 2030, water replenished by external projects exceeds water consumed from mains supply. [►](#)



REDUCE RESOURCE USE

By 2030, waste avoided, recycled or reused exceeds materials that are neither recycled, renewable or sent to landfill. [►](#)



DELIVER POSITIVE SOCIO-ECONOMIC IMPACTS

We will deliver measurable positive impact on socio-economic issues relevant to our local communities. [►](#)



MANAGE CLIMATE RISKS

We will proactively identify and respond to climate and legislative risks for our business and our assets. [►](#)

Our goals support the UN Sustainable Development Goals, in particular:



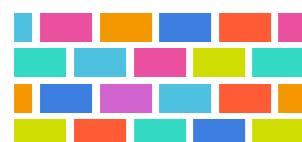
Our socio-economic work focuses on delivery of locally relevant projects to support our communities.

We invest in renewable energy, work with partners to reduce resource consumption, and are targeting Net Zero carbon by 2030.

Our land promotion work at the city level will support infrastructure development and the transition to sustainable communities.

OUR FOUNDATIONS

Our ambitious goals are underpinned by vital foundations for driving change:



TARGETED APPROACH

Paris aligned short, medium and long term targets [►](#)

Published Net Zero Transition Pathway [►](#)

Sustainability linked bond

EMBEDDED ACROSS GROUP

Senior governance structure [►](#)

Group wide risk management approach [►](#)

COMPREHENSIVE, EXTERNALLY ASSURED REPORTING

Focused on material issues [►](#)

GRI and EPRA compliant data [►](#)

Published response to TCFD [►](#)

EXTERNAL COLLABORATION

Proactive supplier engagement [►](#)

Retailer engagement [►](#)

Active industry presence [►](#)

Community partnerships [►](#)

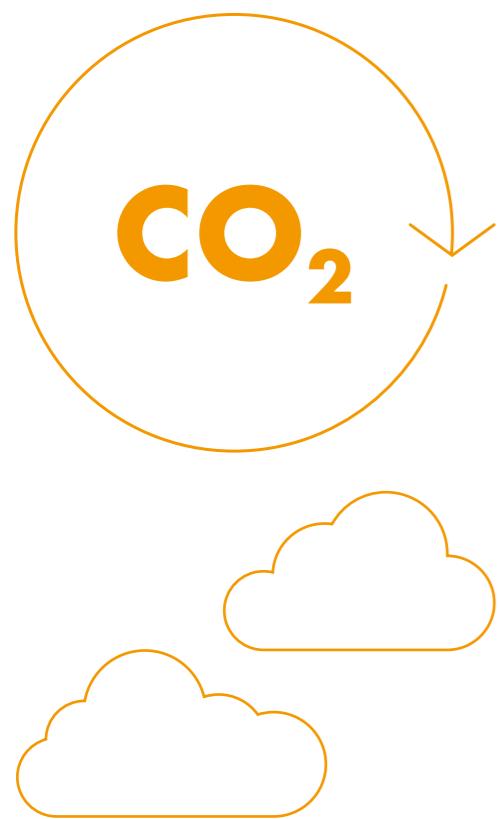
1.3 2021 at a glance

We have continued to make good progress towards our goals in 2021. Here we share some of our key numbers. For more on each statistic head to our Performance section.

The data behind our 2021 numbers can be found in our Sustainability Data Book 2021.

SUSTAINABILITY LINKED BOND

In 2021 we linked our bond issuance to clear sustainability targets, by targeting specific reductions in carbon emissions in the Sustainable Finance Framework; this supports our Net Positive milestones and clearly demonstrates our not only ongoing, but strengthening commitment.



CARBON

Proportionally consolidated portfolio CO₂e down
68%

v 2015 (Landlord only)
EPRA Like-for-like CO₂e down
25%

v 2019
EPRA Like-for-like CO₂e intensity down
22%

2.2 GWh

renewable electricity produced on site

WATER

Proportionally consolidated landlord water use down
55%

32,500 litres /day

of retailer water saved through tenant audit programme

MANAGING RISK

12 material climate risks and **13** climate opportunities identified in climate scenario planning

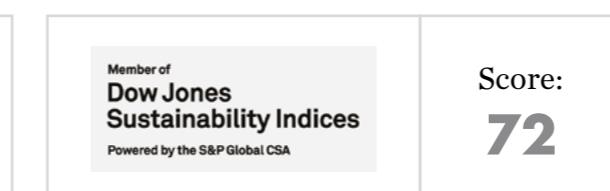
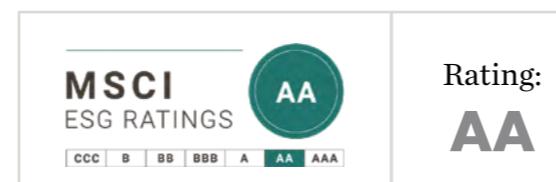
CRREM transition to Net Zero carbon pathways created for **23** assets

6 managers, **5** executive and **3** non-executive board members trained on climate related disclosures (TCFD)

£2 million

invested in local socio-economic projects

INDUSTRY BENCHMARK PERFORMANCE



AWARDS FOR OUR WORK IN DUBLIN

The Pembroke Square development at Dundrum Town Centre which was completed in 2020, received recognition in 2021 when certified as BREEAM Excellent (design stage) and awarded Highly Commended in the Sustainability category of the Royal Institute for Architects in Ireland (RIAI) Awards 2021.

1.4 Performance against 2021 targets

Each year we set annual, Like-for-like and absolute targets for the business, shaped by our medium and long term targets. Below we summarise performance against key targets for 2021.

Due to the closures of our destinations because of Covid-19 in 2020, and the resultant impact on key utility figures, our reduction targets set for 2021 were set versus 2019 figures. Targets are based on various portfolios; Like-for-like, Proportionally consolidated and Absolute.

TARGET

OUTCOME

TARGET
Reduce operational intensity figures for energy, carbon and water on Like-for-like portfolio v 2019

Energy intensity for landlord services

-8%

Carbon intensity for landlord services

-15%

Water intensity for landlord services

-5%

-7%

-22%

+32%

TARGET

OUTCOME

TARGET
Reduce absolute Scope 1 and 2 tCO₂e emissions v 2019

EPRA portfolio

-17%

-25%

Proportionally consolidated portfolio

-17%

-17%

TARGET
Reduce absolute water demand for landlord services v 2019

-7%

-25%

TARGET Deliver 64 socio-economic projects under our four socio-economic themes



Health and wellbeing

TARGET

15

OUTCOME

6 projects engaging 186 people



Young people

TARGET

21

OUTCOME

11 projects engaging 793 people



Employment and skills

TARGET

16

OUTCOME

5 projects engaging 433 people



Enterprise

TARGET

12

OUTCOME

3 projects engaging 75 people

► TARGET Divert waste from landfill and increase recycling rates

► 100%

diversion from landfill for the managed retail assets

● OUTCOME

99%

► 85%

recycling rate for the managed retail assets

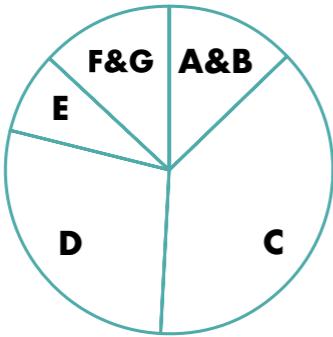
● OUTCOME

59%

► TARGET Identify and respond to key risks

MEES Risk

Our target for 2021 was to ensure a resolution plan was in place for any F and G rated and missing EPCs in UK assets. We now have active EPC management in place and improvement works to date have reduced the number of F and G rated units.



A&B	C	D	E	F&G
13%	38%	28%	8%	13%

TCFD

In 2020 we committed to publicly report annually on compliance with the TCFD recommendations. Key activities in 2021 to further our compliance included TCFD training for Board and GEC members, and climate scenario analysis work presented to the GEC.



Our Managing Climate Risk Report includes our updated TCFD progress.

► TARGET Provide 100% of new colleagues with sustainability training



● OUTCOME
Achieved

► TARGET Embed higher sustainability standards in procurement

● 2021 OUTCOME

New eSourcing and Contract management system for our UK&I Operations consolidates the ESG, HR, Finance, H&S and Cyber security question sets into one Supplier Registration Questionnaire.

See page 33 for more on suppliers.

► TARGET Ensure our design standards are employed for all developments entering control process from 1st January 2021

We set a range of targets in 2021 for development, below we share performance for our development work in 2021.

► TARGET	The Podium, Dundrum	Dublin Central (Phases 3, 4 & 5)
All developments entering development control process from 1 January 2019 to achieve BREEAM Excellent/LEED Gold/Passivhaus certification	On target for BREEAM Excellent and Passivhaus LEED Gold not applied to residential schemes	On target for BREEAM Excellent and Passivhaus LEED Gold to be implemented post planning
Incorporate Design for Performance/ Nabers UK on at least one project	On target	On target
Achieve energy use intensity targets set by London Energy Transition Initiative (LETI)	Above target 340kg CO ₂ /m ² (A1 to A5)	Above target 309 – 411kg CO ₂ /m ² (A1 to A5)
50% of materials from renewable, reused and recycled sources, and 80% capable of reuse at end of life	Analysis not completed	Below target c.14% reused materials & c. 50% reusable
Zero non-hazardous construction waste to landfill	N/A project not on site	
100% diversion from landfill of demolition waste		
Considerate Constructors Scheme score of 40 for on-site schemes		
65% reduction in water consumption v Commercial use baseline	N/A	Below target – 55% reduction only
100 litres/person/day of potable water for residential use	On target	On target



See Section 5 in our 2021 Data Book for more on performance in development.



1.5 Our long-term targets

Each year we set 12 month targets for the business. We also have medium and long term targets aligned with our Net Zero Transition Pathway. Below we share our key sustainability targets.

2022

OPERATIONAL TARGETS BY 2023



WATER

-7% water intensity for landlord services (EPRA LfL portfolio)

-7% absolute water demand for landlord services (Proportionally consolidated portfolios)

ENERGY AND CARBON

-5% absolute energy for landlord services (EPRA LfL portfolio)

-5% energy intensity for landlord services and car parks (EPRA LfL portfolio)

-11% absolute Scope 1 and 2 CO₂e emissions (EPRA LfL and Proportionally consolidated portfolios)

-11% carbon intensity for landlord services (EPRA LfL portfolio)



RESOURCE USE

65% recycling rate for the managed retail assets

100% diversion from landfill for the managed retail assets

SOCIO ECONOMIC

Deliver 15 socio-economic projects targeted at improving Health and Wellbeing, 22 designed to support our Young People, 16 developing Skills and Employment and 12 Enterprise projects.

DEVELOPMENT TARGETS

All on-site developments to meet our Design Targets as outlined below:



LEED
GOLD

BREEAM
EXCELLENT

Passivhaus
CERTIFICATION

ENERGY AND CARBON

Operational energy intensity (kWh/m² GIA)

Retail	150
Offices	55
Residential	35

Embodied carbon (A1-A5 exceeding sequestration) (kgCO₂/m²)

Commercial	350
Residential	300

RESOURCE USE

50% reused and recycled materials

80% of materials suitable for reuse at end of life

100% FSC/PEFC timber used on site

Maximum of 1.9 tonnes of non-hazardous construction waste per 100m³ GIA

Zero construction and demolition waste to landfill

WATER

-65% commercial water consumption

Residential water consumption of 300l/day

SOCIO ECONOMIC

Considerate Constructors Scheme score of 40 (UK Only)

2025

SUSTAINABILITY LINKED BOND

60%

reduction in Scope 1, 2 and selected 3 landlord controlled emissions (tCO₂e) by 31 December 2025 versus 2019 baseline

50%

reduction in Scope 3 operational, occupier controlled emissions (tCO₂e) by 31 December 2025 versus 2019 baseline

2030

NET POSITIVE

Reach Net Positive position for following impacts:

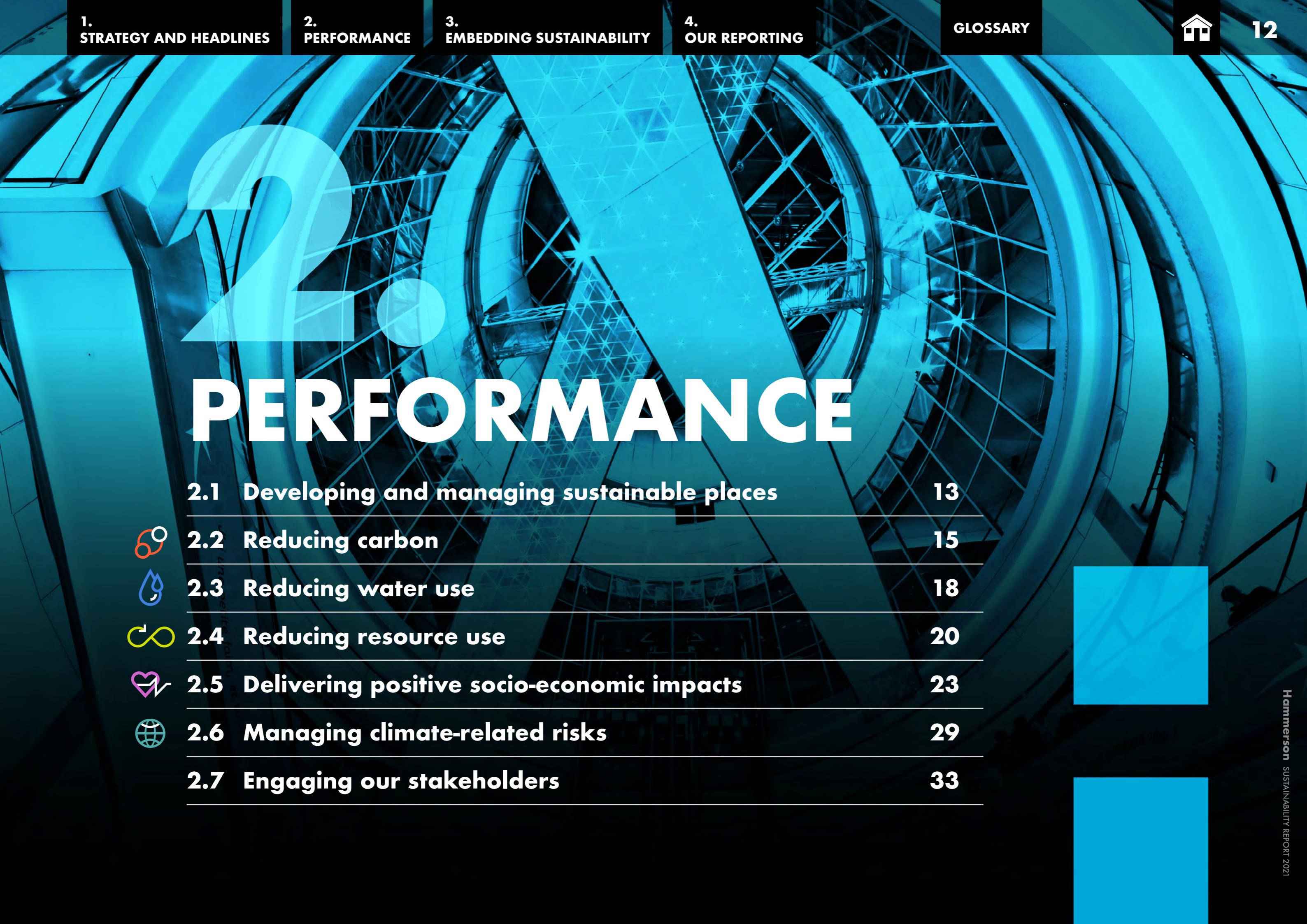
Scope 1, 2, and 3 carbon emissions

Mains water demand

Resource use

Socio-economic impacts





2020 PERFORMANCE

2.1 Developing and managing sustainable places

13



2.2 Reducing carbon

15



2.3 Reducing water use

18



2.4 Reducing resource use

20



2.5 Delivering positive socio-economic impacts

23



2.6 Managing climate-related risks

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2.7 Engaging our stakeholders

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2.1 Developing and managing sustainable places

STORIES FROM 2021

UK and Ireland assets certified for ISO 14001 and 50001

In July 2021, 13 assets in our UK & Ireland portfolio were re-certified for both ISO 14001 Environmental Management System, and ISO 50001 Energy Management. We have made good progress against a number of areas in the business, including a revised and more efficient compliance audit. To support continual improvement within the EEMS increased focus on energy impacts within services and procurement activities were embedded to ensure positive behaviour.

