Hammerson

Sustainability Report 2019

OUR JOURNEY TO NET POSITIVE

Positive Places

Contents

COVER IMAGE:
Pulse, part of the Festival of Light at event at Westquay, Southampton.

Chief Executive Statement

As we reach the end of a decade and look forward into the 2020s one cannot fail to acknowledge the fundamental shift in social attitudes and business thinking on climate change we have witnessed in the last ten years.

"We are focused on delivery of our target to be Net Positive for our Scope 1 and 2 carbon emissions, landlord water demand and operational resource use."

What was a relatively niche, although growing, concern for our sector in 2010 has ended the decade being acknowledged as one of the most fundamental social, political and economic challenges facing society. I am immensely proud that Hammerson has for so long been a pioneering industry leader in sustainability and look forward to the business delivering on our ground breaking targets, not just over the next 12 months, but into the forthcoming decades.

CONTINUING TO PUSH BOUNDARIES

Looking back at my statement in our 2010 Corporate Responsibility report, sustainability was already embedded within the business and we were making progress in reducing carbon emissions. We had started building the robust sustainability strategy that has evolved into Positive Places and the *Net Positive*† targets that we have today. The sustainability timeline on pages 34-35 provides an interesting insight into this journey, showing our early response and how far we have come.

Carbon emissions from our like-for-like portfolio fell

12%

in 2019

2019 has been another year during which this long-term vision has supported and informed our wider business strategy and decision-making, maintaining our position at the forefront of the sector.

Carbon emissions, resource use, water and socio-economic impacts remain the key social and environmental impacts of our business operations. The benefit of focusing on these key areas can be seen in the excellent progress we continue to make against our short and medium-term targets.

We are ahead of our 2019 energy and water targets and have achieved our socio-economic objectives for the year.

Absolute carbon emissions from our like-for-like portfolio have fallen by a further 12% in 2019. In spite of a turbulent economic backdrop, the carbon intensity of the business remained stable at 122 tonnes/£m adjusted profit before tax. The carbon intensity of the group portfolio has improved by a further 10%. We have installed an additional 340MWH of solar PV on our assets, bringing our capacity to 1.9MWp against our target of 2MWp by the end of 2020.

It is not all plain sailing; we have not yet reached our recycling targets across the whole portfolio and our French assets remain behind in this area. Waste markets have been significantly affected by changes in international policy and in demand for recyclable materials. However, ten of our UK and Ireland assets have exceeded their targets by some margin, with four achieving over 90% recycling rates. Progress is being made in improving performance in France by working closely with our waste management partners.

4 of our UK assets recycled over **90%** of their waste in 2019

BECOMING NET POSITIVE AS A BUSINESS

In 2017 we publicly set out our target to be *Net Positive* for our *Scope 1, 2 and 3* carbon emissions, water demand, resource use and socio-economic impacts, by 2030. These targets are truly industry-leading. They not only align with the national and regional *net zero carbon* targets in the UK, France and Ireland, but also exceed the response needed to align with the Paris Climate Agreement.

Our *Net Positive* targets will continue to guide our Positive Places sustainability strategy in the coming decade and shape our response to climate risk, with a focus on our most material climate-related issues, in line with the *Task Force on Climate-related Financial Disclosures (TCFD)* recommendations.

In the short term, we are focused on delivery of the first of our *Net Positive* targets, to be *Net Positive* for our *Scope 1 and 2* carbon emissions, landlord water demand and operational resource used at the end of 2020. This report details our progress and plans for meeting these ambitious targets - which will be a truly remarkable achievement.

Becoming *Net Positive* for landlord water demand is proving extremely challenging, as anticipated. Water is an undervalued resource so, nationally, water infrastructure has suffered from relative under-investment. It also has no alternative or substitute. However, through the modernisation of our metering and our work with Thames Water we have significantly reduced potable water demand for landlord services and expect to be *Net Positive* for water for at least one asset by the end of 2020 (see pages 62-67).

Our medium-term targets take us to 2025 when the scope of our targets expands to include the impacts of our developments.

We are therefore starting to focus more on embodied carbon and materials. The high impact of concrete, for example, is a growing area of interest for us and one we are already working on with our contractors through the specification of recycled content in concrete and through exploring opportunities for increased use of timber.

Our 2030 *Net Positive* targets includes *Scope 3* emissions from the tenanted spaces within our managed assets. This is the most challenging aspect of our strategy and in this report we provide examples of the work we are already doing with tenants through fit out design standards and other projects. Our report, Reshaping Retail, sets out some of the ideas that were developed through a workshop with retailers this year.

FOR MORE

Our 2020/2021 targets are shown on page 84. Our medium and long term targets are shown on page 15.

†See page 135 for a full glossary of terms, identified *in italics* throughout.

Continues on next page >

City Quarters at Martineau Galleries, Birmingham

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DELIVERING ON OUR LONGER-TERM STRATEGY

Looking to the longer term, our City Quarters strategy is designed to respond to the changing economic and social outlook, by utilising our existing assets differently. Residents, businesses and visitors will expect their neighbourhoods to make a positive social and environmental contribution whilst being resilient to climate change.

Building on our *Net Positive* strategy, our vision for City Quarters is responding to these expectations, ensuring we deliver new buildings that will stand the test of time. This requires a strategic approach to designing sustainability into our development and refurbishment plans from the beginning.

Having BREEAM Excellent as our target for all developments since 2014 has enabled our teams to develop the necessary experience and knowledge to respond to the more testing challenges we now face.

We delivered our first BREEAM Outstanding scheme in 2017 and our first development at Dundrum in Ireland has been designed to achieve BREEAM Excellent and the Irish Net Zero Energy Building standard. We have now set Passivhaus as the target for our City Quarters residential buildings. Designing buildings to be both highly efficient to run and healthy to occupy is essential to their long-term viability in an increasingly resource constrained environment (see pages 116 - 117 for more on performance against design standards).

Close collaboration across our teams is vital to achieving our ambitions. To ensure alignment across the business, we have linked senior management bonuses to progress against a 2020 carbon emissions reduction target. This builds on existing sustainability objectives currently included in personal performance reviews of all Hammerson colleagues and underlines the publicly stated sustainability ambitions of the business.

NAVIGATING A CHANGING ECONOMIC AND POLITICAL CONTEXT WHILST MAINTAINING OUR FOCUS ON SUSTAINABILITY

The continuing uncertainty of the economic outlook provides a challenging business environment which we expect to continue. Fundamental shifts in the retail sector add to these challenges. Our sustainability strategy supports our brands in this difficult environment by reducing energy and water demand and therefore costs, optimising waste management and establishing good links to the local community.

In 2019 our energy efficiencies delivered £900k in savings across the portfolio and our employment and training partnerships provided over 90 previously unemployed, trained staff from the local community for our retailers.

£900k

savings through energy efficiencies in 2019

As an established business function for Hammerson, sustainability is expected to produce clear business benefits. These benefits inform robust decision-making and ensure that our focus on sustainability is maintained during challenging economic times.

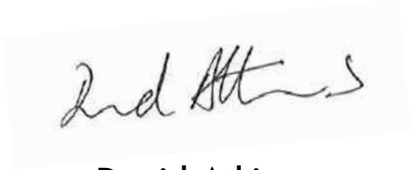
Our targets reflect this approach and include investments in technology that drives further efficiencies. Our work with Grid Edge on an Artificial Intelligence platform that informs our daily building energy strategy is an excellent example of this (see page 51 for more details).

We will be continuing to invest in technology across the assets to drive further efficiencies, explore further clean power opportunities and increase our renewable energy capacity. We will maintain our focus on optimised operational management and deliver the highest standards on our new buildings and major refurbishments.

This is our strategy for delivering against stakeholder expectations. From local community groups to our investors, this strategy requires us to go beyond simply reducing our negative environmental impacts to making them positive ones.

FOR MORE

See pages 14 - 15 for performance against targets. Full data available in Our Data section, starting on page 76.



David Atkins
Chief Executive

About Hammerson

We own, operate, curate and develop winning European destinations. Bringing together the very best retail, leisure and entertainment brands, we seek to deliver value for all our stakeholders, creating a positive and sustainable impact for generations to come.

OUR 2019 PORTFOLIO INCLUDES INVESTMENTS IN:

21 Flagship destinations

20 Premium outlets

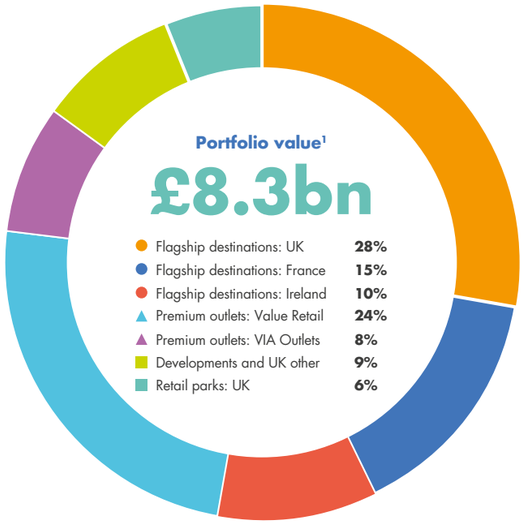
9 Retail parks

14 Countries

410m Shopper visits per year

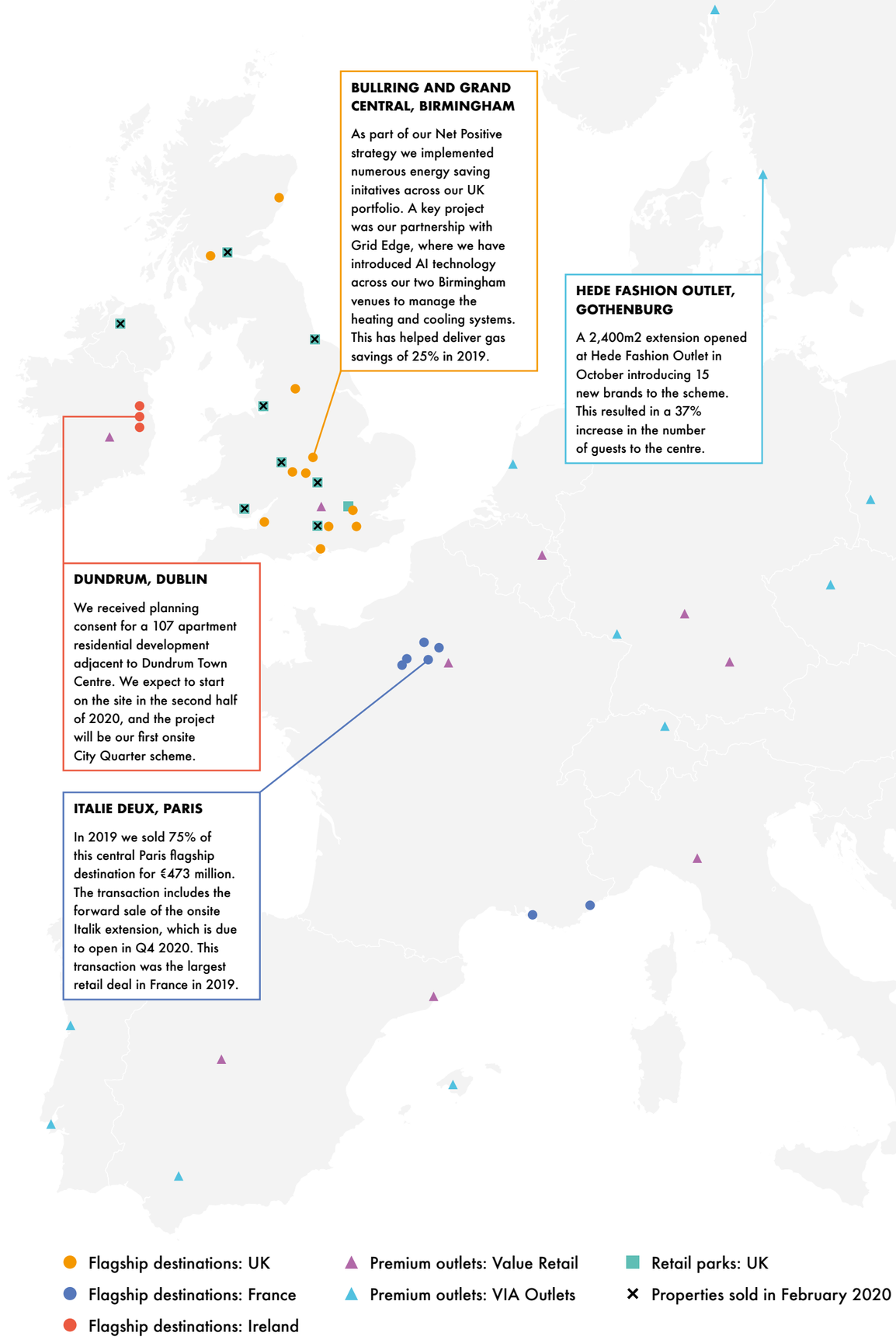
2.2m m² Lettable area

4,700 Tenants



FOR MORE

A full list of properties is included in our sustainability reporting is included in Our Data section.



Shaping Our Strategy

We create vibrant, continually evolving spaces, in and around thriving cities, where people and brands want to be. We seek to deliver value for all our stakeholders and to create a positive and sustainable impact for generations to come.

WHAT WE HAVE

High-quality property in the right places

We own and operate high-quality, flagship destinations and premium outlets. Our City Quarters concept will enable us to leverage our existing land bank around these flagship assets.

A dynamic and diverse team

We go to great lengths to attract, develop and retain the best people. By the end of 2019 Hammerson directly employed 553 people across the UK, France and Ireland.

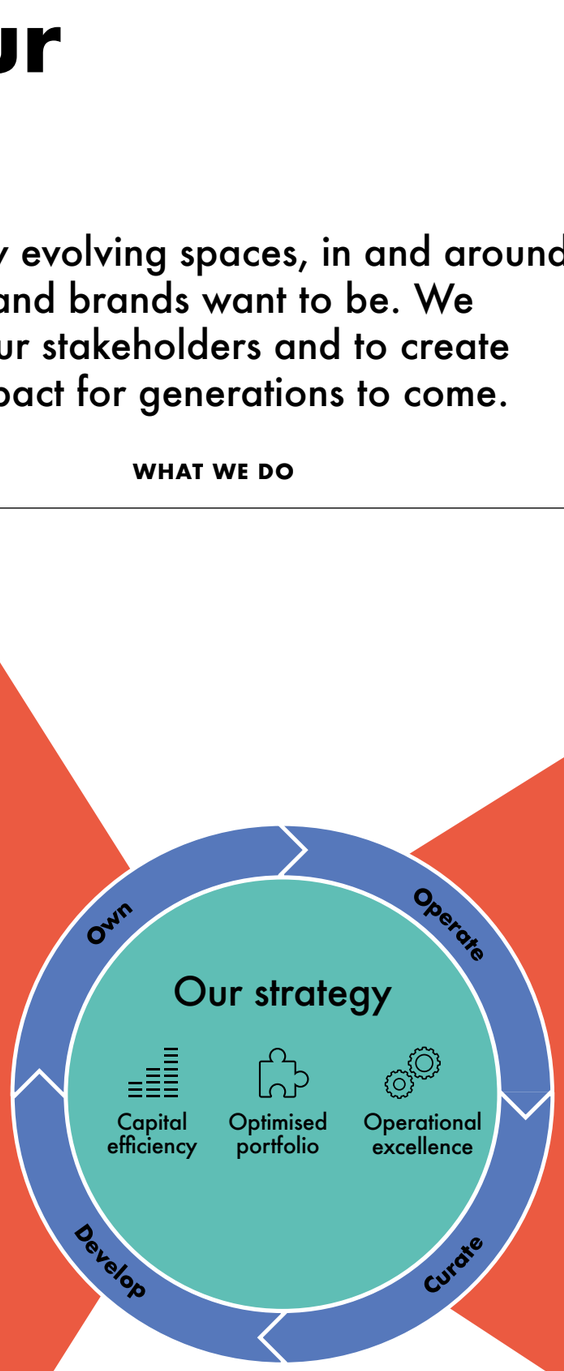
Insight led

We use property and consumer trends to shape our strategy and inform our decisions around capital allocation, project priorities and resource deployment. Our dedicated Insight team monitors the latest consumer habits and retail trends to better understand and respond to markets.

Effective capital management

Effective capital management ensures balance sheet resilience. We monitor against internal guidelines to maintain the Group's robust financial position. Our preferred source of debt is Group-level, unsecured funding and we have a platform of successful JV partners.

WHAT WE DO



THE HAMMERSON BLUEPRINT

Positive place-makers

– destinations that deliver positive impacts economically, socially and environmentally

– Net Positive by 2030 for carbon, water, resource use and socio-economic impacts

Destination makers

– experience led – places to enjoy, shop, live and work

– revitalise, refresh and rethink our venues to remain relevant

– group strategic expertise, delivered with skill by local teams for our customers and communities

Relationship makers

– collaborating with brands, partners and third party experts locally and globally to deliver the best possible venues, profitably

WHO WE DELIVER FOR

Shareholders

We have a broad range of institutional investors and private shareholders. We actively engage with them throughout the year and undertake regular communication to ensure they understand the performance of the business.

Brands

Our business strategy and future success is aligned with that of all of the brands which fill our destinations – retailers, F&B and leisure tenants, as well as direct to consumer brands.

Consumers

We create vibrant destinations that meet the need of the wide range of consumers that engage with them. In an omnichannel environment, we provide more than just a place to shop.

Partners

We work with a wide range of partners over the long term, including joint venture partners, suppliers and capital partners, making our business stronger and delivering a competitive edge.

Communities

Our assets rely on a strong, positive connection with thriving local communities. This is where we draw our customers from, and over 80% of the employees in our flagship destinations.

Our people

Talented, motivated colleagues are vital to the success of the business. We have built a winning team to support our delivery of flagship destinations.

Looking Ahead

Hammerson

A view from Louise Ellison, our Group Head of Sustainability.

Moving into a new decade gives us an opportunity to pause and reflect, but also to look at where we are going next, ideally with some optimism. Our 2019 results speak for themselves and are set out in detail across this report. I am enormously proud of our sustainability achievements so far as a business, and the passion my colleagues have to deliver on our market leading *Net Positive* targets. It is also encouraging to learn that our *Net Positive* strategy has become an important part of Hammerson's offer as an employer of choice. However, it is increasingly clear that businesses need to do more and to move faster.

CHANGING EXPECTATIONS

2019 has seen a tangible shift in thinking on climate change from some of our key stakeholder groups, particularly investors and consumers. The *TCFD*'s call for greater clarity on reporting climate change risks has focused significant attention on the authenticity of business' response. The expectation that this is led from the Boardroom is already driving change. This will reveal new areas of risk, and with that drive more informed decision-making to tackle what is clearly a threat to investor returns. The increasing number of businesses setting *net zero carbon* strategies in 2019 suggests *TCFD* is prompting a response in Boardrooms so I am hopeful we will see a scaling up and acceleration of progress from our sector.