In France, our Rue Cambon Head Office, and our major retail destinations – Terrasses du Port and Nicetoile achieved ISO 14001 certification in 2021.

We have planned a phased roll out of the ISO 14001 Environmental Management System to the rest of the French portfolio in 2022.



CRREM pathways created for 21 assets

In 2021 we used the Carbon Risk Real Estate Monitor (CRREM) tool to identify which assets will be at risk of 'stranding' due to the expected increase in the building codes, regulation, and carbon prices. CRREM provides the real estate industry with transparent, science-based decarbonisation pathways aligned with the Paris Climate Goals of limiting global temperature rise to 2°C, with ambition towards 1.5°C. By knowing when our assets will not meet future energy efficiency standards and whose energy upgrade will not be financially viable (stranded), we are able to shape short and medium term plans accordingly. Our

portfolio performs well in terms of carbon using the CRREM pathways and our scope 3 data. We recognise that carbon pathways are liable to change due to grid decarbonisation, and will continue to use energy intensity as a key indicator of risk. Our assets are currently relatively efficient but by the end of the decade they need to be more efficient to hit the 1.5°C pathway. The major challenge for us will be removing gas use from our assets, particularly that used by occupiers. The most immediate costs we will feel is from energy pricing, which is already happening. Our plans for a Corporate Power Purchase Agreement (CPPA) will help to protect us from some of the electricity pricing risk.

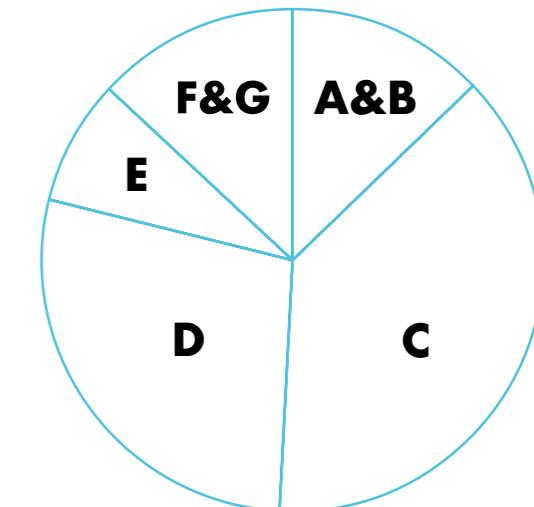
Corporate Offices

We focus on reducing key corporate emissions from, for example, business travel and the company car fleet. We successfully transitioned 12 of the 21 company cars to hybrid and electric vehicles in 2020 and a further five were transitioned in 2021. The remaining vehicles are due to change in 2022.



Reducing legislative risk through the management of retail units with F and G rated EPCs

Managing Minimum Energy Efficiency Standards (MEES) compliance is critical for Hammerson and is also used as an important measurement of tenant performance. We model Energy Performance Certificate (EPC) requirements annually as part of our business planning process with the key focus of improving fit-outs scoring F&G EPC ratings using lease events and opportunities ahead of the MEES change on 1st April 2023. As of December 2021 approximately 13% of retail units have an F or G rated EPC. Our Sustainability Requirements for Retail Delivery standards help tenants to go beyond purely meeting EPC requirements by looking at embodied carbon and resource use as well. Our target of all units being above a B by 2030, has now become a legal requirement so we are pleased to have begun to outline our plans for achieving this early.



A&B	13%
C	38%
D	28%
E	8%
F&G	13%



CAFM and E-permits

We are procuring a new Computer Aided Facilities Management (CAFM) and E-permit system across the UK portfolio, with a phased roll out.

The system supports automated performance reporting with visualisation that facilitates communication. It will also make work auditable by improving maintenance management, facilitating documentation, and automating job assignment. The task tracking function allows for KPI tracking, and keeps occupiers notified of work dates and completion, whilst enabling us to ensure contractor works can be monitored.

We are now able to map plant across our assets, allowing us to assess their lifecycle against maintenance standards; this enables us to ensure that operational performance is efficient and meets increasing standards overtime. With the system in place we are better able to plan upgrades and maintenance in a cost effective way.

Continuous improvement through plant upgrades and new efficient technologies

We have minimum performance standards for any new equipment or upgrade of plant across our assets. In 2021 we upgraded plant at Italie Deux, including more efficient hot air curtains, which act as a barrier to ensure the energy used to heat the space in a building is not wasted. We also replaced air heating and conditioning systems. The changes have saved 1,709kg/CO₂ e per annum.

Asset manager ESG training with BBP

In 2021, ten of our Asset Managers attended a new training programme from The Better Buildings Partnership.

Driven by global trends such as biodiversity collapse and the Climate Emergency, Environmental, Social & Governance (ESG) factors are now a locked-in feature of the real estate investment market. Designed specifically for real estate professionals, the training focused on integrating ESG into the property investment management process. The programme has been designed specifically for real estate professionals working for fund management and investment advisory institutions, Real Estate Investment Trusts and private property companies.

Climate Risk



Since 2019 we have been responding to the Task Force for Climate-related Disclosures (TCFD) recommendations, outlining how we will identify, manage and respond to climate risks. In 2021 we worked with Deloitte to identify key risks and opportunities group wide through climate scenario planning, and trained both Executive and Non-executive board members on TCFD expectations and requirements. In 2022 we will be expanding on our climate scenario work, looking at implementing an action plan for the identified risks and opportunities, and understanding potential financial implications of doing so. We will also undertake physical climate risk assessments on our assets.



Managing Climate Risk shares more on our approach to risk management.



We share more on our climate scenario planning work in section 2.7.

High design standards for development

We updated our Sustainable Design Brief and targets in 2020. 2021 saw the brief in action, with design work progressing on both Dublin Central and The Podium at Dundrum Town Centre, Ireland. The revised brief references best practice such as operational energy use and embodied carbon targets published by the London Energy Transformation Initiative (LETI) and performance in use standards such as Nabers UK. We have also set the challenge of implementing Passivhaus principles to minimise heating demand in our residential projects. These principles are focused on bringing down heat loss from buildings to the point where minimal heating is required, through measures such as high levels of insulation and extremely high performance windows with insulated frames.

Our Sustainability Development Working Group regularly tracks progress against our standards, identifying opportunities to learn from each scheme.

The Pembroke Square development at Dundrum Town Centre which was completed in 2020, received recognition in 2021 when certified as BREEAM Excellent (design stage) and awarded Highly Commended in the Sustainability category of the Royal Institute of the Architects of Ireland (RIAI) Awards 2021.

Italie Deux achieved an updated BREEAM-in-Use certificate (2021-2024), achieving the Excellent ranking for both Asset Performance and Building Management.

The latest evolution of BREEAM (v6) is much more demanding and incorporates new themes such as biodiversity, responsible procurement and climate risk, so we are pleased to have met our target to achieve Excellent despite the more challenging requirements.

We share performance against our design standards and targets for those at planning stage – Dublin Central, and The Podium in Dundrum, in section 1.4.





2.2 Reducing carbon

PROGRESS

We have achieved significant reductions in carbon emissions since 2015, driven by ambitious targets and clear expectations for colleagues across the business. In 2021 we achieved a 17% reduction on 2019 figures.

KEY ACTIVITIES FOR 2021

Sustainability Linked Bond issued in May 2021, which set carbon reduction targets for 2025 aimed at both landlord- and occupier-controlled emissions

In June 2021 our Terrasses du Port shopping centre marine geothermal energy project – Thassalia – went live, reducing centre carbon emissions by 68% v 2019

Clear plan for ensuring we are ahead of the MEES compliance timeframe, and continued efforts to manage F&G rated units in the portfolio. F&G rated units reduced to 13% at the end of 2021

LED installations continued at Dundrum Town Centre, Dublin and were completed at Bullring, Birmingham

Expanded renewable energy capacity with a new PV array installed at Dundrum Town Centre, bringing our total capacity to 2.1MWp, generating over 2.2 GWh of renewable electricity in 2021 across the portfolio

UV Sterilisation lights installed in Dundrum heating units, pre treating air before entering air conditioning and reducing energy use by 20%

Although performance on sustainability metrics has always been regularly shared internally, this was formalised in 2021 through the creation of a performance dashboard for senior asset and corporate management. This has made it much easier to share performance updates, understand variance across the Group, track key utility data and identify savings across the Group

Carbon saving actions taken by colleagues during 2021, and banked on our behavioural and volunteering platform, The Butterfly Bank, saved 4.5 tonnes of carbon emissions

CRREM pathways indicating level of risk for stranding created for 21 assets operational. Stranded are those assets which will not meet future energy efficiency standards and will require investment in energy efficiency measures to meet Paris aligned carbon reduction pathways

Carbon footprinting tool revised, streamlining data collection and monitoring

COP26 communications and engagement activity with local communities delivered across a number of assets

20,671

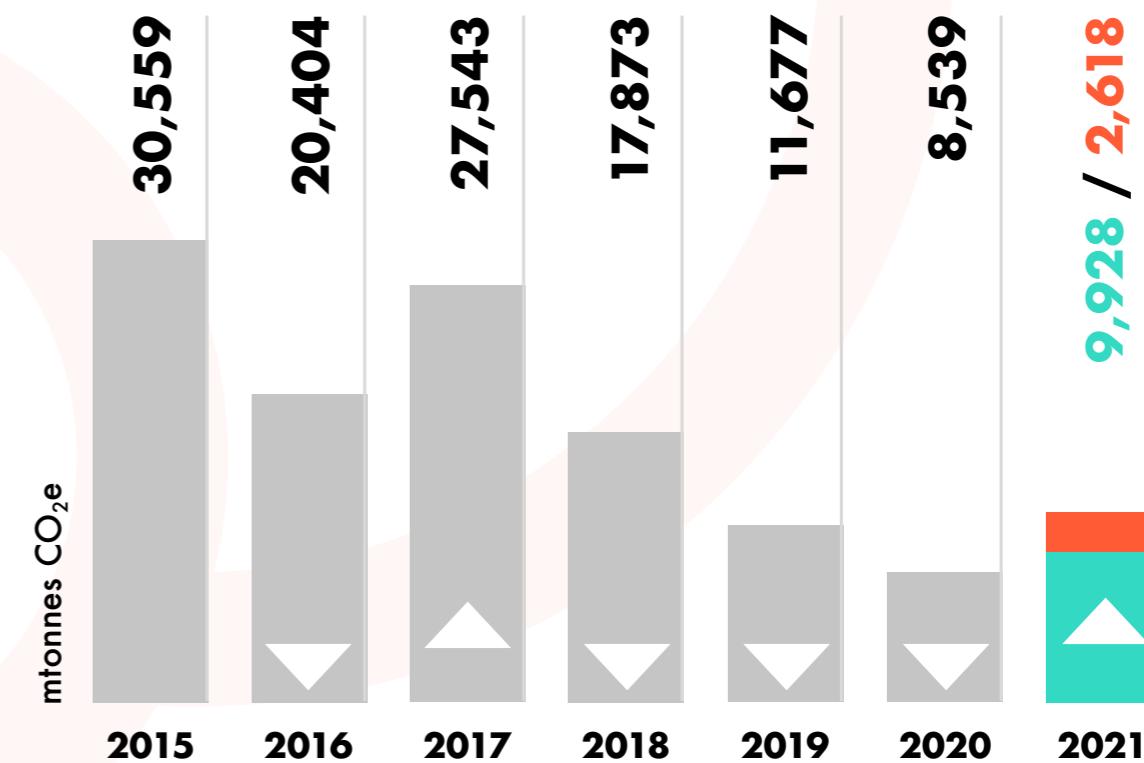
tonnes carbon emissions avoided
in 2021 v 2015

-17%

reduction in carbon emissions
v 2019

Landlord carbon
Development carbon

Our carbon emissions pathway – proportionally consolidated portfolio



The chart above sets out our carbon emissions trajectory since 2015. From 2021, this includes carbon emissions from development.



PERFORMANCE AGAINST 2021 TRANSITION PATHWAY TARGETS

As signatories to the Better Buildings Partnership Climate Change Commitment, we published ‘our Net Zero Carbon Transition Pathway in 2020. Below we share how we performed against our 2021 pathway targets, which are based on our proportionally consolidated portfolio:

► Target ● Outcome

► 26% reduction in absolute carbon emissions v 2019

● 17% education achieved

► Recycle or reuse 75% of operational waste across managed assets

● 59% recycling rate on average

► Continue to purchase remaining electricity through REGO-backed electricity contracts

● Achieved

► Establish route map to transition new developments to certified Net Zero embodied carbon status

● New developments continuing to target 2030 best practice LETI energy intensity and embodied carbon targets to minimise emissions as far as possible

► Agree Corporate Power Purchase Agreement (CPPA) to deliver additional renewable energy for up to 50% of UK Shopping Centre portfolio demand

● CPPA to be agreed in 2022

► Review opportunities for further on-site renewables across flagship assets

● Opportunity review ongoing

► Continue working with occupiers to reduce embodied carbon and resource use in fit out

● Update made to standards in our Sustainability Requirements for Retail Delivery checklist, to gather information and influence occupier material specifications

STORIES FROM 2021

In 2021 we maintained a focus on improving efficiencies across the Group, driving up renewable capacity, and ensuring our developments minimise embodied carbon and support minimal operational energy use. Here we share some of the initiatives undertaken:



First European Marine Geothermal Power Plant goes live at Terrasses du Port

In June 2021 Thassalia, the first power plant in France and Europe to harness the energy of seawater to heat or chill the asset, went live at Terrasses du Port, reducing carbon emissions by 68%.