MORE OPEN DEBATE ON HOW ORGANISATIONS ACHIEVE NEUTRAL OR NET POSITIVE POSITIONS

At Hammerson we are working to achieve the first phase of our *Net Positive* targets by the end of 2020. We have reduced our *Net Positive* carbon footprint by 60% since 2015 and are targeting a further 25% reduction in 2020, bringing our carbon emissions down by an unprecedented level in the course of 5 years. This will not, however, make our position *Net Positive*. We have always been clear that achieving this will require some form of *offsetting*.

The concept of *offsetting* is developing rapidly and requires an open and honest debate. While it should always be the final option once carbon emission reductions from within the business and the business value chain have been exhausted, *offsetting* has an important role to play.

It is critical to be transparent about what offsets are being used and confident that they are creating a genuine reduction. They can never be a reason to avoid or delay taking action to reduce direct business impacts.

We have worked with Deloitte this year to review our approach to *offsetting* so that all our stakeholders can be confident that our approach is robust and reflects these rules.

We, along with 23 other businesses, signed the Better Buildings Partnership (BBP) Climate Change agreement in 2019, committing to publishing our trajectories to achieving *net zero carbon* emissions, including *Scope 3* and embodied emissions in 2020. For this to be achieved in a meaningful way and in the timeframe climate change requires, will require some form of *offsetting*. It is therefore critical that a coherent, thorough approach to this is developed for the sector.

As the Chair of the Better Buildings Partnership I am very proud of the phenomenal work the organisation does and I am looking forward to working with the BBP members to develop *net zero carbon* transition pathways and other projects in the coming year.

We have set out on page 27 our assets' performance against the BBP's Real Estate Environment Benchmark. This is the only comprehensive performance-in-use benchmark in the industry and its annual publication is an important step forward in the availability of data for the market.

BROADENING OUR FOCUS AND NEW TARGETS FOR OUR DEVELOPMENTS

Hammerson's post 2020 *Net Positive* targets bring our development activities into scope, focusing our attention on our own embodied carbon emissions and resource use. Reducing these major environmental impacts whilst developing buildings that are fit for purpose and have an extended life expectancy requires new thinking around design and materials specifications. We have already started work in this area by, for example, specifying recycled concrete and setting embodied carbon and resource use targets for design teams. However, significantly more will need to be done over the coming years to address the environmental impacts of the materials used to create new buildings, particularly concrete. Significant change will also require a clearer value being placed on the materials within existing buildings and the reflection of that value within redevelopment decisions. This will be essential to the more widespread adoption of principles of circularity and a move away from the concept of 'waste'.

The beginning of our phase 2 *Net Positive* targets will coincide with the expansion of our City Quarters programme which will determine how we redevelop our city centre land holdings. This presents climate change challenges and opportunities.

New developments must be designed both to withstand the unavoidable impacts of climate change and avoid contributing any further to it. This has prompted us to set a target of achieving Passivhaus standard for residential schemes to support our *Net Positive* targets. By minimising energy demand through good design and delivering remaining power needs through renewable sources, we will be able to deliver buildings that achieve net zero operational carbon emissions, contributing to cleaner air, lower running costs and a better quality environment for visitors, workers and residents.

ENSURING OUR ASSETS ARE WELCOMING TO EVERYONE

Our City Quarters strategy provides an opportunity to build further on our relationship with our local communities. We have a very strong track record in outstanding community engagement work which supports very positive relationships with local stakeholder groups. The focus for our retail assets has been on ensuring the environment we provide is inclusive and welcoming for everyone (see pages 30-31). We have taken this up a level this year with the introduction of Changing Places at all but one of our UK assets. We are also conscious of the increasing polarisation of wealth and opportunity we see in city centres, manifesting itself in homelessness, both seen and unseen, poor educational and health outcomes and many other social impacts. Our *Net Positive* socio-economic target seeks to address exactly these challenges, targeting locally relevant, problems in a way that brings about change for local people.

OUR PEOPLE ARE KEY

The sustainability outcomes we achieve as a business are outstanding and a product of the engagement and hard work of my colleagues. Their participation is not limited to the workplace either. Through our employee engagement platform, Butterfly Bank, we encourage colleagues to develop more environmentally responsible habits and encourage them to volunteer.

Over the last 12 months, colleagues have voluntarily taken 80,000 sustainable actions and contributed 3,232 hours of volunteering, a clear indication of the passion they have for sustainability.

I have no doubt that with this level of support from across the business we will continue to achieve great sustainability outcomes and we have exciting plans for 2020. However, the next decade is going to require significantly more action, quickly and across a much broader group of businesses if we are to make the progress necessary to avert the worst effects of climate change. Not achieving this has damaging long term consequences everyone.

I hope you find the information within this report interesting and useful but I hope also it prompts you to ask yourself, your colleagues, the retailers you buy from and the service providers you use – what are you doing to make the change we all need, happen?

Louise Ellison

Group Head of Sustainability

What Sustainability Means to Us

MATERIAL ISSUES

Focusing on what really matters

The materiality review we conducted in 2018 identified a clear list of areas we need to focus on to achieve the most sustainable outcomes for our business. Our top six material issues are:

1. Governance and reporting
2. Energy security and pricing
3. Climate change
4. Community engagement
5. Waste / Resource use
6. Sustainable product

FOR MORE

See sustainability.hammerson.com for more details of our materiality review.

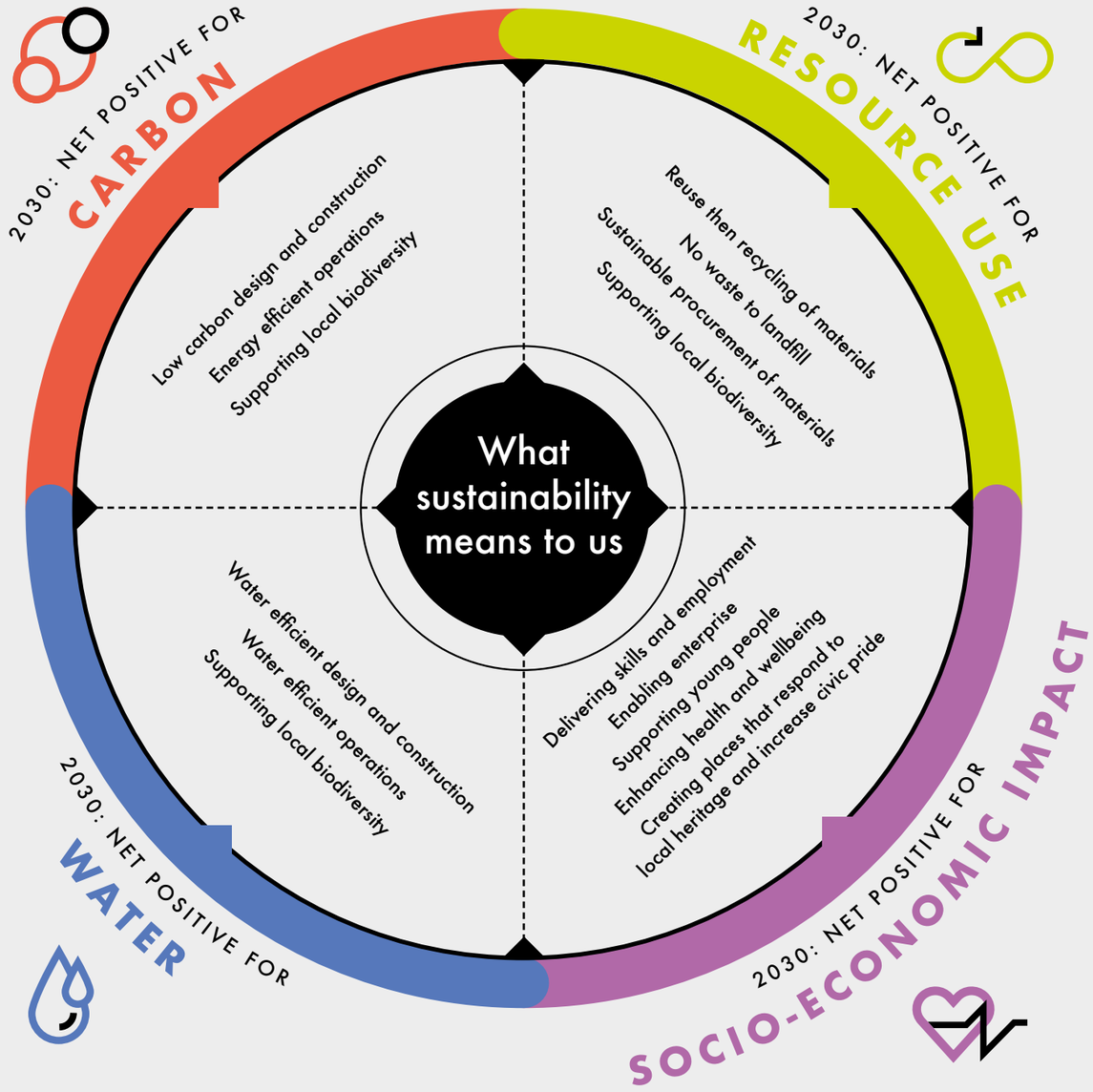
These material issues drive our sustainability strategy. Each of these is addressed directly in a variety of ways through our Positive Places strategy and *Net Positive* targets as set out in the graphic opposite.

SDGs

The development of our City Quarters strategy means we will now be directly supporting the delivery of 8 of the *UN SDGs*.

City Quarters is key to our business strategy as we move to developing a wider mix of uses across the portfolio by utilising our land holdings around our existing assets. Sustainability is a key pillar within the City Quarters vision and is vital to creating an effective response to the needs and expectations of our residents, businesses, visitors, wider community and related stakeholders.

What Sustainability Means to Us
Creating Positive Places



Performance Against Our Targets

SIX OF OUR EIGHT 2019 TARGETS ACHIEVED OR EXCEEDED

As the figures set out in the report show, we have performed well against our 2019 sustainability targets.

We are also progressing well against our *Net Positive* carbon and resource targets. We expect the *Net Positive* water target to be more challenging but have made great strides in 2019 and early 2020.

We exceeded our 11% energy reduction target for the like-for-like portfolio, which in turn has driven a 12% reduction in carbon emissions.

For the business as a whole we have delivered a 12% reduction in carbon emissions in 2019, bringing our carbon intensity figure down to 122 tonnes CO2e/£M adjust profit before tax.

Whilst we are working within a very challenging economic context we have continued to de-couple business productivity from carbon emissions. The carbon intensity of the business on a £m adjusted profit before tax basis has fallen by 21% since 2015.

Worked with two regional water companies to deliver water audits, leak fixes and installation of water saving devices across two centres. Plans to extend work to three more centres in 2020.

TABLE 1.1

2019 TARGET	STATUS	OUTTURN
20% year on year reduction in potable water demand for the Net Positive portfolio	45% ACHIEVED	-9%
15% year on year reduction in operational carbon emissions from the EPRA like-for-like managed portfolio	80% ACHIEVED	-12%
17% reduction in Carbon emissions from energy for the Net Positive portfolio	ACHIEVED	-18%
Achieve 85% waste recyling for the EPRA like-for-like portfolio	80% ACHIEVED	70%
11% year on year reduction in energy demand across the like-for-like managed retail portfolio	ACHIEVED	-12%
5% year on year reduction in water intensity across the EPRA like-for-like managed portfolio	ACHIEVED	7%
Achieve 100% diversion of operational waste from landfill for the EPRA like-for-like portfolio	99.5% ACHIEVED	99.5%
Continuing our programme of portfolio-wide, locally focused community engagement initiatives	ACHIEVED	

We have not progressed this target as much as we would have liked in 2019. It is a difficult area due to the regulation and insurance issues around reuse of shop fit and handling waste. The Globechain trial has been successful at Bullring, and we have had planning sessions with further reuse partners as we look to implement similar reuse schemes in 2020.

Seven programmes have been delivered in 2019 focused specifically on tackling local issues identified through our socio-economic demographic dashboards. (see pages 72 - 73 for more details).

PROGRESS TOWARDS OUR MEDIUM AND LONG TERM TARGETS

Our *Net Positive* targets run in phases. We are currently in phase one and we have made good progress towards our targets as shown below. In 2021 we will move into phase two, bringing development impacts into the scope of these targets. Our short term 2020/2021 targets are shown on page 84.

Progress in reducing carbon emissions has been significant. Reaching Net Positive remains a major challenge but the business is very focused on achieving it.

TABLE 1.2

	2020 NET POSITIVE PHASE ONE TARGET	2019 PROGRESS			
		TOTAL	REDUCTION	INSETTING*	OFFSETTING*
	Net Positive for *Scope 1 and 2* CO2e emissions for the directly managed portfolio and corporate operations	11,671 tonnes	4,516 tonnes	1,535 tonnes	150 tonnes
	Net Positive for potable Water demand for landlord services across the directly managed portfolio and corporate operations	237,000 m^3	26,000 m^3	14,364 m^3	2,066 m^3
	Net Positive for Resource use for operations across the directly managed operational portfolio and corporate operations	3,415 tonnes	2,841 tonnes	607 tonnes	1.7 tonnes

*For information on *insetting* and *offsetting* see pages 40-41

Materials specification for construction has a significant influence on resource use globally. By increasing demand for more recycled content or fully recycled materials we can drive change through the supply chain.

Our water demand is falling but significant progress has been made by identifying opportunities to support other businesses to reduce their water demand.

2025 TARGETS

Net Positive for *Scope 1 and 2* CO2e emissions for the directly managed portfolio, corporate operations & development

Net Positive for potable water demand for landlord services across the directly managed portfolio,corporate operations & development

Net Positive for operational resource use across the directly managed portfolio corporate operations & development

2030 TARGETS

Net Positive for *Scope 1, 2 and 3* CO2e emissions for the directly managed portfolio, corporate operations, development impacts

Net Positive for potable water demand for landlord and tenant services across the directly managed portfolio, corporate operations & development impacts

Net Positive for operational resource use across the directly managed portfolio, corporate operations & development

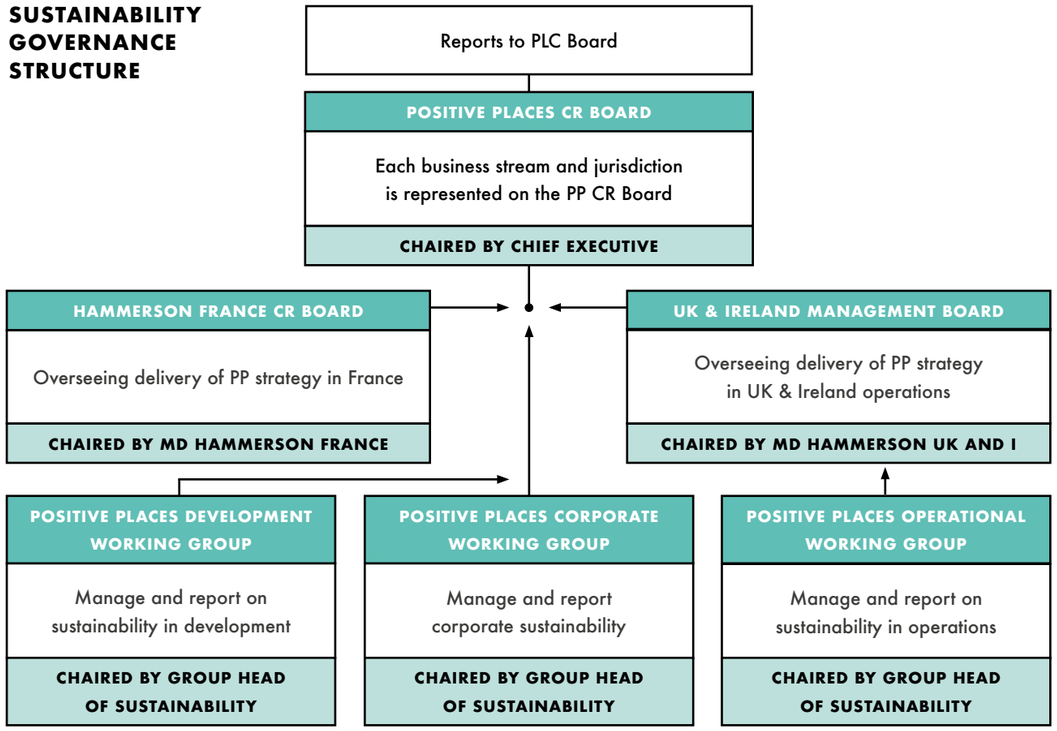
Strong Governance Promotes Proactive Risk Management

The governance processes we have in place support the systematic monitoring and delivery of our sustainability strategy and targets.

Our Positive Places Corporate Responsibility Board (CR Board), chaired by our Chief Executive is responsible for overseeing the delivery of our Group-wide sustainability performance and reports to the Plc Board. The CR Board meets three times a year to review and set strategic priorities and targets and to identify and manage sustainability risks, including climate change and legislative compliance.

Our Chief Executive has Board-level responsibility for sustainability and the Group Head of Sustainability reports to the Plc Board at least annually on progress against the Positive Places strategy. Working groups for Operations, Corporate activities, Development and the French portfolio each report to the Positive Places CR Board. Below we outline our sustainability governance structure.

SUSTAINABILITY GOVERNANCE STRUCTURE

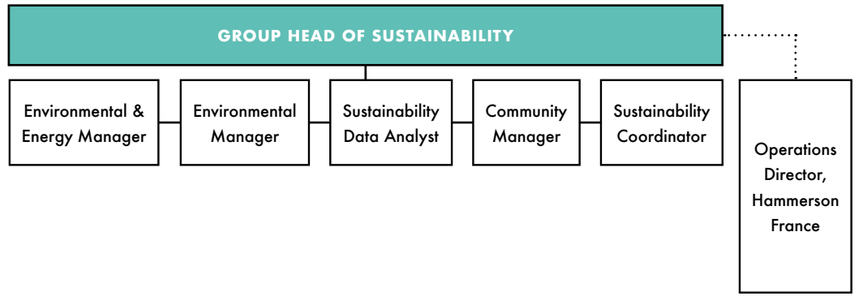


ASSET LEVEL DELIVERY DRIVEN BY EXPERTISE

Our corporate Sustainability Team drives the programme across the Group but delivery at asset level is the responsibility of each Asset Manager and operational team. Each of these roles has asset-specific sustainability objectives. The General Manager at each asset has responsibility for ensuring delivery of asset specific operational sustainability targets and is supported by an Environmental and Community Coordinator reporting to the Operations Manager in post at each of the flagship UK assets and at Dundrum in Ireland.