This exemplary network meets the energy and environmental requirements for companies and public authorities in France, set by the Energy Transition Law for Green Growth (LTECV). The entire project benefits from €3.3 million support from the Heat Fund of The French Agency for Ecological Transition (ADEME), and is also supported by the European Regional Development Fund (ERDF).

Promoting Sustainable Development Goals in Dublin

Our Dundrum team partnered with University College Dublin and a local community project entitled ‘Dundrum 2030’ which aims to map the community’s effort towards achieving the UN’s Sustainable Development Goals (SDGs), and to share this with the public. The Dundrum management team will input data on renewable energy projects both on site and in the wider community.

Find out more at <https://dundrumbigthirty.com/>

LED lighting works continue to reap carbon savings

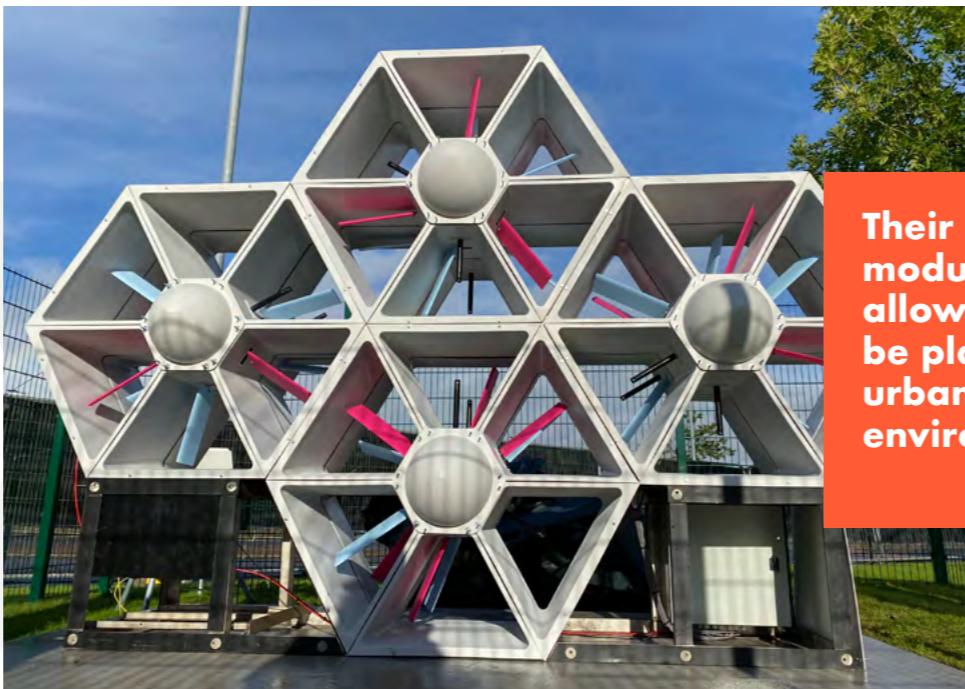
LED installations which began in 2019 were completed at our Bullring shopping centre in Birmingham. Electricity consumption for the asset has fallen by 11% since 2019, with emissions down by 24%. The majority of the LEDs replaced at Bullring were in the car park, and electricity usage has dropped 59% since the installations began. LED installation also continued at Dundrum Town Centre in Dublin, with 529 lights changed by the end of 2021, and the remaining lights targeted for 2022.



Hosting innovative new wind power technology

For COP26 Silverburn hosted the first demonstrable prototype for a new wind power system which is designed to capture turbulent ground effect winds, with independently-working aerofoils capturing the kinetic energy from the wind to produce carbon-free electricity. Their flexible and modular design allows them to be placed in urban and rural environments.

Whilst Silverburn will no longer be part of the Hammerson Group in 2022, its role in facilitating the use of carbon-free technology will continue to benefit future communities.



Their flexible and modular design allows them to be placed in urban and rural environments.

Low embodied carbon design on Dublin Central



We have placed sustainability at the heart of our Dublin Central development with an exceptional design standard for sustainability incorporated from the outset. We have adopted the LETI (London Energy Transformation Initiative) 2030 best practice targets for operational and embodied carbon and resource use in the Sustainable Design Brief (SDB). In addition, for the residential elements of the scheme, Passivhaus principles were set in the SDB as the target. We seek to:

Minimise operational Greenhouse Gas (GHG) emissions with respect to heating and cooling systems, implementing a combination of highly efficient air source and water to water heat pumps; resulting in zero fossil fuel consumption anywhere on site.

Targeting reduction in mains water consumption of more than 50%, when compared to similar developments, through specification of low flow fittings and rainwater harvesting.

Fit air handling units with heat recovery systems to capture waste heat energy, while hybrid ventilation will be used to minimise cooling demand.

Install solar photovoltaics, at roof level of all buildings, to generate clean, renewable, on-site energy with an expected annual yield of over 320,000kWh.

Allow for potential energy storage systems, including both storage batteries and ice-banks. The latter will enable the storage of cooling energy recovered during a period of heating demand.

Make material choices informed by Lifecycle Assessment (LCA) of embodied carbon.

Work is ongoing and to date most plots are significantly improving on the LETI 2020 best practice embodied carbon targets and progressing towards the 2030 best practice target.

LOOKING AHEAD

Our Transition to Net Zero Pathway and our short and medium term targets are in section 1. In 2022 we will continue to focus on the three key areas: efficiency, renewables and embodied carbon.

This will include:

Our ISO 14001 environmental management system roll out will continue in France from Q2.

We will enhance the new dashboard launched in 2021, to enable greater colleague engagement in addressing carbon, water and resource use.

Our program of activity to ensure all occupier units meet the upcoming changes to the MEES requirements in 2023 by bringing all units and spaces to E or above ahead of the compliance timeframe.

We will explore a number of renewable generation options to ensure we reduce our emissions and contribute to our reduction targets, whilst stabilising the service charge for our occupiers.

Our design standards will ensure new developments tackle embodied carbon, and facilitate lower operational energy use.

We are developing more detailed Net Zero asset plans with external consultants to optimise our Net Zero Transition Pathway.

Undertake a stage 3 physical climate risk assessment on specific at risk assets further to initial scoping and review process.

Roll out BREEAM In Use assessments across the UK portfolio.

2.3 Reducing water use

PROGRESS

Our water use reduction targets are designed to focus attention on driving water use down, both directly in landlord managed areas through efficient technologies and in occupier spaces, through fit-out guidance shaped to drive down water use. We also employ smart metering to enable prompt leak detection across our assets, including occupier spaces.

KEY ACTIVITIES FOR 2021

Occupier water audits carried out at Cabot Circus, offering retail partners free leak fixes and water saving technologies

Water efficiency audit undertaken on landlord managed areas at Cabot Circus showed good performance

Water efficiency workshop and webinar delivered with Ethical Reading and Thames Water, to engage businesses across Reading in water saving

Two community organisations audited, 60 new technologies installed, to save 75,700 litres/day

Occupier fit out standards revised, bringing in water efficiency requirements



32,500 l/d

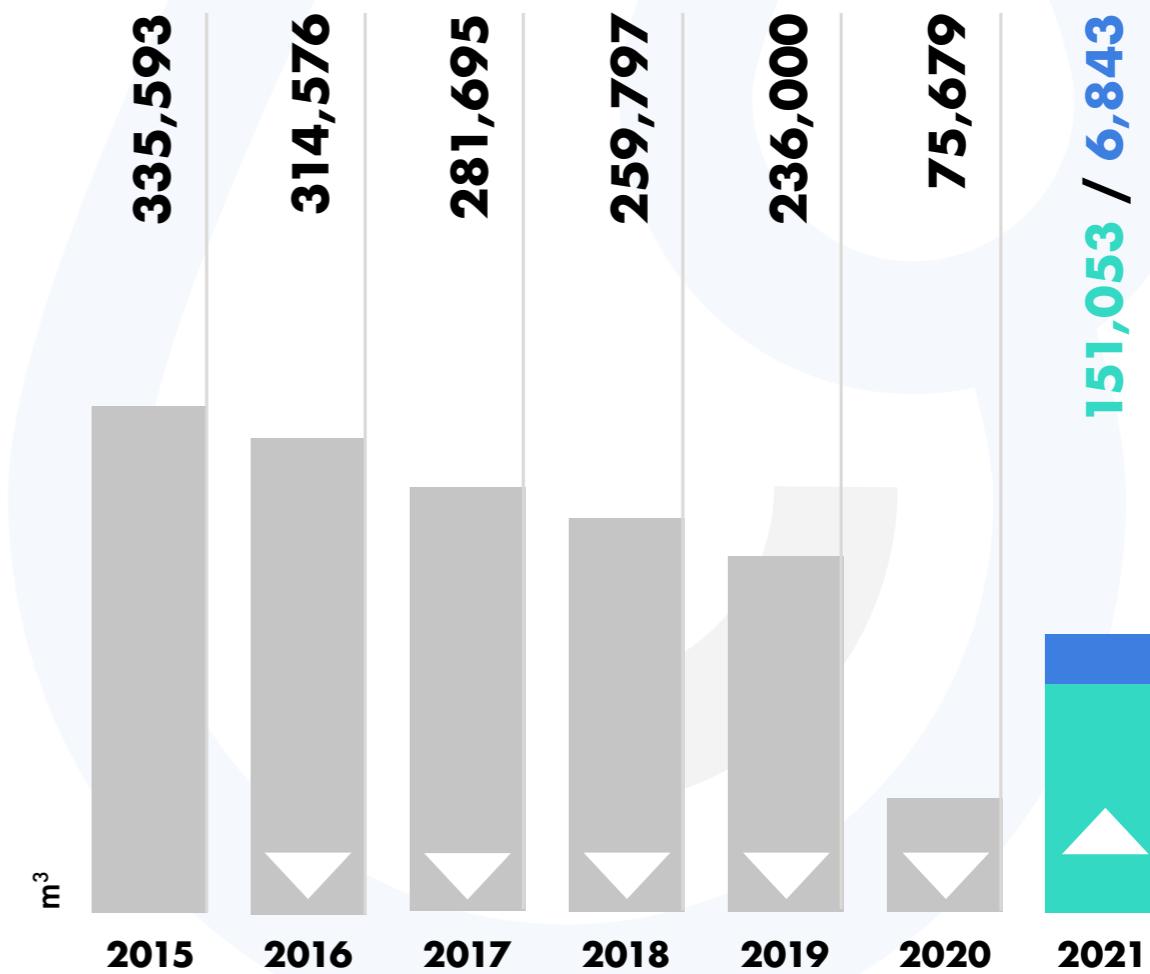
saved through occupier water audits

-64%

reduction in landlord water use v 2019

Landlord water
Development water

Our water use pathway (m³) – proportionally consolidated portfolio



The chart above sets out our water trajectory since 2015.
From 2021, this includes water use in developments.



KEY MANAGEMENT AREAS

The vast majority of water use on site is by occupiers. It is therefore essential to work with them to identify water efficiency opportunities. Below we detail key sources of impact for our Group, and how we manage these.

SOURCE	MANAGEMENT
Landlord water (customers and staff activity)	<ul style="list-style-type: none"> – Low water use infrastructure implemented (waterless urinals, low flush, sensor taps etc.) – Sub metered water supplier to monitor performance and asset profiles – Water fountains – Promotion of reusable items (bags, cups, bottles etc.) – Staff training on sustainability
Landlord water (operations, cleaning, security etc.)	<ul style="list-style-type: none"> – Staff training on sustainability – Adoption of low waste/ reduced packaging products – Water compliance measures – Asset specific water targets and supporting audits – Technical and facilities service providers engaged on asset requirements
Landlord water (Fit out)	<ul style="list-style-type: none"> – Staff training on sustainability – Sustainability fit out guide that stipulates water efficiency measures
Occupier water	<ul style="list-style-type: none"> – Occupier handbook – Undertake occupier audits to support local water efficiency measures – Communicate asset performance
Development resources and waste	<ul style="list-style-type: none"> – Staff training on sustainability – Sustainability standard adopted stipulate water efficiency, sustainable urban drainage and water quality measures

STORIES FROM 2021

Tenant water audit scheme with Groundwork Trust extended to Cabot Circus

In 2019 we began a tri-partnership with Thames Water and Groundwork Trust to improve water efficiency in occupier spaces across our assets in the Thames Water region. Two years in, we have completed work to prevent water wastage at The Oracle, Centrale and Brent Cross with some great results – audited 171 occupier units, fixed 124 leaks, and installed 301 water saving technologies including urinal controls, saving an estimated 368 m³/day.

We also extended the work with presentations on water efficiency via the Ethical Reading network, and invitations to local businesses to audit their water efficiency resulting in potential improvements. Our community outreach secured a further 76m³/day in savings.

In 2021, we have extended our partnership with Groundwork Trust to tackle centres beyond the Thames Region, completing occupier audits at our Cabot Circus asset in Bristol. We saved an estimated 32,478 litres/day, equating to 11,854m³/year through just 21 occupier audits, as we identified 28 significant leaks such as constantly flushing urinals and leaking valves on toilets.

Water flushing trial with facilities management partner ABM

As part of our water efficiency work in 2020 we began to explore how cleaning practices could be altered to save water across the Group, beginning with trials at The Oracle with our facilities management partner in the UK. Historically our legionalla testing process involved an engineer manually flushing taps monthly to check the temperature, this used approximately 200,000 glasses of hot water, with the energy used to heat that water producing the equivalent CO₂ of 140 flights between London and New York. By changing the process, water use and CO₂ emissions are expected to fall by 98%.

At the end of 2021, based on six months of data, we had saved 82,000kgs of CO₂ and 47,700 litres of water.

Water sub-metering at Les Trois Fontaine, Cergy for early leak detection

We have installed water sub-meters on our city water, chilled water and hot water loops at Les Trois Fontaine. The meters record data at individual occupier level and in common landlord managed areas i.e. public toilets. They allow us to better understand true consumption in different areas, and make it possible to identify any leaks on one of the networks. Having used similar metering systems in the UK to great effect, identifying overnight water flows for a number of occupiers and providing us with the ability to remotely check for unexpected water use during closures, we hope the system at Cergy will also provide valuable insights for tenants and the management team.

LOOKING AHEAD

We have set out our strategy for reducing water use with our Design Standards for developments, and our operational approach to monitoring water use.

With smart metering now in place across most of the UK portfolio we can continue to monitor water at both unit and asset level to spot any changes in consumption, prompting early leak detection. We are also able to review variances across the Group, allowing us to identify and share good practice, and to see the impact of our new cleaning practices as we roll these out to new centres.