Our corporate level Sustainability Team, led by our Group Head of Sustainability, is responsible for strategy development and oversight, reporting and target setting and provides subject matter expertise to the operational, asset and development teams.

CORPORATE SUSTAINABILITY STRUCTURE



OPS TEAM SUSTAINABILITY STRUCTURE

MANAGING RISKS

Key sustainability risks, including climate-related risks are monitored by the Corporate Risk Group and managed by the Positive Places Corporate Working Group. Oversight is provided by the Positive Places CR Board, chaired by the Chief Executive who has Board responsibility for sustainability and climate risk.

The Positive Places Corporate Working Group has been overseeing our response to the reporting recommendations of the *Task Force for Climate Related Financial Disclosures (TCFD)*; this has included a further review of the relationship between our sustainability and corporate risk frameworks, updating of the corporate risk framework to ensure climate change-appropriate time frames are reflected, the implementation of training for relevant corporate teams and the development of our annual reporting to ensure compliance with the *TCFD* reporting requirements.

FOR MORE

Our key Sustainability Risks are mapped out on page 18.

Our response to Climate-related risks is detailed on pages 19 - 23.

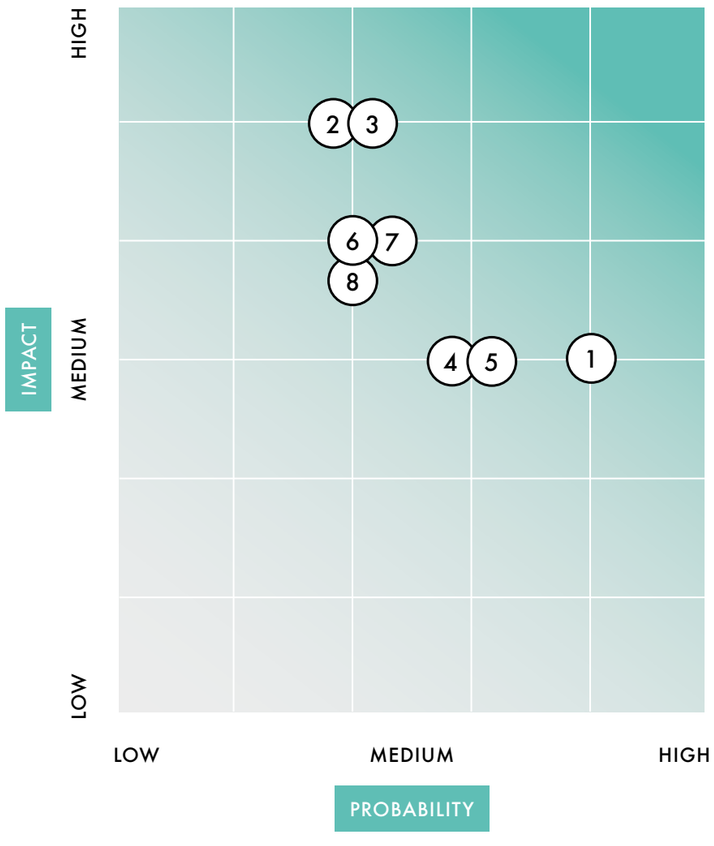
Responding to Our Key Sustainability Risks

RESPONDING TO OUR KEY SUSTAINABILITY RISKS

We have always adopted the principle of a precautionary approach to climate and other sustainability related risks and continue to do so.

The heat map below shows the sustainability risks we consider to be most significant for the business, based on the probability of the identified risk occurring and the severity of the impact if it occurs.

Our analysis shows that our key sustainability risks are contained within the medium risk area of the map and we consider each of the risk areas as being effectively managed.



1. Failure to meet published sustainability objectives or comply with published sustainability principles
2. Failure to address sustainability within our development programme and achieve corporate standards
3. Non-compliance with UK, Irish, French and EU Environmental regulation and legislation
4. Non-compliance with good governance standards within the business and within the supply chain
5. Rising energy costs including regulatory/fiscal charges
6. **Impact of climate change on our portfolios**
7. Lack of engagement of JV partners on sustainability matters
8. Poor performance in investor-focused industry benchmarks

MANAGING CLIMATE RISKS

Climate change presents a risk for all businesses and particularly those with infrastructure assets such as ours. The pioneering work of the The *Task Force on Climate-related Financial Disclosures (TCFD)* has articulated the direct link between climate risk and financial risk, signalling to financial institutions the importance of identifying and understanding their exposure to liabilities related to climate change.

A direct consequence of this is an increasing requirement from investors that businesses have a process in place for understanding their exposure to climate risk and a clear strategy to manage that risk.

The *TCFD* reporting requirements set out a framework against which businesses can report their response. This is currently voluntary but is widely anticipated to become mandatory in the UK and other jurisdictions within the next three years.

Below we outline our process for managing climate risks.

Identify

Key sustainability risks are identified by the Positive Places Corporate Working Group and the Group HoS and are reported to the Corporate Risk Group and the Positive Places CR Board which has oversight of the Sustainability Risk framework (see pages 118 - 119).

Respond

A response is developed by the Sustainability team working with the relevant business teams. This is reported to the Positive Places CR Board, who reports to the PLC board at least annually.

Manage

The response to climate-related risks is monitored by the Positive Places Operations and Development Working Groups, with each business stream leader responsible for identified projects.

Projects are agreed at asset level, through our business planning process, and delivery is monitored by the UK&I Management Board and CR Board France and progress reported to the Positive Places CR Board.

Communicate

Our exposure to and mitigation of climate-related risks are communicated to the Group Executive Committee and Plc Board through regular updates by the Group Head of Sustainability.

"Our physical climate risk review identified low levels of weather related risk at some of our assets. The findings of the review were shared with our Asset Management and Operational teams. Projects have been included within our five year business planning process to mitigate the risks identified. These include solar film to reduce the potential for over-heating where we have extensive glazing, and ensuring any scheduled air conditioning system replacements are able to respond to the identified potential for higher summer peak temperatures."

David Atkins, Chief Executive

FOR MORE

An overview of how we are responding to the TCFD framework is provided on pages 20 - 23.

Responding to the TCFD

Here we set out our response to the Task Force for Climate-related Financial Disclosures (TCFD) framework in brief, providing references to further detail within this Report and within our Annual Report and Accounts.

GOVERNANCE

Describe the board's oversight of climate-related risks and opportunities

Board level responsibility for climate-related risk sits with the Chief Executive who Chairs the Positive Places CR Board. The Group Head of Sustainability reports at least annually to the Plc Board on progress against strategy including progress against climate-related targets and our exposure and response to climate risk. Climate risks are monitored by our Positive Places Corporate Sustainability Group and are included within our corporate Risk Management Framework. This is overseen by our Risks and Controls committee which reports through our Group Executive Committee to the Plc Board. This process led the Board to approve the implementation of our *Net Positive* targets in 2017, in response to their Board's awareness of the potential for transition risks including carbon-pricing and our exposure to rising energy prices.

Describe management's role in assessing and managing climate-related risks and opportunities

The Group Head of Sustainability is responsible for identifying and assessing climate-related risks and opportunities and reporting these directly to the Chief Executive and business stream leads through the Positive Places CR Board. Each business stream lead is responsible for delivering any relevant climate risk strategy agreed with the Group HoS and Chief Executive.

This includes our energy and carbon reduction strategies and environmental targets for our development programmes. Physical climate risks are assessed on an asset by asset basis and mitigation and adaptation measures developed with the design teams. These are assessed by the Development Manager with support from the Environmental Manager. Progress against specific targets is reported through the CR Development Working Group. Progress is monitored and performance against goals and targets reported to the Group Executive Committee and to the Plc Board by the Group Head of Sustainability.

FOR MORE
on Governance see pages 16 - 19.

STRATEGY

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

We identify short-term *physical climate risks* as those occuring within the next five years, medium-term as five - ten years and long-term risks as over ten years. The risks identified are consistent across our three key geographies and for our asset types.

Key short and medium term physical climate risks include those flowing from increased frequency of extreme weather events including heat, cold and storm, leading to:

- increased power demand and costs
- pressure on existing mechanical equipment
- lower footfall
- potential mall downtime
- increased cost of construction materials

Short-term and medium-term transitional risks include:

- rising non-commodity power costs
- carbon pricing
- regional regulatory risks such as the implementation of clean air zones and zero carbon planning requirements

In the long term these risks extend to:

- pressure on/failure of key business-customer sectors
- changing visitor travel patterns
- further transitional policy risks including behaviour change and restrictions on power demand
- construction material supply in impacts

Describe the impact of climate related risk and opportunities on the organisation's businesses, strategy, and financial planning

The business has been addressing climate related risks for some years. Our business strategy has focused on our material sustainability and climate risk issues which are set out on page 18. Energy, water and carbon efficiency opportunities are identified within the business planning process, costed and analysed alongside all other business planning items. Projects are prioritised on a financial return basis and a carbon/energy or water return basis. Projects that deliver energy and cost reductions to our tenants can be forward funded by the business or JV with payback through service charge. This has to be approved by retailer representatives and requires a relatively short i.e 3-5 year payback to be justified. Those approved for funding are then implemented and monitored through the year through the standard business governance process. Current projects include:

- reducing our exposure to carbon pricing and pressures on grid electricity by investing in energy demand reduction measures
- onsite renewable energy generation. See examples on pages 47-49
- research and development support for Grid Edge AI project to optimise building thermal energy performance and allow potential for grid balancing. See case study on page 51
- continued investment in energy efficiency technologies to reduce energy demand – see case study on page 48
- ensuring our current and future development schemes deliver positive sustainability outcomes in line with our *Net Positive* carbon, resource use and water targets. See page 15
- reviewing our energy procurement strategy to identify the potential business opportunities and risks within a longer-term renewable procurement strategy

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Our strategy has a high level of resilience to the physical impacts of future climate change, including a two degree and lower scenario, relative to our sector. In 2020 we will be embarking on climate scenario work to further assess our resilience to the *transitional risks* associated with a two degrees or lower scenario and using these to inform our medium and long term business strategy.

RISK MANAGEMENT

Describe the organisation's processes for identifying and assessing climate related risks

Physical climate risk reviews have been commissioned by the Corporate Sustainability Team and carried out for the UK, France and Ireland portfolios. Using the latest climate change forecasting models, UK CP09 for UK and Ireland and CERFACS in France, exposure to flood, heat and drought were examined under a medium GHG emissions scenario, projected out to 2030 and 2050. The reviews analysed the portfolios' exposure in particular to flooding and overheating as these are the most relevant for our portfolio. This allows us to understand individual asset exposure to potential capital cost improvements and future increases in energy costs to alleviate over-heating in mall areas.

These reviews focus on physical risk out to 2030 and 2050. They enable the business to assess some transitional risk, for example exposure to medium-term energy and carbon pricing, regional zero carbon policies and short-term energy price volatility. The next phase of our climate risk analysis will be to initiate climate scenario work to enable us to extend our business climate risk analysis further into our business value chain within the context of our broader business strategy.

Describe the organisation's processes for managing climate-related risks

Our climate risk strategy is proactive with an intention to ensure early understanding of climate risk for existing and new assets - both acquired and developed. The type and severity of climate risk we are exposed to differs across the short, medium and long term and we reflect this in our approach. Our approach to managing each of these risks is a product of its proximity to our value chain, time-horizon, our investment-horizon for the related asset, the potential cost of mitigation and the benefits that would accrue.

Key risks are therefore those that directly affect our assets , particularly in the short term, and have a material business impact. For example energy price rises – both commodity and non-commodity cost related. These risks are identified through a series of processes: our materiality review, our environmental monitoring of the portfolio and the market, our business planning process and our capital expenditure approvals system. Projects which are timely, relate to our key risks and are cost effective are quickly identified. Projects requiring a longer-term perspective are also easily identified and reviewed in relation to the relevant investment horizon for the particular asset or for the wider business strategy.

SHORT-TERM: ZERO TO FIVE YEARS

Key short-term risks identified include:

- increased power demand from extreme weather leading to higher running costs
- pressure on existing mechanical equipment as a result of extreme weather events
- reduced footfall and potential mall down-time from extreme weather events
- exposure to rising energy prices and carbon pricing.

To address these risks we have incorporated the findings of the completed climate risk review into annual asset business plans, have made significant reduction in our reliance on grid energy supplies over the last 10 years and have installed onsite clean power generation facilities. We work closely with our design teams to ensure our development projects are designed for future climates, both through adapting for resilience to extreme weather events and mitigating further climate change by pursuing low and zero-carbon technologies.

MEDIUM-TERM: FIVE TO TEN YEARS

Key medium-term climate risks include, in addition to those above:

- exposure to carbon and energy pricing transition risk and increased physical risk

In response we are reviewing our energy procurement strategy to further reduce our exposure to potential carbon pricing, energy price fluctuations and grid supply. We are also reflecting potential asset cap ex requirements for upgrades to equipment and fabric to improve resilience to weather events. Where we look to acquire new assets our due diligence for acquisitions includes climate risk assessment.

Our medium-term business strategy includes our City Quarters development projects. Sustainability and particularly resilience to climate change and climate risk is an integral element of the City Quarters strategy. Our climate risk review is used to inform discussions with our design teams to ensure designs incorporate appropriate levels of adaptation and maximise the opportunity for climate change mitigation. We have set related targets for future schemes, for example Passivhaus standard and embodied carbon targets.

LONG-TERM: OVER TEN YEARS

Our longer-term business strategy includes the gradual transition of the portfolio to a more diversified sector split through the development of our city centre land holdings. Identified climate risks associated with this longer term strategy include:

- changes to our business-customer sectors
- transport modal and technology shift, for example the switch to EV and mobility as a service
- restricted power supply networks
- demographic shift and changing service requirements as a result of climate related migration
- pressure on food networks and delivery systems

We are addressing this by ensuring sustainability is a fundamental element of our City Quarters strategy. This presents opportunities to utilise our existing sites to support innovation in other sectors, for example provide facilities for electrically powered last mile delivery. The redevelopment of our landholdings also presents opportunities to improve climate mitigation through the delivery of new public realm.

FOR MORE see our website www.sustainability.hammerson.com

RISK MANAGEMENT (Continued)

Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management

The outputs of the climate risk reviews are reviewed by the Positive Places CR Board, the Positive Places Operations Working Group and Positive Places Corporate Working Group. Identifiable risks are incorporated into the sustainability risk framework and key risks are included within the corporate Risk Management Framework owned by the corporate risk and controls committee which is overseen by the Plc Board.

METRICS AND TARGETS

Disclose the metrics used by the organisation to assess climate-related risks and opportunities, in line with it's strategy and risk management process

We use a range of metrics to assess our exposure to our identified short-term climate related risks and opportunities. These include:

- power demand in kWh - this is monitored monthly and reported per asset, both absolute and as an intensity metric
- *scope 1* and *2* carbon emissions in tonnes C02e are monitored and reported internally monthly and externally annually, both absolute and intensity

These two indicators enable us to identify those assets with the most material risks within the portfolio. We set targets against the following areas to manage these risks:

- annual gas and electricity targets are set at asset level and are reported against each month
- for our development assets, performance against our Sustainability Implementation Plan is monitored, including performance against key carbon and resource use targets. This is reviewed quarterly to ensure projects are on track and that learning is shared across projects
- footfall
- mall temperatures
- targets are set for our development projects that reflect our *Net Positive* environmental targets including tonnes of embodied carbon per square metre, m^3 of water and % of waste diverted from landfill
- equipment that may need upgrading or earlier replacement is identified by our on-site specialist teams and planned for within the 5 year business planning cycle
- drainage systems are reviewed at assets vulnerable to flooding to identify potential improvements

In 2020 a specific proportion of personal bonus for colleagues from Chief Executive through to Senior Management will be linked to the achievement of a stated carbon reduction target.

Disclose *Scope 1, Scope 2,* and, if appropriate, *Scope 3 greenhouse gas (GHG) emissions,* and the related risks

Full disclosure of our *Scope 1, 2 and 3* GHG emissions and related risks is contained within the section three of this report.

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

We have set targets to be *Net Positive* for *Scope 1, 2 and 3* Carbon emissions, water demand, resource use and socio-economic impacts by 2030 (see page 15). This means we are planning to avoid the release of more CO2e into the atmosphere through our business activities than we emit, on an absolute basis. We expect, through the achievements of these targets, the business will reduce its exposure to key identified risk areas including carbon pricing, restricted energy supply, water stress and limitations on resource use. We also expect to benefit from business opportunities in the generation of renewable energy, the development of *zero carbon/Net Positive* developments and successful positive engagement with current and future local commnunities.

Financial Benefits of Sustainability

Our Positive Places strategy delivers good financial outcomes for the business and this has continued in 2019.

Our focus on energy efficiency has generated over £900k in energy cost savings over the last 12 months. This is supporting our investment in energy saving technologies from LED lighting to Artificial Intelligence which in turn informs our on-site energy strategies. Our investment in metering is contributing to these returns by giving on-site teams much quicker information on consumption, driving faster response times and tighter controls. This is also supporting an improvement in water costs. The majority of these savings flow to our tenants but this is valuable for our business too in the context of pressure on total occupancy costs.

Environmental Costs and Savings

TABLE 1.3

	UNIT	2019
ENERGY		
Cost of energy (CRF1 - Energy expenditure from managed portfolio)	£'000s	£11,350
Estimated energy savings (CRF3 - Estimated energy savings)	£'000s	£916
Energy Efficiency Investment	£'000s	£2,343
Estimated energy savings since 2015 GRI 302-4	MWh	24,000
CARBON		
CRC	£'000s	£184
Climate Change Levy	£'000s	£325
WATER		
Cost of water for landlord services (CRF10 - Operational cost of water)	£'000s	£2,230
Investment in water managament improvements	£'000s	£191
Estimated water cost savings (increases) (CRF14 - Estimated water savings)	£'000s	£50
WASTE		
Operational costs from waste management (CRF7 - Operational costs from waste management)	£'000s	4.0
Savings from avoided landfill tax	£'000s	2.7
Income from sale of waste for recycling (CRF16 - Income from sale of waste)	£'000s	166

Our focus on good management continues to bring energy costs down.

Our investment in energy and water efficiency measures continued through 2019 and, in spite of the difficult economic backdrop, is continuing through 2020. The financial benefits these projects generate make them worthwhile for the business financially.

The market for recyclable materials has been volatile this year with demand for plastics increasing but demand for paper and card falling substantially. This has led to volatility in pricing and income from sale of waste has inevitably fallen. However, the net benefit of avoiding sending waste to landfill remains significant.

Stakeholder Engagement is Key to Our Approach

Our Positive Places sustainability framework reflects our five key stakeholder groups:

CUSTOMERS / BRANDS **INVESTORS** **SUPPLIERS** **COMMUNITIES** **EMPLOYEES**

These stakeholder groups represent our value chain which is where we can most directly affect change and create positive impacts for our business and communities.