For water that we do consume, our Environmental Management System under ISO 14001 provides guidelines on proper drainage for safely processing the waste water that may be generated within our assets, including contaminated and uncontaminated surface runoff, from vehicle washing and domestic wastewaters.

On-site monitoring by staff ensures proper use and maintenance of drainage systems for our water consumption according to the Water Resources Act 1991.

2.4 Reducing resource use

PROGRESS

As an asset manager and developer of destinations, our business activities utilise a significant quantity of resources. Our resource use targets are designed to focus attention on driving this down both directly, through our management of waste generated at our sites, and indirectly through our engagement with others within our value chain.

KEY ACTIVITIES FOR 2021

Fit out guidance for occupiers revised, bringing in further elements that help to divert waste from landfill, ensure recycling rates are high, and that reuse is actively considered in design plans and decommissioning of materials from existing units

Highcross and Cabot Circus use Globechain reuse platform to divert 150 items and 1.2 tonnes of materials from landfill



New waste provider contracted, with revised waste management activities to facilitate recycling and reuse

Food waste champions visited occupiers across multiple centres, helping them to understand how to implement better waste practices

After a number of years using the BioWhale onsite anaerobic digestion systems at two of our assets, we have taken the decision to send 100% of our food waste offsite for processing

Resource related actions taken by colleagues and banked on our behavioural and volunteering platform saved 888 plastic bottles and bags



Too Good to Go, a programme to ensure food is not wasted, is being actively supported at two of our assets, where multiple retailers are signed up to the service. We are providing storage space, and collection support to aid them in their quest to avoid food waste

1.2 tonnes

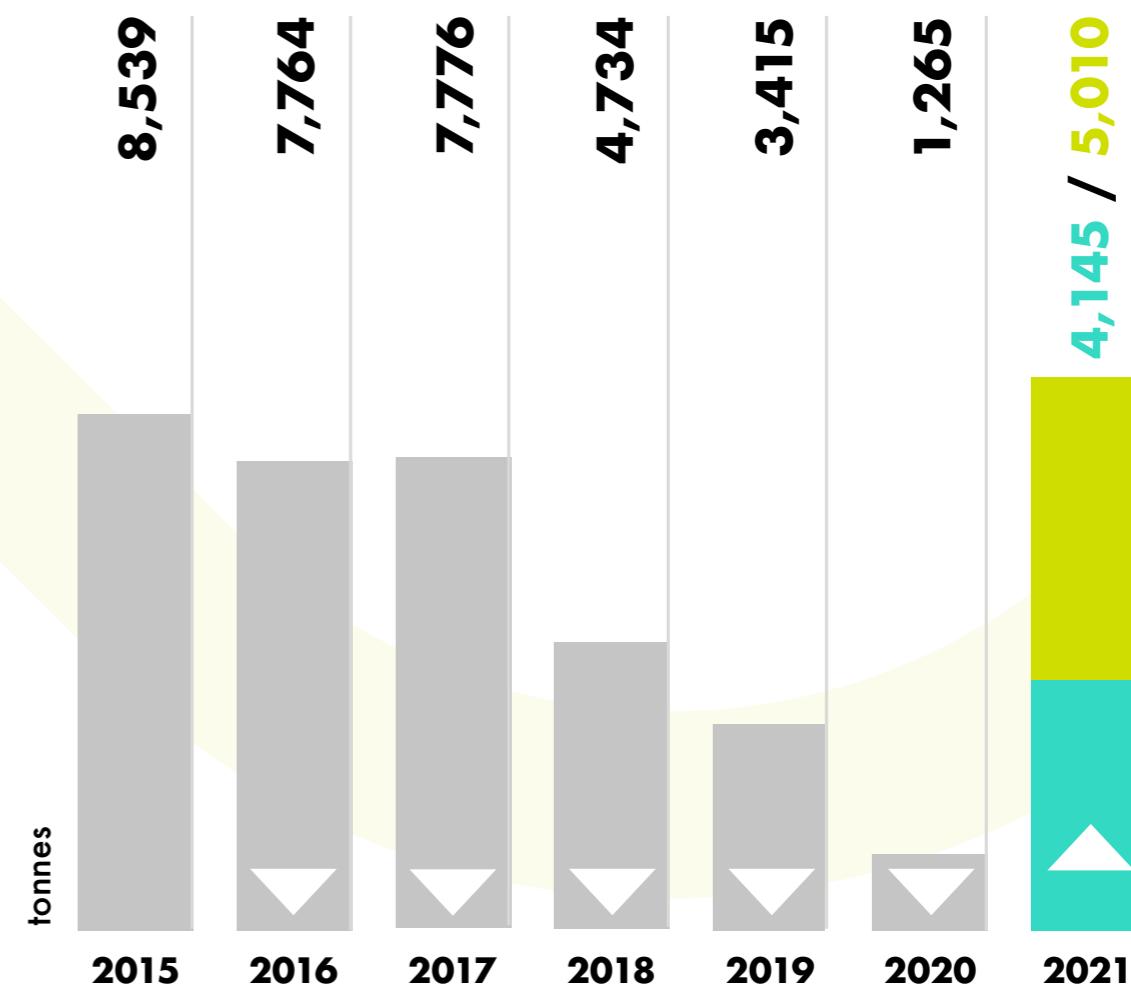
of materials reused at Cabot Circus, Bristol

100%

of food waste from UK assets goes for off-site anaerobic digestion

Landlord resource
 Development resource

Resource use pathway (tonnes) – proportionally consolidated portfolio



The chart above sets out our resource use trajectory since 2015. For 2021 this includes forecast resource use for our development and major refurbishment activities.



KEY MANAGEMENT AREAS

All our centres operate with combined waste management processes, this means our waste reporting is inclusive of landlord waste and our occupiers. It is therefore essential to work with our occupiers on waste management, recycling and identifying opportunities for waste reduction.

Below we detail key sources of impact for our Group, and how we manage these.

SOURCE	MANAGEMENT
Landlord resources and waste (customers and staff activity)	<ul style="list-style-type: none"> – Segregated bins on mall for waste streams – Public engagement of sustainability measures in assets and by Group – Water fountains – Promotion of reusable items (bags, cups, bottles etc.) – Staff training on sustainability
Landlord resources and waste (operations, cleaning, security etc.)	<ul style="list-style-type: none"> – Staff training on sustainability – Adoption of low waste/reduced packaging products – Segregated bins on malls and service yards – Signage and engagement in service yards on segregation – 100% diversion from landfill target – Asset specific recycling targets – Waste management supply chain engaged on asset requirements – Furniture and equipment reuse partner
Landlord resources and waste (Fit out)	<ul style="list-style-type: none"> – Staff training on sustainability – Sustainability fit out guide that stipulates resource efficiency and landfill diversion – Waste management supply chain engaged on asset requirements – Furniture and equipment reuse partner
Occupier resources and waste (Retail)	<ul style="list-style-type: none"> – Occupier handbook – Encourage adoption of low waste/reduced packaging products – Segregated bins on malls and service yards – Signage and engagement in service yards on segregation
Occupier resources and waste (Food and Beverage)	<ul style="list-style-type: none"> – Occupier handbook – Adoption of low waste/reduced packaging products – Segregated bins on malls and service yards – Signage and engagement in service yards on segregation – Dedicated waste facilities and engagement on food waste reduction
Development resources and waste	<ul style="list-style-type: none"> – Staff training on sustainability – Sustainability standard adopted stipulate resource efficiency and landfill diversion and address sustainable building materials – Waste management supply chain engaged on asset requirements

STORIES FROM 2021

Managing resource use in occupier fit-out

Project waste from unit fitout is a major issue for the industry and is best tackled through a multi-layered approach and good relationships.

We provide fit out guidance to occupiers coming into the asset, or those updating their space. In 2021 we revised the Sustainability Requirements for Retail Delivery, bringing in more mandatory elements such as 95% of waste to be diverted from landfill, and an 80% recycling rate to be achieved.

Occupiers are also required to report on the reuse of existing materials such as flooring and ceilings when fitting out. Our partnership with Globechain, as showcased right aims to support reuse by our retailers, enabling them to list their unwanted materials and fit out goods for reuse in the community.

We also prepared guidance for our asset and leasing colleagues to minimise strip out waste. The Sustainability Guidance for Lease Reinstatement Provisions sets parameters for when to ask occupiers to remove their finishes and building services such as lighting and when to keep them in situ in order to prevent the unnecessary removal of functioning fit-for-purpose materials and equipment.



Partnership with reuse platform Globechain facilitate reuse of 1.2 tonnes of materials

Hammerson began a relationship with reuse partner Globechain in 2019, in an effort to ensure shop fit materials were repurposed when retail spaces were updated or when new occupiers come onboard. We had some good successes, linking obsolete IT equipment, and retail display equipment to charities who could use these.

In 2021, we extended the initial trial, with both Highcross and Cabot Circus employing the system to support occupier reuse. 170 items, which included glassware, chairs, photo frames, display stands and even an air conditioning unit, were listed on the system. 150 items were collected by community based organisations, providing both socio-economic benefit, and diverting an estimated 1.2 tonnes of waste from landfill, with 62% reused, 31% up-cycled and 6.8% resold to raise funds.





Good waste management training for food court occupiers at Les Trois Fontaines, Cergy

Following the opening of the district food court, the onsite waste manager visited each restaurant to raise awareness of good waste sorting practice. Accessible waste management signage was also designed and installed across the food court. Specific waste management practices were identified, designed and delivered where necessary. For example, one retailer cooks chicken on coals, and a coal recovery box was installed.



New recycling promotion at Westquay, Southampton

The Westquay team worked closely with Signs Express Southampton to design new recycling promotional stickers for tables in our dining areas. The stickers mirror the different waste bin disposal points and also request customers to be more self-sufficient to tidy up their own waste. The aim is to drive better sorting, segregating and recycling practices at the asset.



Victoria Leeds wins a host of awards for environmental performance

Our Victoria Leeds team have won a Green Apple and an International Corporate Social Responsibility Award this year for their improvements in environmental performance. A member of the team also won facilities management contractor ABM's national award for Environment and Sustainability for 2021.

Identifying a new waste services provider, who could increase the materials recycled reduce costs and focus on sustainability was key to success. The new supplier

agreed to take all card for rebate, collecting the cardboard free of charge, on the basis they could sell this on themselves. They also collected on a weekly not daily basis, reducing transport pick ups, and the associated carbon emissions. In the first year of activity, the asset baled over 1,000 bales of card for reuse compared to 80 the previous year.

Presentations were given to all retailers at client retailer engagement days, and Retailer forums. Over the following months the site waste champion, a newly created role, visited each occupier to train them how to identify the difference between general waste and dry mixed recycling waste.



New food waste caddies for tenants at Bullring and Grand Central, Birmingham

New bin caddies were introduced to all food retailers at Grand Central. The caddies were issued as contamination was identified in most waste streams due to the high volume of food waste from the large number of food and beverage outlets in the asset.

LOOKING AHEAD

As food and beverage occupiers increase, organic waste increases. We will be developing a new strategy with regards to food waste, and how to support a reduction in waste in our units, and how we facilitate segregation at our assets. We will also look to develop innovative solutions in partnership with our new waste provider.



2.5 Delivering positive socio-economic impacts

APPROACH



We take a multi layered approach to delivering positive socio-economic impacts. We nurture partnerships and engagement with local community groups to respond to local need at an asset level. Corporately, we continue to build on national programmes that allow us to support employment and skills, young people, and health and wellbeing across the UK and Ireland. We also support colleagues in taking an active role in their communities, with Community Fortnight, our employee and corporate charity partnerships and our continued use of a behavioural and volunteering platform which allows employees to find and record socio-economic volunteering opportunities and actions taken both in and outside of work. A few examples are given in this section.

Community partnerships and engagement at an asset level

Our assets are a key part of the communities in which they are located, and community partnerships are important across all our assets.

Our centre charity bursaries

Our centre charity bursaries allow our destinations to select a charity partner (or two) for a given year. In addition to receiving a cash donation, we provide mall space allowing the charity to fundraise alongside additional support from the centre team to strengthen their relationship with the local community.

In Aberdeen, our Union Square charity partner is AberNecessities, who offer lifeline support to disadvantaged families, and who have experienced an immediate and sustained surge in families needing support throughout the pandemic, with requests to support over 100 children a week currently. As well as receiving the bursary, the centre will engage with fundraising activities across the year to support the charity.

At Westquay in Southampton the team selected Rose Road Association as their charity bursary partner, helping to provide services for over 300 children and young adults with severe physical disabilities, learning difficulties, and/or autism, working in Southampton and across Hampshire and surrounding counties.



In Reading, The Oracle awarded two charity partners £2.5k each. Alexander Devine Children's Hospice Service provides specialist care and support to children with life-limiting and life-threatening conditions, and their families, across Berkshire and into surrounding areas. The bursary funds will go towards maintaining these services which were greatly impacted by Covid-19. Thames Valley Air Ambulance provides emergency medical services by air and land to patients within the counties of Berkshire, Buckinghamshire and Oxfordshire. The funds will be spent to help maintain these critical emergency care services.

This year, Hammerson France got involved in the fight against breast cancer with the Rubas Rose association. As well as receiving the community bursary, the team raised further funds for the association through Community Fortnight, and through consumer focused events delivered for 'Pink October', which included donations collected during gift card purchases and the sale of upcycled and recyclable materials.



Community projects developed at asset level

In addition to these official charity partnerships, each centre has projects designed with local organisations to meet the needs of the local community. Conservation and ecology based projects have become increasingly vital in our communities, so it is no surprise that many of our asset teams have chosen to support these in 2021. We also saw centre teams working to engage local communities in major environmental initiatives this year, including COP26.

Below we showcase a few of the partnerships and projects and in section 3.4 of our Data Book we share our socio-economic data.



Bringing Bees to our rooftops and trees to schools

In partnership with the Urban Bee Project, the team at Union Square in Aberdeen welcomed bees to their rooftops in 2021. The bees, a local hybrid strain of Honeybees will be tended by members of the Green and Bee CIC, a new community interest company in Aberdeen. At Bullring a new area of planting is designed to attract bees from the onsite hives which were installed in 2020. In July 2021 The Oracle were able to donate £1,650 to Ethical Reading's - Trees for Reading - urban tree planting programme which saw two beautiful trees planted at Redlands Primary school. The funds were predominantly raised by selling summer flower honey to the centre staff after a successful harvest from the centre's onsite bees.



Supporting seagrass research to reduce climate change

In celebration of World Oceans Day (Tuesday 8 June), Westquay shopping centre donated £3,000 to the National Oceanography Centre (NOC) in Southampton to support its global ocean research. The funds will support the NOC scientists in understanding the role seagrass – flowering plants that live along our coast – has to play in unlocking blue carbon – the carbon captured by the world's ocean and coastal ecosystems. The research will help to understand how these coastal habitats should be protected in order to reduce climate change.