Since the Positive Places framework was launched in 2013 we have worked to ensure each of our sustainability initiatives is relevant to at least one of these five stakeholder groups.

As we now begin to turn our attention to balancing projects to achieve our *Net Positive* targets, working with these stakeholders is even more important.

INVESTORS

Talking to our investors

Our strong sustainability track record and strategy is an important element of our corporate proposition for investors. Many of our major shareholders have a similarly developed approach to sustainability issues. We have been struck in 2019, however, by the significant increase in mainstream investor interest in awareness of sustainability or Environmental, Social and Governance (ESG) within the mainstream investor community. This has often been driven by awareness of risks that climate change presents to global real asset portfolios and the rising expectations of transparency and reporting of climate issues, not least through *TCFD*.

This drive for transparency has had a number of consequences, one of which is a demand for data. We recognize the challenge the mainstream investor community can face in interpreting sustainability performance across multiple businesses and sectors.

We therefore participate in a range of investor benchmarks (see Table 1.4 on page 26) and provide comprehensive responses to specific investor questionnaires. However, it is not possible to reduce a company's sustainability profile to a single number and for that number to be particularly helpful or meaningful.

We therefore ensure that, to support industry benchmarking data, we provide comprehensive sustainability reporting, publish data on our website and social media channels and reach out to our shareholders for one-to-one discussions at least annually and in response to ad-hoc requests for engagement.

In response to their feedback we are increasing the profile of sustainability information with our mainstream investor presentations and in the annual report and accounts.

In 2019, shareholder's demand for these meetings increased and we met with nine shareholders representing 17% of the current register. We expect this trend to continue through 2020.

Stakeholder engagement is key to our approach (continued)

INVESTORS

Making our leadership position clear

Hammerson reports against a wide range of benchmarks and indices each year. We continued to perform well against these benchmarks in 2019.

Governance and reporting was identified as a key materiality issue by our investor stakeholders in 2018 and is key to ensuring we meet our Net Positive target.

We are pleased to report that our score for Governance has increased across GRESB, DJSI and FTSE 4 Good.1

Sustainability Assessments

TABLE 1.4

	2018	2019	CHANGE
Carbon Disclosure Project	B	B	Maintained
GRESB	Green Star 4, 75	Green Star 4, 83	UP
FTSE 4 Good	Percentile 91, ESG Rating: 3.9/5	Percentile 79, ESG Rating: 3.4/5	DOWN
Dow Jones Sustainability Index (DJSI)	66	71	UP
EPRA sBPR	Gold Award	Gold Award	Maintained
MSCI	AA	AA	Maintained
liss-OEKOM	C+	C+	Maintained
Sustainalytics	N/A	ESG Risk rating: 11.9 Low	N/A

GRESB is the leading real estate sector benchmark, and Hammerson have scored four Green Stars since 2016. In 2019 we increased our score by eight points year-on-year.

Our DJSI score increased by five points this year, with particularly strong performance in areas of customer relationships and supply chain management. This is one of the most comprehensive ratings platforms so we are pleased that our score has improved.

In both DJSI and GRESB, our high stakeholder engagement scores reflect our continued efforts to place stakeholder engagement at the heart of our work.

We are ranked 31/896 within Sustainalytics Real Estate universe. Our ESG risk is assessed as bordering on negligible (10 or less).

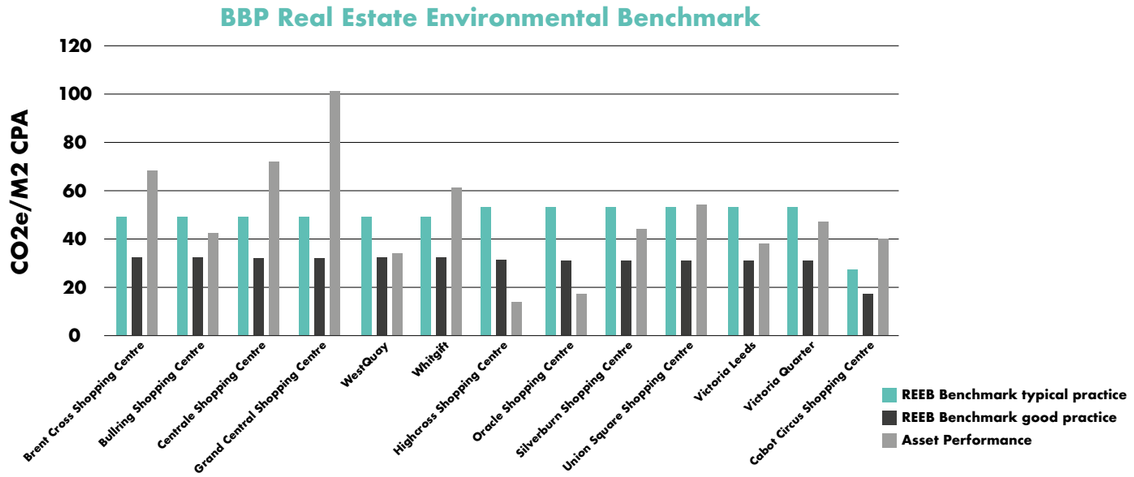
INVESTORS / WIDER INDUSTRY

Sharing industry specific performance

We, like other Better Buildings Partnership (BBP) members, submit data on our managed real estate assets annually into the Real Estate Environmental Benchmark (REEB).

This is the only publicly available benchmark that tracks operational energy performance of real assets year-on-year.

The scale of the data provides valuable insight into the energy performance in use of commercial properties in the UK.



We are very pleased that Highcross in Leicester and Oracle in Reading rank 1 and 3 respectively of the 37 assets in their peer group. n is the best performing asset in its peer group within the benchmark.

Table 1.5 shows the electricity intensity of assets within the portfolio. All but one are on a downward trajectory as energy efficiency continues to improve.

Electricity demand for Landlord Services

TABLE 1.5

LL elec kWh/m2 CPA	2018	2019	% CHANGE
Brent Cross Shopping Centre	175	167	-5%
Bullring Shopping Centre	143	118	-18%
Cabot Circus Shopping Centre	133	127	-5%
Centrale Shopping Centre	246	226	-8%
Grand Central Shopping Centre	234	227	-3%
Highcross Shopping Centre	48	46	-3%
Oracle Shopping Centre	60	60	-1%
Silverburn Shopping Centre	122	105	-14%
Union Square Shopping Centre	111	100	-10%
Victoria Leeds	209	218	4%
WestQuay	121	93	-23%
Whigift	225	217	-4%
Espace St Quentin Shopping Centre	253	251	-1%
Italie Deux Shopping Centre	415	396	-5%
Les 3 Fontaines Shopping Centre	189	187	-1%
Nicetoile Shopping Centre	277	261	-6%
O'Parinor Shopping Centre	226	207	-9%
Terrasses du Port Shopping Centre	206	185	-10%
Dundrum Town Centre Shopping Centre	127	112	-12%

Hammerson

RETAILERS

Creating retail destinations with purpose

Engagement with our retailers is critical to the delivery of our *Net Positive* targets and to the effective day to day management of environmental issues on site. We engage with our retailers at least annually and on an ongoing basis through the active managment of our sites. Key issues we work together on are fit out standards, operational issues at site level and the inclusion of sustainability clauses in leases.

In January 2019 we held a workshop with our major retail and food and beverage operators to discuss how we could collaborate more effectively on both delivering more sustainable stores and reaping the business opportunities of doing so. We identified four key focus areas and a series of short and medium-term actions that we can take in partnership.

Opportunities identified:

- greater collaboration on projects and initiatives
- a commitment to data sharing
- a focus on circularity
- embedding sustainability within the leasing process

We will be taking forward these opportunities in 2020 and have already started on specific projects at centres, including our water efficiency project at The Oracle. See more on page 67. We can provide more details on the outputs of this workshop: please contact us at sustainability@hammerson.com if you would like a copy of the full report.

PARTNERS

Driving change through our own investments

Our current indirect real estate investments include our holdings in two premium outlets businesses; Value Retail and VIA.

VIA owns and manages 12 assets across continental Europe. We have worked closely with the VIA management team since the fund was launched to establish its sustainability strategy.

Our work with the VIA team has led to a number of significant achievements including:

- 4% year on year reduction in *Scope 1 and 2* carbon emissions
- initiation of cross-portfolio utility metering plan
- sustainability investment plans incorporated into every asset business plan
- Villa Do Condo Fashion Outlet in Porto achieved the highest BREEAM in Use rating in Portugal this year

SUPPLIERS

Driving sustainability in our value chain with our supplier survey

We rely extensive on our supply chain for services ranging from the design and construction of new assets through to the provision of Christmas decorations. We take a very active aproach to engaging with suppliers and have a range of policies and processes in place to support and monitor these key business partners.

Achieving our Net Positive targets requires working closely with our suppliers to realise specialist opportunities. We continue to work with our key asset and property management suppliers and with our development design teams to ensure they are able to support us on our Net Positive journey.

In order to ensure that we are working with businesses and service providers that align with our strategic commitments and to reduce exposure to risks in our supply chain, we use a Supplier Survey to assess prospective suppliers' sustainability.

We expect suppliers to achieve a score of at least 70%, this indicates a robust approach to sustainability and corporate responsibility risk.

We work with potential suppliers to improve their performance if they do not initially achieve this score.

Our engagement with suppliers on their sustainability performance is dependent upon the service they are providing to the business. Tier one suppliers and particularly those supplying operational and asset management services and design team services are engaged with regularly through the year on sustainability issues.