Enterprise at Cergy

The team at Cergy created a designer store in a vacant unit during June and July in partnership with the local Chamber of Trades and Crafts. The space was used to highlight the work and products of 12 local designers, with marketing support to drive footfall to the store.

French assets run anti-food waste campaign with BioCycle

During European Sustainable Development Week, all Hammerson shopping centres in France organised awareness-raising events on the theme of anti-waste. In partnership with the BioCycle association, a Parisian association specialising in food donation and the fight against waste, the centres hosted their "velomixeur" animation: from unsold and so-called 'ugly' fruits from local markets, customers have made smoothies which they mixed on a suitable bicycle.



Recover E Formula 1 race car visits Silverburn

COP26 was a major event for 2021, and our centres each took their own approach for engaging with communities around this. Silverburn Shopping Centre in Glasgow collaborated with Envision Virgin Racing, Kids Against Plastic, Glasgow City Council and COP26 to bring a replica Formula E race car made from 100kgs of single use plastic waste to Silverburn.

The team also created 'the Community Gallery' which became host to a gallery of artwork from children across the UK

aimed at sending a message to leaders at COP26 with an illustration, poem, story, photo or song that shows their love for #OurOtherMother – planet Earth. The gallery has since become home to a hand painted mural dedicated to the environment created by a local artist – David Brown (A.K.A Panda) and two local primary schools – Allens Croft & Greenholm. The mural is based on two of the UN's Sustainable Development Goals – Goal 14 Life below Water and Goal 15 Life on Land.



Accessibility and Inclusivity partnerships

Ensuring our assets are accessible and inclusive is vital if we are to remain a loved part of the community. Relationships with accessibility focused organisations at both local and national level not only help to drive awareness amongst colleagues and visitors to our assets, they also help to guide other changes to our assets, such as the introduction of wheelchair friendly benches for our Westquay esplanade area.

Dundrum Town Centre, Dublin, leads the way in the use of a 'total communication approach'

Our Dundrum Town Centre asset in Dublin has been recognised for their work on accessibility and inclusivity. The team there have partnered with St. Michael's House, one of Ireland's largest providers of community-based services for individuals with intellectual disabilities. The 'Total Communication Project' will enhance customer experience in an inclusive way and will be informed by people with intellectual disabilities, industry experts and their families. St. Michael's House is aiming to train 50 employees from Dundrum Town Centre using a bespoke Total Communication training package. This will run from 2021-2022. Following completion of this project, Dundrum Town Centre will be the first shopping centre in Ireland that is actively promoting the use of a Total Communication approach to ensure that different modes of communication are recognised, used and respected.

The centre was also awarded an Accreditation from 'Age Friendly Ireland' in response to our work to make the centre more accessible for the older people. Brand occupiers were approached and involved to extend our

'quiet hours', improve mall signage, and introduce the 'Sunflower Lanyard Scheme'. These actions all helped to make our centres more accessible for older customers or those with complex needs.



#WE
SUPPORT
DEAF
AWARE
NESS



The Oracle, Reading, continues to enhance accessibility approach

The Oracle have been working to improve accessibility over the past few years. Initially working with Microsoft to launch an app that helped visually impaired visitors to navigate the centre, and bringing together key players in accessibility to shape up plans for the centre. In 2021 the work continued with the launch of #WeSupportDeafAwareness in Spring 2021, laying out a seven step guide for Brand Partners to implement that focused on how face masks have challenged lip reading capacities, and how to make changes that will help. This was further promoted for Deaf Awareness Week in May 21, getting occupiers to put posters in windows across the centre.

The centre also launched the Sunflower lanyard scheme, where the wearer can discreetly indicate to others that they may need additional support. At The Oracle an awareness session was held with occupiers with speakers from Reading Mencap, Reading Borough Council and TuVida.

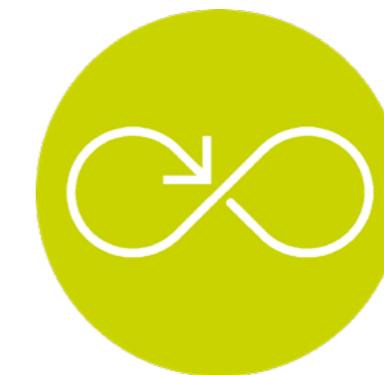
Supporting employees to be active in their communities

In 2021 2,408 hours of volunteering were recorded by employees, ranging from supporting Food Bank projects through to supporting hospices, Scouts and Cubs groups. There were lower rates of activity in 2020 and 2021 than previous years due to Covid-19 restrictions in place. Going forward into 2022, we hope engagement will bounce back to pre-covid levels.

In previous years, we held an annual Community Day in June. In response to Covid-19 and associated restrictions, Hammerson developed a new initiative – Community Fortnight to raise funds for our employee and centre charity bursary partners. In the UK & Ireland, colleagues could take part in a challenge to walk/cycle/run the route between all Hammerson assets, with a donation made for each mile/km. In France, colleagues participated in a similar challenge, raising funds for Rubas Rose, the national association increasing awareness of breast cancer screening for women.

For those unable to take part in the physical challenges, we created home-based actions loaded onto a new 'Community Fortnight theme. These initiatives were a huge success given the circumstances, and encouraged colleagues to do something a little different during the pandemic.

In total, 236 UK, Ireland and France colleagues participated in Community Fortnight 2021.





Corporate programmes on key themes

We also develop group wide community projects at corporate level. These programmes, shaped around our four key thematic areas: Employment and Skills, Health and Wellbeing, Developing Young People and Enterprise, are delivered with national socio-economic partners who can deliver against local need. By working across the Group we can streamline our approach, share learning and optimise impact.

Building financial wellbeing in Leeds

NEED

In recognition of the impact the pandemic has had on low income households in Leeds we partnered with Burmantofts Community Projects to support their Money Buddies Project.



OUTCOMES

With our support, Burmantofts Community Projects engaged with 43 households over a three month period, with financial gains of £59,344, as a result of debts being reduced or written off, benefit applications completed, savings on energy bills and discretionary housing payments.

WHAT NEXT

As a result of the success from partnering with Burmantofts Community Projects and based on local need, we have extended our financial inclusion focus to support communities local to Brent Cross. Through a collaboration with Rainbow Money Advice Barnet, we are contributing financially to a similar project as Money Buddies, supporting households in need during late 2021/early 2022.

INPUT

We provided financial support for delivery of wrap around financial capability and financial wellbeing support to households including; emergency debt advice, budgeting, income maximisation checks, energy advice and safely reporting loan sharks. The service supports households in Burmantofts, a neighbourhood close to Victoria Leeds, which ranks highly in the Index of Multiple Deprivation as one of the most deprived wards in the country.

IMPACT

As an example, Gemma*, a mother with three dependent children separated from her partner two years ago who left her with debts of over £6,500. Gemma had debts with catalogue companies whom she could not afford to pay. The Department for Work and Pensions were taking some debt repayments from Gemma's benefits which left her with no money to pay essential bills. As a result of seeing a Money Buddy and debt adviser, Gemma obtained a food parcel and fuel voucher and was supported to have all her debts written off, stabilising her financial situation. The Money Buddy helped Gemma with benefit applications and as a result she is now in a situation where she is debt free and can manage all her bills.

43
households
supported over
a three month
period

* name changed to protect identity





Reshaping our enterprise work to continue to support young people



NEED

Our young people and enterprise socio-economic activity in Leeds has historically focused on delivering Teenage Market events that provided a platform for young people to showcase their creative talents, selling their products and merchandise. As a result of the coronavirus pandemic and associated restrictions, during 2021 we were unable to deliver the Teenage Market and adapted our young people and enterprise activity through a partnership with Young Enterprise.

OUTCOME

Over a two day period, through a series of activities the Launch Pad challenge involved students working in teams on the early stages of launching a fledgling business, balancing a budget as well as creating a brand identity and marketing strategy. All members of the Victoria Leeds management team volunteered over the two day period sharing their knowledge and expertise engaging 180 Year 9 students.

180
Year 9 students engaged

INPUT

Young Enterprise is a national charity who specialise in enterprise education and financial education. Working directly with young people, teachers, business professionals and influencers, Young Enterprise engage secondary school students to build a successful future through a range of programmes that increase confidence, career awareness and employability skills.

Collaborating with Young Enterprise and Mount St. Mary's Catholic High School Leeds, we supported Launch Pad, an enterprise challenge that educates students and builds a clearer understanding of work and promotes enterprising attitudes and skills. Located in close proximity to Victoria Leeds, we have a long standing relationship with Mount St. Mary's having funded, partnered and volunteered at a number of career and educational activities since 2015.



IMPACT

Students learnt about their personal strengths and preferences and what this means for both working in a team and for their own development.



Bringing our schools programmes to remote rural schools



NEED

Young people need to develop literacy and numeracy, entrepreneurial thinking and a range of employability and life skills to prepare for the world of work. Many young people living in rural areas are often excluded from opportunities their counterparts living in inner city communities can access.

OUTCOME

In 2021, Hammerson supported six Brave/Lion/CuchulainnHeart Challenges with schools across England, Ireland and Scotland engaging 429 secondary school pupils.

429
secondary school pupils received enterprise challenges from Hammersons



INPUT

Hammerson has supported the Brave/Lion/CuchulainnHeart Challenge since 2017, with funding and employees volunteering their time as business mentors and judges to support the programme.

In response to the need of young people living in rural areas, Hammerson extended the BraveHeart Challenge to rural schools in Scotland to engage pupils that would not normally benefit from the programme.

IMPACT

The Brave/Lion/CuchulainnHeart Challenge is a high impact programme with pupils gaining valuable skills and knowledge they can use at school and in future employment. Through engagement with business mentors, pupils report a significant improvement in the skills to progress with their future career aspirations alongside an increase in confidence and self-belief.

“Students took on a world project which was then embedded in their local community. The skills development was clear throughout, and they now have something tangible that they can talk about as an actual experience.

The most valuable parts of today are the reality of time scales, and also the approach taken in terms of both individual and collective responsibility. They had the support of the BraveHeart Business Coaches and the fact it's fully delivered by external partners and it exposes pupils to new people, adds great authenticity. Fantastic programme – it's invaluable and very rich in terms of what it offers the pupils but in a timely format. Given the time pressures in schools, this experience provides maximum value within a short space of time.”

MS. KATIE ARTHUR, DEPUTY HEAD TEACHER: KEMNAY ACADEMY, ABERDEENSHIRE

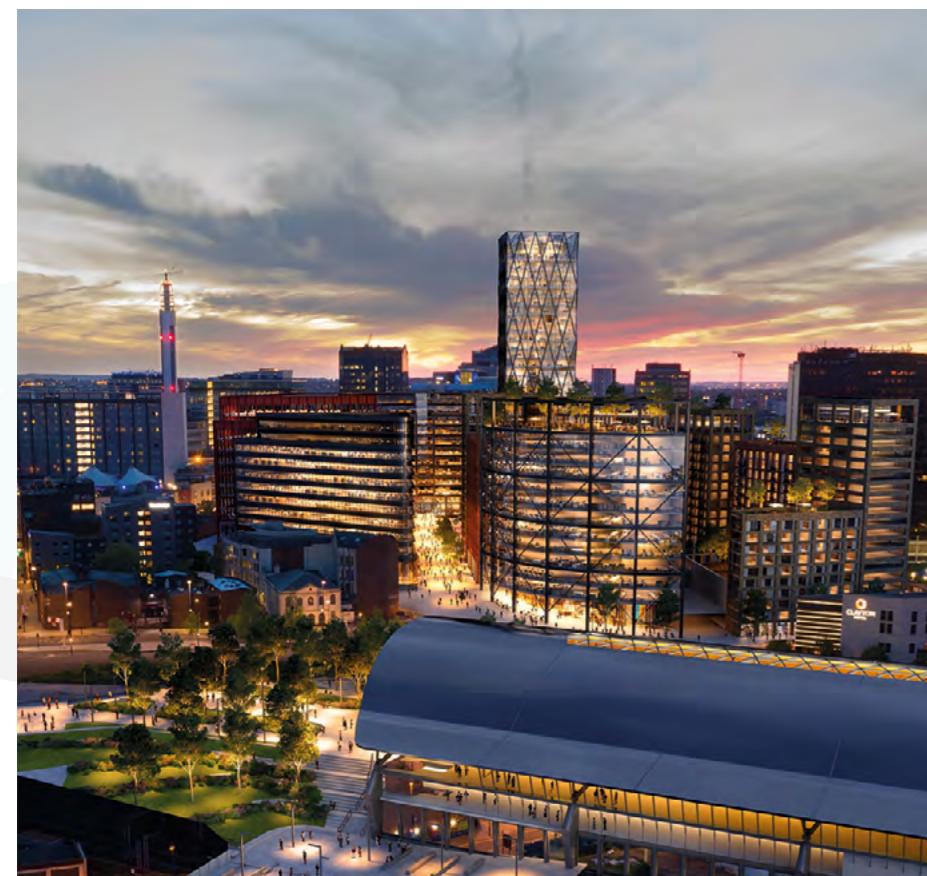




2.6 Managing climate risks

APPROACH

As a UK-incorporated, FTSE-listed entity, Hammerson faces a number of regulatory pressures to report on climate-related risks and opportunities and its strategic response to climate change.



We outline our approach to managing risk and look at our response to the recommendations of the Task Force for Climate-related Disclosures (TCFD) in [Managing Climate Risk.pdf](#)

Ensuring GEC understand climate-related risks and opportunities

A key requirement of the Task force for Climate-related Disclosures (TCFD) framework is that companies undertake climate scenario analysis in order to develop an understanding of the entity's exposure to climate-related risks and opportunities.

In 2020 we outlined our intention to better understand the risks and opportunities for Hammerson at both a group and asset level in relation to climate change. In 2021 we engaged an external expert to support us with a three stage process:

1.

Three high level climate scenario narratives created. The first with global warming limited to around 1.5°C above pre-industrial levels by 2100. The second limited to 2°C and the third to 4°C.

2.

Through an assessment of these scenarios, Hammerson's 12 most material risks and 13 most material opportunities were identified in a collaborative workshop including representatives from asset management, leasing, operations, finance, development and legal.

3.

A deep-dive into the scenario-specific impact, likelihood, time horizon and onset for each risk was explored, alongside the impact and critical date for opportunities; this is the date when an opportunity no longer becomes optional.



Key outcomes

MATERIAL RISKS IDENTIFIED

Workshop analysis identified 12 climate-related risks which were deemed to be of greatest materiality for Hammerson.

Our top six material risks are identified below. We are already responding to a number of these risks. We give some examples of our strategic response below. In 2022 we will incorporate our response further into our business planning.

1. Climate-related regulation in relation to Hammerson's existing portfolio results in significantly higher costs
Response – *As outlined here, we responded to the TCFD recommendations early and have already built capabilities across the business and in our boards that is needed to respond to growing climate-related regulation. Our CRREM pathways, created for 23 assets, have given us insights as to when assets would become stranded; this is the point at which they no longer meet the necessary legislative requirements. We are now able to plan works accordingly to ensure we avoid stranding.*
2. Climate-induced changes to customer preferences adversely impact demand for the types of retail and leisure offers delivered by Hammerson and occupiers
3. Carbon and resource policies targeting reduced resource use and improved circularity adversely impact Hammerson's ability to obtain the appropriate resources and materials throughout the value chain
4. Hammerson fails to provide assets which possess the specification and efficiency required to remain in line with or exceed market standards
Response – *Our development sustainability standards are ensuring we shape assets which possess the specification and efficiency required to remain in line with or exceed market standards. Our focus on land development includes meeting EV charging and transport link expectations.*
5. Reduction in the attractiveness of retail sector investments due to a decline in long term returns and consequently lower investor confidence adversely impact Hammerson's liquidity and asset value reduction
Response – *Our evolving business strategy is communicated in our Annual Report and Accounts for 2021. The future of Hammerson is as an owner, operator, and developer of focused, prime, urban estates. Our new strategy now recognises the unique position that Hammerson has to create thriving mixed-use spaces, serving customers and communities, whilst generating sustainable total returns for shareholders.*
6. Macro economic shocks and impeded economic growth as a result of the consequences of climate change or the low carbon transition

MATERIAL OPPORTUNITIES IDENTIFIED

The workshop identified 13 opportunities as material for Hammerson.

The impact of each opportunity was assessed by workshop participants, and the critical date was assessed considering the scenario where the opportunity is most beneficially observed.

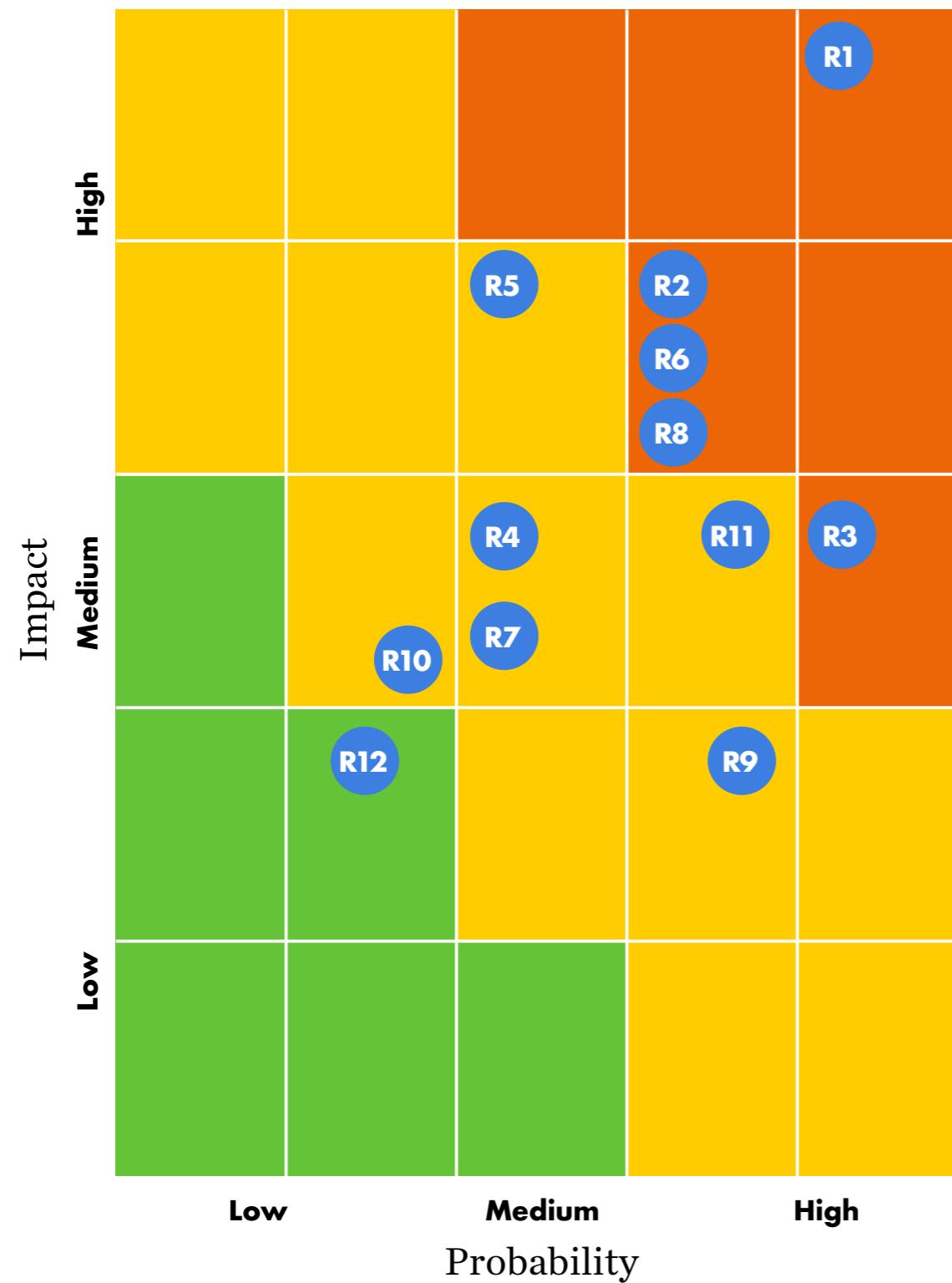
Our top six opportunities are identified below. Plans to ensure we optimise on these opportunities will be developed throughout 2022.

1. Adaption and diversification of the portfolio to cater to the changes in the preferences of occupiers and consumers induced by climate change
2. Priming assets with the infrastructure demanded by occupiers to operate in a low carbon world
3. Reputational benefits of being known as a truly green real estate business
4. Capitalising on tax incentives and other supply side measures
5. Responding to increased occupier and investor demand for climate resilient buildings
6. Leveraging of current and future resources in a more efficient and circular manner, or deploying in a fundamentally transformational way



Material Risks

In 2021, the Group identified and assessed its key climate risks with a time horizon and speed of onset.



Risk #	Risk definition	Time horizon	Speed of onset
R1	Climate-related regulation including carbon pricing, planning regs, climate adaptation and material choices	Early 2020s	Instant
R2	Climate induced changes to customer preferences for retail and leisure	Mid 2020s	Moderate
R3	Carbon and resource policies targeting reduced resource use and improved circularity	2020s	Rapid
R4	Failure to provide assets in line with market standards	Mid 2020s	Slow
R5	Reduction in the attractiveness of retail sector investments resulting in less investment	2030s	Moderate
R6	Macro economic shocks and impeded economic growth due to climate change or transition	2030s-2040s	Slow
R7	Severe and frequent extreme weather events causing disruption	2020s but ++ in 2030s and 2040s	Instant
R8	Chronic shifts in climate patterns affecting operations and consumer patterns	2030s	Slow
R9	Difficulties insuring assets at risk from physical impacts of climate change	Late 2020s	Moderate
R10	Failure to act credibly on climate change	Mid 2020s	Rapid
R11	Climate induced political activism or social unrest	2020s	Instant
R12	Failure to provide/cost to provide infrastructure demanded by occupiers and investors	Late 2020s	Moderate



We provide a matrix for our opportunities, and further information on our Risks and Opportunities in **Managing Climate Risks.pdf**



For further detail on the process, scenarios and scenario analysis, please request a copy of our full Climate Risks and Opportunities Report via sustainability@hammerson.com.



Risk management capacity building at Non-Executive and GEC level

Working with an external partner, we created and implemented specific training workshops for our Non-Executive Board and our Group Executive Committee (GEC) in 2021.

The training aimed to build understanding of the new requirements to disclose climate-related financial information, particularly around the Task Force for Climate-related Disclosures (TCFD) recommendations.

The workshops focused on identifying where Hammerson was already taking action, and where action was required to meet recognised best practice.

A resultant paper outlining strengths and recommendations was prepared. For example, board level responsibility for climate related disclosures, with responsibilities for assessing/managing climate-related issues assigned to senior management roles meant Governance was recognised as a strength.

Recommendations for how to improve this further were also identified. For example, climate change is already being considered by Hammerson decision makers before a proposal is put to the board. It was noted as important to evidence this in the information that is passed to the board to avoid duplicating roles.

 As the world transitions to a zero carbon economy it is essential that our Non-Executive Board and GEC understand the implications this has for the Group's business and our wider stakeholders."





2.7 Engaging our stakeholders

Engaging with key stakeholder groups is key to the delivery of our sustainability vision. We focus on six stakeholder groups: Investors, Suppliers, Occupiers, Colleagues, Communities and Industry. These represent our value chain and where we can most directly affect change and create positive impacts for our business and communities. We work to ensure each of our sustainability initiatives is relevant to at least one of these stakeholder groups.



Engaging with investors

- ⊕ Annual engagement with key investors, including attendance at major ESG Investment events including JPM Global ESG Conference.
- ⊕ Six investors engaged (24.64% of the register)
- ⊕ Meeting with 1 JV to discuss climate change strategy

We actively seek out opportunities to speak to both active and potential investors on an annual basis. Our investor relations team ensures we are present at the major ESG investor events, and that we keep key investors informed of our activity around sustainability, especially climate-related risks.

In 2021 our contact with investors was limited by the pandemic. We attended the JPM Global ESG Conference and we also managed to engage on a one to one basis with seven investors, three of them active investors (representing 24.64% of the register), and one joint venture partner.

DAMAC Invest, Janus Henderson Investors and Schonfield Strategic Advisors were all engaged at the JPM Global ESG Conference.

Janus Henderson(a shareholder until the latter half of 2021) was also engaged via a video conference, along with APG Asset Management who own a 22.79% share in the Hammerson Group.

Ninety One, a 0.66% shareholder was engaged in a workshop to discuss TCFD, and our response to this.

We provided a response regarding our sustainability activity to an academic survey from Vert Asset Management.

We hosted a discussion with CPPIB, our joint venture partner at Bullring (and previously at Silverburn before the asset was sold in 2022) to discuss our climate change strategy, BREEAM In Use and GRESB, for which we saw another improvement in our score this year (4 start, 85).

To make it easier for investors to understand our performance, we participate in a number of industry benchmarks, including REEB. We also ensure our reporting meets GRI and EPRA standards.



Our key benchmark scores can be found in section 1.3.



Driving sustainability amongst suppliers

- + 45 suppliers completed survey
- + Annual Supplier Performance analysis undertaken using supplier survey inputs
- + New procurement system integrates sustainability assessment

We rely extensively on our supply chain for services ranging from the design and construction of new assets through to the provision of Christmas decorations. Our Tier One supply chain includes businesses providing services to our operational asset, design and build services to our development programme and business and consultancy services for our corporate functions.

We take a very active approach to engaging with suppliers and have a range of policies and processes in place to support and monitor these key business partners. Since 2015 we have requested suppliers complete our sustainability survey, which indicates their level of performance against key sustainability criteria. The findings influence our supplier choice, and present opportunities for us to work collaboratively with suppliers to drive up their performance. We also celebrate the suppliers doing the most with our Annual Sustainability Survey. In 2021, 41 suppliers completed this survey in the first three quarters. In quarter 4 we made the move to integrate our sustainability survey further into our procurement process and in October 2021 we launched a new eSourcing and Contract management system, called Medius for our UK&I Operations.

The system consolidates the ESG, HR, Finance, H&S and Cyber security question sets into one Supplier Registration Questionnaire. The system allows us to vet suppliers in advance of them being issued for contracts including checking policies, insurances and financial risk. From 1st January 2022, all supplies will record sustainability activity via the Medius system. By bringing all these performance aspects together we have greater visibility of supplier performance and risk in ESG and other areas. We aim to bring in minimum scores for Sustainability.

Historically we have published an annual supplier survey report, showcasing performance of our suppliers. Due to the new system launch, we will not be doing this for 2021 but we plan to continue this in the future using this new data set.



Occupiers

- + 27 occupiers (brands not individual units) sharing key environmental/utility data
- + 100% of new occupiers and those undertaking unit work, provided with Retail Delivery Sustainability Standards to comply with
- + 21 occupier units audited for water use, and supplied with water saving technologies

Our Retail Delivery Team, guided by our Retail Delivery Sustainability Standards, work with occupiers on the design of their fit out looking for ways to drive down resource use, water use, carbon emissions and waste.

Our asset teams continue to deliver asset specific occupier engagement programmes, which have included an Energy Efficiency drive, new waste signage and training for occupiers water audits and free installation of new water saving technologies.

Occupier energy, water and resource use are of increasing importance from 2025, and we are keen to improve our understanding of usage. We continue to build our relationship with occupier sustainability contacts, to secure access to their usage data. In 2021, 21 occupiers provided us with access to their utility data, this number was a decrease on previous years, and we hope that following the pandemic we can move this figure upwards again.



Our water work with occupiers is featured in section 2.3.



Our work on reducing waste is featured in section 2.4.



Colleagues

- + 100% of new colleagues undertaking Induction take sustainability module
- + 100% of colleagues engaged in sustainability progress through downhill ‘squad’ meetings
- + Colleagues from corporate and 10 assets active on our employee volunteering and behaviour change platform with new quarterly challenges and regular updates on activity

Sustainability is included in our induction, and many roles receive additional, role specific training. We also work extensively with our contracted facilities management and security teams to ensure they have relevant sustainability training.

In 2021, ten of our asset managers attended specific ESG training with Better Buildings Partnership, focused on the role of ESG in investment. Both executive and non-executive board members were involved with climate-related risk training in 2021, ensuring the impacts of TCFD, and our performance against the recommendations was fully understood.



We share more on our training and development in section 3.

As well as ensuring our teams have the relevant skills required to hit our targets, we invest in keeping them inspired. Although 2021 was a challenging year due to the Covid-19 pandemic, Hammerson continued to ensure engagement on our employee sustainable behaviour change platform – The Butterfly Bank.

For 2021 we focused each quarter on one of our Net Positive focus areas, enabling colleagues to find and bank actions that contributed water, carbon and resource use savings that act as offset for our Net Positive calculations. We worked with our partners to develop a process by which we assess the extent to which a colleague’s activity was influenced by The Butterfly Bank, and therefore the offset contribution we can assume.

In 2021 6,045 actions were banked by colleagues, helping to contribute 4.2 tonnes of carbon saving, 883 plastic items and 877 litres of water saved. Our actions with quantified environmental savings are very popular within the company as colleagues can use their online dashboard to track savings or contributions they are making.



Communities

- + 194 community groups engaged as charity partners or local initiative partners
- + 22,283 local people supported through our social economic programmes
- + Bi-monthly meetings with corporate and colleague chatty partners
- + Monthly meetings with key national socio-economic programme partners
- + Quarterly Revo Social Value Working Group meetings

We engage with communities via community organisations at both a national and local level. In 2021 we engaged with 194 community groups, helping us to engage 22,283 local people in our socio-economic programmes.

At a national level we have bi-monthly meetings with our employee charity partner The Outward Bound Trust, and our corporate charity partner LandAid to explore opportunities for collaboration, fundraising and employee engagement. We also have regular meetings with our key national community partners including LionHeart and Young Enterprise.

We are keen to explore opportunities for partnership and collaborations that could benefit our communities, and attend the Revo Social Value Working Group quarterly.

Gaining insights from local community groups is a key way for us to understand the needs of the communities local to our assets. As part of our Net Positive work we developed a placemaking strategy which feeds into our land development work. We continued to develop our approach to making places in 2021, with a placemaking workshop held in Birmingham, as part of our development at Martineau Galleries. We brought together representatives from seven local cultural organisations, to discuss the role that culture will play in shaping our assets in the future.



We share more on our approach to engagement with community organisations, and local community members to deliver positive socio-economic impacts in section 2.5.



Influencing the property and retail industry

We engage extensively with industry organisations and our peers on sustainability.

We engage with our stakeholders in a number of ways, including speaking at relevant events, feeding into consultations, and supporting research and innovation in this space, such as our work on Natural Capital, and our work on shaping retail destinations with purpose.

We also attend webinars and conferences to ensure we stay up to date with the latest in the industry, and respond to consultations to ensure we are helping to shape activity that affects the sector.

In 2021 we:

Undertook training on GRESB, MSCI and Scope 3 data reporting

Participated in Unlocknetzero seminar 'Building new for a low carbon future', looking at Net Zero for the residential sector with housebuilders, local authorities and consultants present.

Presented at the EV Charging Infrastructure Conference, sharing Hammerson's EV strategy and proposals for Brent Cross (inc challenges) at a conference aimed at landlords, EV providers and local authorities.

Attended Better Buildings Partnership working groups, including Net Zero, Owner/Occupier and Innovation and Technology.

Responded to the UKGBC Whole Life Carbon Roadmap consultation.

We also hold roles across committees, task forces and boards at both national and regional level to ensure we can share our learning, and in turn learn from others across the sector.





Industry Leadership Roles

We play an active role in driving sustainability across the real estate sector, and beyond.

In 2021 we held the following industry positions:

Chair of the Better Buildings Partnership and EPRA Sustainability Committee (until September 2021)

Chair of the BPF Sustainability Committee

Membership of the Green Construction Board and GCB Steering Group

Membership of the Investment Property Forum ESG Working Group

Through these positions we have contributed at corporate level to the following during 2021:

Development of the BBP Climate Commitment and Net Zero Carbon Pathway Framework.

Establishment of the Nabers UK Operational Performance Rating System

BBP Real Estate Environment Benchmarks

Ensuring widening industry access to the EPRA Sustainability Best Practice Reporting Standards Database

Consultation responses on key sustainability policies including the EU Sustainable Finance Taxonomy and IFRS Consultation Paper on Sustainable Reporting and UK Government Streamlining.



Community Leadership Roles

Our assets can play a central role in growing local economies, and their impact on communities is widespread.

Our General Managers play an active role in shaping the local community, through presence on local committees and boards, and by responding to consultations on key environmental and socio-economic planning and policy proposals.

In 2021 our General Managers held board and trustee positions for a range of community organisations, including Business Improvement District groups, educational facilities and conservation groups. The management teams at our assets also responded to a range of consultation on subjects, most notably Clean Air Zones, Low Emission Zones and local transport strategy.

A number of the positions are listed below; this list does not represent all roles held:

Go! Southampton Board Director (BID) including an environmental focus group

Business Advisory Board member for Solent Business School

Highcross contribution to Leicester Transport Plan and Workplace Parking Levy Consultations.

Union Square acts as a consultation partner on strategic transport issues via NESTRANS, most recently surrounding the introduction of a Low Emission Zone in Aberdeen.

Director of Aberdeen Inspired (BID Company for Aberdeen)

Skipper status with Greyhope Bay, playing an active part in beach cleans and conservation work at Greyhope Bay, making a positive change for our marine environment

3

EMBEDDING SUSTAINABILITY

3.1 Sustainability governance

3.2 Colleague training and development

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3.1 Sustainability governance

CHANGES TO GOVERNANCE

The Board collectively has overall accountability for climate risk and wider sustainability matters which are also addressed by the Group Executive Committee (GEC).

The GEC responsibility for climate-related risk resides with the Chief Financial Officer (CFO) who is responsible for delivering the strategy. Asset plans, risks and targets are monitored by the GEC who receive information and updates from the newly appointed Director of Audit, Enterprise Risk and Sustainability. The role replaced the role of the Head of Sustainability during 2021.

As part of its broader strategy to make the organisation more agile, the Board approved changes to the organisational governance structure for sustainability in 2021. These changes included:

1. New committees

The Group Management Committee and the Group Investment Committee, both sub committees of the GEC, were set up in 2021. Both these committees ensure that a ‘sustainability culture’ is embedded in the Group’s activities.

2. Better connectivity

The new Director of Audit, Enterprise Risk and Sustainability attends both the Group Management Committee and the Investment Committee to connect business operations with the Group’s sustainability strategy and management of climate change risk. Regular touch points ensure that the strategic approach, and the Group’s exposure and response to climate change is continuously monitored at board and GEC level:

Quarterly updates with the GEC, and regular updates in between

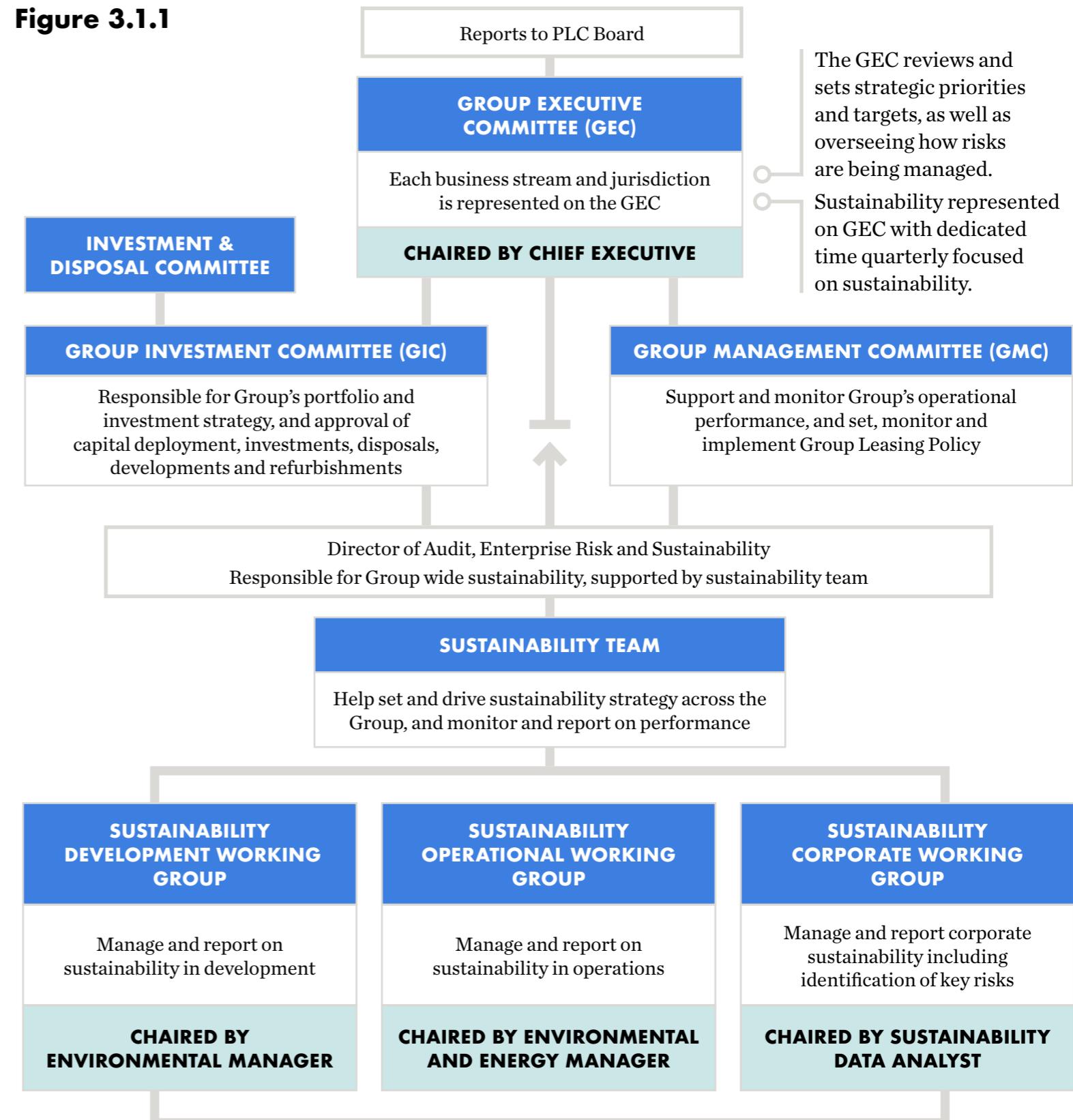
Quarterly meetings with the Board to monitor progress and seek ongoing approval for the sustainability strategy

Participation in Group Management and Investment Committees



Review governance for climate risk management in
Managing climate risk.pdf

Figure 3.1.1



The GEC reviews and sets strategic priorities and targets, as well as overseeing how risks are being managed.

Sustainability represented on GEC with dedicated time quarterly focused on sustainability.

3.2 Colleague training and development

Our commitments to sustainability require every colleague to be active in their delivery. Ensuring our people are both inspired to act and equipped with the necessary skills to do so is key to achieving our targets.

Building capacity

We invest in training on sustainability across the Group, from sustainability training as part of our onboarding of new colleagues, through to role specific training for operational staff.

Key sustainability training outcomes for 2021 include, but are not limited to:

47 colleagues trained on environmental management with special 1-2 day (depending on role) IEMA certified environmental management course, which was co-created with WSP especially for Hammerson colleagues and contractors

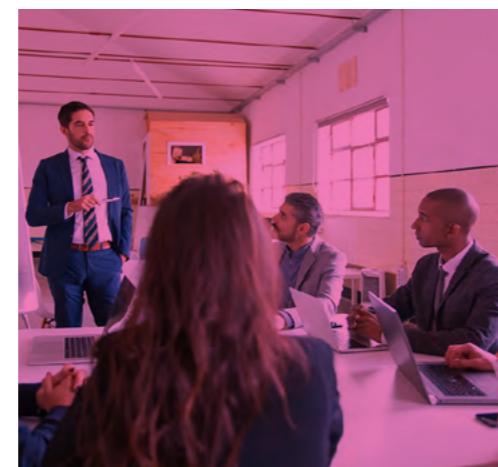
67 new colleagues receiving a sustainability induction

10 Asset managers attended ESG investment training with the Better Buildings partnership

14 board members and managers attended climate-related risk workshops and training to better understand TCFD and growing requirements to report on climate-related risks

for developments we have put in training to ensure our development teams are able to respond. Since 2020 we have invested in training on certification systems including LEED, BREEAM, Design for Performance and Passivhaus standards for our development and project management teams.

Ensuring our Asset Management team are confident in their ESG knowledge is also an important area for us, particularly as demands are becoming more complex. In 2020, we worked with Better Buildings Partnership and three other real asset owners to develop an ESG specific training package for asset managers. The course went live in 2021, and 10 asset managers from across the Group attended.



As our focus turns increasingly to embodied carbon and the setting of increasingly demanding targets

Personal development

We invest in training on sustainability across the Group, from sustainability training as part of our onboarding of new colleagues, through to role specific training for operational staff.

We also support sustainable behaviour at work and at home, with The Butterfly Bank. The system allows us to inspire, reward and report on uptake of sustainable behaviours across the Group. Each quarter in 2021 we focused on a different theme, giving colleagues actions to reduce carbon, water, resource use and a chance to give back to their communities.



We share more on this in section 2.6.



Incentivising sustainability performance

Team leaders are encouraged to build sustainability into personal development goals, to ensure that colleagues support our sustainability targets.

The management team at our assets in UK and Ireland use The Butterfly Bank to promote and reward sustainable behaviours amongst their teams. The best performing teams and individuals receive a sustainably sourced ‘thank you’ gift each quarter.

Many colleagues have specific objectives relating to asset performance or development outcomes which include sustainability targets.

A number of teams across the business have built sustainability elements into their team objectives i.e. reduce travel to flagship assets, as a way to encourage behaviours amongst team members.

GEC members, Senior Executives and Senior Managers have specific Sustainability performance at a Group level built into their bonus.

Diversity and inclusion

Continuing our journey to shape a more diverse and inclusive culture at Hammerson is a priority for both the Group Executive Committee and the Board. We are committed to accelerating progress in this area and we share more on our work, alongside our work on supporting colleague wellbeing and closing the gender pay gap in the Our Colleagues section of our Annual Report.



Our Colleague section in our Annual Report shares more on our work with colleagues.



4.

OUR REPORTING

4.1 Our reporting suite

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4.2 Reporting scope

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4.3 Materiality

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4.5 Assurance

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4.1 Our reporting suite

Our reporting suite provides stakeholders with our core sustainability data, alongside a narrative based report exploring our strategy, our performance against key focus areas and our approach for embedding sustainability.

Our Reporting Suite for 2021 includes:



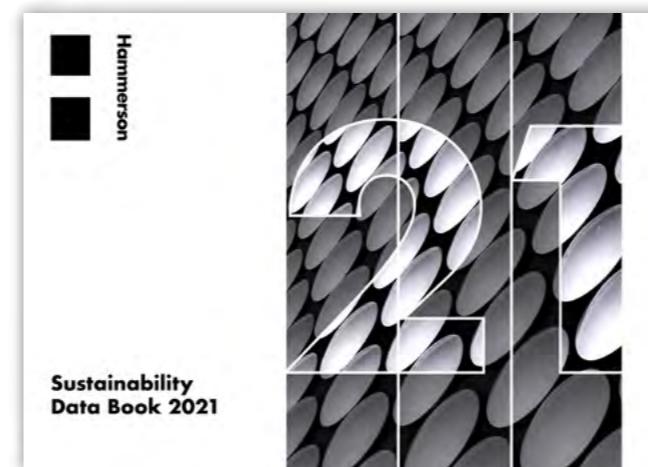
Sustainability Report 2021

Outlining strategic direction and achievements.



Sustainability Basis of Reporting 2021

Outlining the approach and scope used for data collection and verification of sustainability performance data, plus frameworks and standards we report against.



Sustainability Data Book 2021

Our key sustainability performance data, indexed against key frameworks and standards.



Managing Climate Risk Report 2021

Our approach for identifying, managing and responding to key sustainability and climate risks.

[Go to reporting suite](#)



4.2 Reporting scope

FRAMEWORKS AND STANDARDS

We have reported on our sustainability performance since 2008. We report in accordance with the core option of the Global Reporting Initiative (GRI) standards and European Public Real Estate Association (EPRA), for which we have consistently achieved Gold. We aim to report on an operational basis for all aspects of our business, including joint ventures where we are the operator.

We have three core strands of reporting:

1. Proportionally consolidated
2. GRI and EPRA compliant non-financial disclosures
3. Mandatory GHG reporting

In 2021 we issued a Sustainability Linked Bond, linking two sustainability KPIs to how we raise finance for the business. The KPIs are based on our Net Positive scope and equity share calculations.

The scope and approach for each strand of reporting is outlined in our Sustainability Basis of Reporting 2021.

We participate in a range of industry benchmarks annually including GRESB, DJSI, MSCI and FTSE4Good. Our score can be found in section 1.0, and in our Data Book.

REPORTING ON RISK MANAGEMENT

We support the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD) and our response to the recommendations can be found in our Managing Climate Risk report.

REPORTING ON TRANSITION PATHWAY

As signatories to The Better Buildings Partnership Climate Change Commitment we committed to publishing a transition pathway to Net Zero carbon by the end of 2020. We published our Net Zero Pathway in 2020, aided by our existing work on reducing carbon emissions, and commit to reviewing this annually to keep it relevant.

Due to our already ambitious targets, our pathway goes beyond Net Zero and includes Scope 1 and 2 emissions, operational and embodied, and Scope 3 emissions from the occupier areas of our managed portfolios.

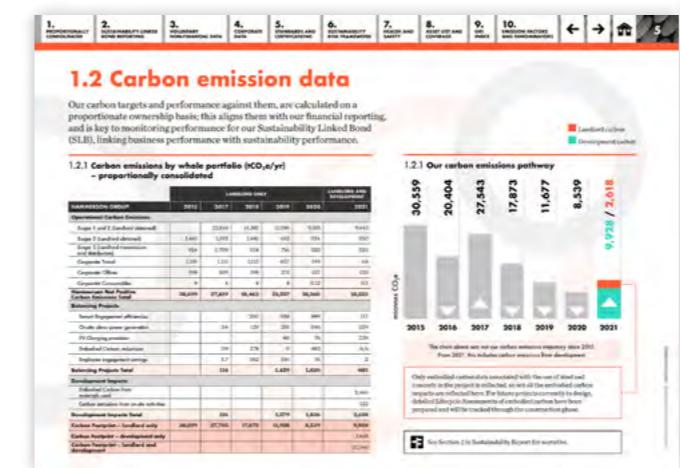
Our baseline was established in 2015 and is updated annually to reflect the latest portfolio. The 2021 data along with our 2030 targets is set out in **Our Transition Pathway to Net Zero**.

REPORTING DATA

We provide all performance data in our Sustainability Data Book 2021, aiming to deliver information on our sustainability performance in a way that allows our stakeholders to quickly access the facts and figures they require, with raw data provided alongside simple graphs that convey key information.

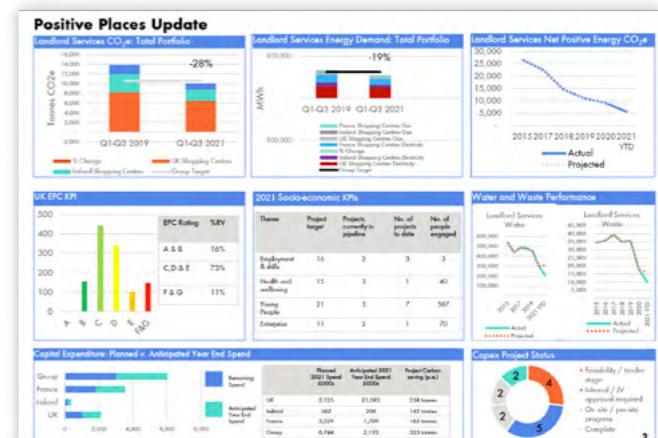
Our Data Book uses icons and labelling to showcase where we are reporting in line with a standard. For example, all GRI tables have a GRI icon next to them.

Our Sustainability Report adds narrative to the Data Book, bringing to life our performance with visuals and stories.



CONTINUOUS IMPROVEMENT

We are always looking to improve our approach to reporting. In 2021 we revised our carbon footprinting tool, streamlining data collection and monitoring. We also launched a new visual data dashboard, with plans to enhance in 2022, enabling greater colleague engagement in progress towards our sustainability goals.





4.3 Materiality

To make sure we continue to report about the sustainability issues that matter most to our stakeholders we carry out materiality assessments every four years. This ensures our sustainability strategy and reporting remains focused on the issues most relevant for our business at the time and addresses the needs of our stakeholders.

A clear understanding of the company's key material issues helps us to prioritise our sustainability work. It ensures we focus on where we can make a meaningful impact.

APPROACH

Materiality is examined in two key ways:

- I. Significance to the business – including the scale of risk an issue presents, its relevance to our business strategy and the extent to which we can control or influence it
- II. Significance to one or more of our stakeholder groups

We presented a list of issues to be scored for significance. Within each area we explore the significance of issues now and our respondent's expectations of how they might change. The materiality score for each issue is ultimately determined by:

- The significance of the issue for our key stakeholders
- The scale of risk it presents to Hammerson
- Relevance to current business strategy
- The extent to which we can influence or control it

Our last assessment was undertaken in 2018, as such we will be reviewing our material impacts in 2022.

OUR MATERIAL ISSUES

Our review identified six material issues for Hammerson, which broadly cover the key areas of our sustainability strategy.

We have used these results to inform our sustainability reporting, and will reflect findings from the new review in 2022 in both our strategy and our reporting approach. Each material issue is addressed in our sustainability strategy and the way we embed sustainability across the Group.

Here we identify our top six issues, and point you to more information on how we are responding to each material issue:

- | | |
|----|---|
| 1. | Governance and reporting
Section 3.1 Embedding Sustainability: Governance |
| 2. | Energy security and pricing
Section 2.1 Developing and managing sustainable places
Section 2.1 Reducing carbon emissions |
| 3. | Climate change
Section 2.2 Reducing carbon emissions
Section 2.6 Managing climate risk • Managing Climate Risk.pdf |
| 4. | Community engagement
Section 2.5 Delivering positive socio-economic impacts
Section 2.7 Engaging our stakeholders |
| 5. | Waste/resource use
Section 2.1 Developing and managing sustainable places
Section 2.4 Reducing resource use |
| 6. | Sustainable product
Section 1.2 Headlines: Sustainability Strategy |



4.4 Assurance

The data we report is subject to an internal verification process with review by the Central Sustainability Team. In addition, Deloitte assures key sustainability indicators and targets included in both our Annual Report and Sustainability Report, to the International Standard on Assurance Engagement 3000 (ISAE 3000).

Here we provide Deloitte LLP's limited assurance statement for our 2021 sustainability data.



The scope of our independent assurance and the data assured in 2021 is also shared in our Sustainability Basis of Reporting 2021.

Deloitte.

Independent assurance statement by Deloitte LLP ('Deloitte') to Hammerson plc ('Hammerson') on selected environmental indicators and targets included within the Annual Report 2021 ('Annual Report') and the Sustainability Report 2021 ('Sustainability Report') for year ended 31 December 2021.

Scope of our work and the assurance standards we used

Hammerson engaged us to provide limited assurance on the following selected key performance data:

Area	Assured performance indicator	Reports in which indicator disclosed
Carbon	Total Scope 1 greenhouse gas emissions (tCO ₂ e)	Annual Report and Sustainability Report
	Total Scope 2 greenhouse gas emissions (tCO ₂ e)	Annual Report and Sustainability Report
	Total Scope 3 greenhouse gas emissions (tCO ₂ e)	Annual Report only
	Scopes 1, 2 and 3 greenhouse gas emissions per intensity (Total GHG emissions (tCO ₂ e) intensity by CPA floor area)	Annual Report and Sustainability Report
Energy	Total energy consumption (MWh)	Annual Report and Sustainability Report only
	Total electricity consumption (MWh)	
	Total natural gas consumption (MWh)	
Water	Water for landlord services (m ³)	
Waste	Total Waste Quantity including shop-fit (metric tonnes)	
	Recycled waste (metric tonnes)	
Targets	Scope 1 and 2 and selected (landlord obtained) Scope 3: 60% reduction by 31 December 2025	
	Scope 3 operational, tenant controlled (tenant / supplier obtained) 50% reduction by 31 December 2025	

Our work was carried out by a multi-disciplinary team of sustainability assurance specialists in accordance with the International Standard on Assurance Engagements 3000 ('ISAE 3000' (Revised)). To achieve limited assurance ISAE 3000 (Revised) requires that we review the processes, systems and competencies used to compile data on the areas for which we provide assurance. This is designed to give a similar level of assurance to that obtained in the review of interim financial information. It does not include the detailed testing of source data or the operating effectiveness of processes or internal controls.

Our engagement provides limited assurance as defined in ISAE 3000 (Revised). 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 and 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.

Our assurance opinion

Based on the scope of our work and the assurance procedures we performed we conclude that nothing has come to our attention that causes us to believe that the subject matter information is not prepared, in all material respects, in accordance with the applicable criteria.

Use of Report

This report is made solely to the Directors of Hammerson plc in accordance with our agreed terms of engagement. Our work has been undertaken so that we might state to the Directors of Hammerson plc those matters we have agreed to state to them in this report and for no other purpose. Without assuming or accepting any responsibility or liability in respect of this report to any party other than Hammerson plc and the Directors of Hammerson plc, we acknowledge that the Directors of Hammerson plc may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Hammerson plc and the Directors of Hammerson plc as a body, for our work, for this report, or for the conclusions we have formed.

Deloitte.

Our key assurance procedures

To form our conclusions, we undertook the following procedures:

- Interviewed management and those with operational responsibility for performance in the areas of environment management;
- Reviewed and evaluated the criteria for measurement and reporting for each of the subject matters as set out in the Basis of Reporting;
- Understood, analysed and tested on a sample basis the key structures, systems, processes, procedures and controls relating to the collation, validation and reporting of the environmental data as set out above; and
- Reviewed the content of the Report against the findings of our work and made recommendations for improvement where necessary.

Considering the risk of material error, a multi-disciplinary team of sustainability assurance specialists planned and performed our work to obtain all the information and explanations we considered necessary to provide sufficient evidence to support our assurance conclusion. Our work was planned to mirror Hammerson's own compilation processes, tracing how data for each indicator within our assurance scope was collected, collated and validated and included in the Annual Report and Sustainability Report.

The evaluation criteria used for our assurance are Hammerson's definitions and basis of reporting as described at <http://sustainability.hammerson.com/monitor-and-evolve/gri-disclosures.html>

Our independence and competencies in providing assurance to Hammerson

We complied with Deloitte's independence policies, which address and, in certain cases, exceed the requirements of the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants in their role as independent auditors and in particular preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality and from any involvement in the preparation of the reports. The firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have confirmed to Hammerson that we have maintained our independence and objectivity throughout the year and in particular that there were no events or prohibited services provided which could impair our independence and objectivity.

Our team consisted of professionals with a combination of environmental, sustainability and stakeholder engagement experience, including many years' experience in providing greenhouse gas assurance.

Responsibilities of Directors and independent assurance provider

Hammerson's responsibilities

- The Directors are responsible for the preparation of the Annual Report, Sustainability Report and for the information and statements contained within it. They are responsible for determining the goals, performance and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Deloitte's responsibilities

- Our responsibility is to express independently a conclusion on the Annual Report and Sustainability Report as defined within the scope of work above to Hammerson plc in accordance with our letter of engagement. Our work has been undertaken so that we might state to Hammerson those matters we are required to state to them in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Hammerson for our work, for this statement, or for the conclusions we have formed.

Deloitte LLP

Deloitte LLP

London

21 March 2022



Glossary

Additionality

The concept of any emissions reductions created by the business being in addition to reductions that would have happened anyway through, for example, a statutory obligation on an energy company to produce clean energy.

Anaerobic digestion

The process by which organic matter is broken down to produce biogas and biofertiliser, in the absence of oxygen in a sealed, oxygen-free tank called an anaerobic digester.

DEFRA carbon factors

Carbon factors published annually by the UK Government to standardise the calculation and reporting of green house gas emissions generated in the UK.

GHG emissions

Greenhouse Gas emissions
Emissions of those gases that contribute to the greenhouse effect.

IEA carbon factors

Carbon factors published annually by the International Energy Agency to standardise the calculation and reporting of green house gas emissions across the globe.

Insetting

Compensating for emissions or impacts flowing directly from business operations by enabling emissions or impacts to be reduced from activities within the corporate value chain.

Location Based carbon factors

Carbon factors that reflect the mix of renewable and non-renewable power being supplied to the national energy grid.

Market Based carbon factors

Carbon factors that reflect the source of the energy being purchased from the energy grid. Renewable energy supported by a Renewable Energy Guarantee of Origin will have a low or zero factor, energy that is not renewable will have a 'brown' energy or residual factor applied that does not reflect the impact of renewable power being supplied to the grid.

Net Positive

Having a net beneficial impact on the environment or society by reducing negative impacts to less than zero.

Net Zero Carbon

Achieving an overall balance between emissions produced and emissions taken out of the atmosphere.

Offsetting

Compensating for emissions or impacts flowing directly from business operations by enabling emissions or impacts to be reduced from activities beyond the corporate value chain.

Operational control

basis of reporting

Reporting of 100% of emissions for all assets over which have management control.

Physical risk

Business risk posed by the physical affects of climate change, for example high temperatures, flooding, storm damage and fires.

Proportionally consolidated portfolio

Reporting against this portfolio measures sustainability performance and key impacts in proportion to The Group's percentage of ownership in an asset or joint venture.

REGO-backed

A renewable energy contract that has a Renewable Energy Guarantee of Origin to certify that the supply is from a renewable source.

Regulated energy

Energy used to light, heat or cool a building.

Scope 1 emissions

Direct emissions from reporting company-owned or controlled sources.

Scope 2 emissions

Indirect emissions from the generation of purchased energy.

Scope 3 emissions

Indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Task Force for Climate Related Financial Disclosures (TCFD)

Voluntary climate-related financial disclosures developed by the Financial Stability Board.

Transitional risk

Business risk posed by regulatory and policy changes implemented to tackle climate change.

Unregulated energy

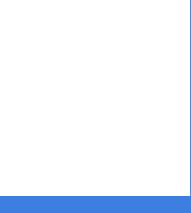
Energy used for all activities other than lighting, heating or cooling a building.

UN SDGs

United Nations Sustainable Development Goals. 17 goals designed to support the delivery of a sustainable world by ending poverty and other deprivations through strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

Zero regulated carbon

Carbon emissions from the lighting, heating and cooling of a building have been reduced to zero.



Hammerson

If you have any questions about our sustainability strategy or the information contained within this document please contact the Hammerson Sustainability Team at:

sustainability@hammerson.com