Our Supply Chain

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.

58%

of suppliers undertaking our supply chain survey **SCORED 70% OR MORE**

Stakeholder engagement is key to our approach (continued)

COMMUNITIES

Maintaining positive, strong relationships with our local communities is key to the long-term success of our assets. We have delivered an extensive local community engagement programme for many years and this has continued successully during 2019. We engage regularly with local communities and commonly identify new local community groups that we can support. Key community engagement projects are identified here and in the socio-economic section on pages 69 - 74.

Focusing on vulnerable people

In March 2019 Hammerson ran a workshop with a range of local stakeholders to explore the increase in homelessness and related impacts in Birmingham city centre.

Issues covered included current challenges – acute and chronic illness, existing service provision, and effective ways that the private sector could provide support.

Our long-term plan is to work with the city and other businesses, including key landowners, to develop a vision for supporting under-served groups in the community.

We have started to map existing provision of support services across the city and identify stakeholders to bring together. In the medium-term we aim to support/deliver the following:

- support and collaborate with existing projects and providers
- identifying infrastructure needs, for example, parks and green spaces and barriers to their delivery, pressing for these to be resolved
- coordination of both capital investment obligations and community investment from businesses across Birmingham to address city-wide issues together
- developing consistent, clear communications across platforms and stakeholders on what is needed and how existing groups can engage

The Bullring and Grand Central team Opportunities Fair

BULLRING, BIRMINGHAM

Following the stakeholder workshop, the Bullring and Grand Central team organised an Opportunities Fair for clients of local homelessness charities. The event was attended by Local Authority groups, centre retailers, contractors, and other property companies offering a range of opportunities including employment, apprenticeships, work experience and guidance.

After the event, prospective employers highlighted that many of the attendees had signed up for further information on job opportunities, and two clients were offered employment, starting new jobs before Christmas. In 2020 the centre team will organise more Opportunity Fair events, bringing in additional local stakeholders.

COMMUNITIES

Working with partners to improve accessibility

In 2019 our focus has been on ensuring our assets are inclusive. As part of this we achieved Disability Confident Level one - Committed. Disability Confident is a UK government led scheme designed to encourage employers to recruit and retain disabled people and those with health conditions.

We have also pledged to support people with a disability, including offering work experience placements at all our UK shopping centres in collaboration with the Department for Work & Pensions.

We have created accessible work and training opportunities. With the support of the Croydon Partnership and Croydon Council's Gateway Employment Service, a vacant retail unit was transformed into a high-quality boutique. The All About Me pop-up boutique in Croydon supported 12 people with disabilities and learning difficulties through a retail training programme, enabling them to gain a Level One City & Guilds Retail Qualification.

Enabling visitors with disabilities – both seen and unseen – to have a great customer experience when visiting us is particularly important. We have therefore ensured best-in-class facilities are available at our assets and communicate this to our customers both online and via contact with local stakeholders:

- a link is available on all the UK shopping centres websites to the AccessAble website providing information on, for example, toilet facilities, door access, lifts etc
- similarly in France, our assets are features on the Jacede.com app which provides disabled visitors with information regarding accessible facilities within the area
- we have installed Changing Places facilities across nine of our UK shopping centre assets already and a tenth is planned in 2020. These facilities feature additional equipment to enable safety, comfort and dignity whilst maximising independence for the user
- for the second year, all our UK centres participated in Purple Tuesday. Aimed at making organisations more aware of the challenges disabled customers face, Purple Tuesday inspires businesses to make practical changes to improve the customer experience

A range of activities and events increased disability awareness. At Victoria Leeds Opera North entertained visitors with two taster performances of La Bohème. The performances were tailored to people with dementia and their carers, providing a live performance in a supportive and comfortable environment. Guide Dogs UK volunteers and guide dogs visited a number of centres to raise awareness and offer advice to customers and retailers. Visitors, retailers and our centre management teams participated in navigating an obstacle course with a guide dog, whilst wearing a blindfold, to get an insight into the environment someone with a visual impairment experiences when visiting the centre.

Stakeholder engagement is key to our approach (continued)

EMPLOYEES

We help our employees to volunteer

Engagement with our colleagues on sustainability issues happens on a day to day basis. Every Hammerson employee gets at least two days paid volunteering time per year, one of which is dedicated to our company-wide Community Day. We utilise an online platform, Butterfly Bank to enable employees to find, sign up to, and manage their volunteering.

Beyond our Community Day we offer volunteering opportunities throughout the year. In 2019 we worked closely with The Outbound Trust, our Employee Charity Partner for 2018-2020 to send six intrepid colleagues to spend five days with two groups of young people in the great outdoors.

Over the course of the week, spent in the Lake District and Scottish Highlands, the groups undertook a wide range of physical activities from kayaking and gorge walking to wild camping and problem solving. The Outward Bound Ambassador Programme provides disadvantaged young people with unforgettable experiences, challenging how they think and feel about themselves and giving them the confidence to navigate the challenges of adolescence and early adulthood.

Community day 2019:

21
charities were supported by our volunteers

280
team members volunteered for the day

2,240
hours were volunteered

We recognise sustainable behaviours at work and at home

In addition to organising our employee volunteering, Butterfly Bank also encourages colleagues to participate in more sustainable behaviours at work and home. New sustainable actions that reflect our strategic themes are regularly added and we then calculate and communicate the environmental benefits of actions taken, making the water, carbon and resource savings that employees achieve visible.

By inspiring more sustainable behaviours, we can deliver environmental savings that contribute as a form of offset to reducing residual footprint left after efficiency reductions. We are working with platform creators Coriander Cows, to develop a way of assuring the savings delivered by these employee actions. Every quarter we recognise the top performers on the platform with small sustainable prizes.

Activity in 2019:

Almost
80,000
actions taken and recorded online

3,934M³
litres of water saved

WIDER INDUSTRY

Collaborating with our peers - The BBP Climate Commitment

One of the defining themes of 2019 was the business community's response to climate change. Growing calls for consistent, ambitious climate change policies and the growing market for green finance and ESG investing were accompanied by recognition of climate risk by the global economy.

We were delighted to host a CEO's dinner for the Better Buildings Partnership back in March, focused specifically on what senior leaders could do to accelerate the pace of change. Hammerson feed into a number of industry bodies at national and local level. A sample of the roles held is provided in this table.

The BBP Climate Commitment was a direct outcome of that event and in September 2019 joined with 22 other BBP members in signing it.

Key elements of this commitment include:

- by the end of 2020, publishing our transition pathway to achieving *net zero carbon* for operational and embodied carbon emissions, including *Scope 3* tenant emissions
- annual reports of progress against that pathway
- by the end of 2022 publishing a climate resilience strategy for our real estate portfolios

In addition to the BBP climate commitment we also support the following externally developed economic, environmental and social charters:

- UK Government Prompt Payment Code
- RICS professional
- statement and guidance Service Charges in Commercial Property
- procurement of facility management
- RICS professional statement

In table 1.6 we identify other organisations and industry bodies we are actively involved with.

"BBP is just one of the many local and national industry organisations we work with to support the response to climate change."

Louise Ellison, Group HOS

Industry engagement

TABLE 1.6

REVO	Sustainability and Community Engagement Committee Planning Committee Asset Management Committee REVO Scotland (Chair)
EPRA	Sustainability Committee (Chair)
Brisith Property Federation	Sustainability Member Committee (Chair) Planning Committee
London Benchmarking Group	
IBEC Retail Ireland	Council member
Better Buildings Partnership	Founder member and Chair
Green Construction Board	Board Member Buildings Mission Task Group
Irish Green Building Council	Gold Level Member
Investment Property Forum	Sustainability Interest Group
Business Improvement Districts (BID)	Board Director BID Leicester; Director and Vice Chair of Aberdeen BID; Committee member Leeds BID and Reading BID; Board Director Southampton BID; Chair of business engagement committee Croydon BID; Management Group Bristol BID
City Centre Strategic Management	Barnet Partnership Board:Chair of Strategic Management Board and Chair of Executive Board Leicester; Member Reading Management Group
Chambers of Commerce	Member of Influence and Strategy Group East Midlands; Leeds Chamber Member; Hampshire Chamber member
City specific initiatives	Board Director of Destination Bristol; Enterprise Advisor, Leicester & Leicestershire Enterprise Partnership (LLEP); Chair Brent Cross Resident's Association: Deputy Chair of City Centre Experiences Southampton; Board Member Dundrum college
Civic Trusts	Civic Trust Member Leeds
Charitable Positions	Retail Trust Scottish Ambassador (influencer and promoter of the charity); Chair of Silverburn Forum Community Group

2 NET POSITIVE

The Journey to Net Positive

Hammerson's sustainability journey started back in 2006 when we set our first sustainability targets.

Our work since has gone from strength to strength and that early foresight has reaped benefits for all of our stakeholders. This is never truer than today when we are proud to be able to publish market leading targets and performance against them.

2006

Hammerson sets environmental performance targets

2008

Climate Change Act enshrined in UK legislation requiring reduction in *greenhouse gas emissions* and preparation for climate change risks

First Carbon budget is set. Better Buildings Partnership launched

Energy Performance Certificates launched in the UK

2009

Global Real Estate Sustainability Benchmark launched

2011

EPRA Sustainability Best Practice Reported Standards launched

2012

All Hammerson environmental and community data moved to a single data management platform

2013

Positive Places launched with a focus on the five key stakeholder groups

Hammerson publishes True Value of Shopping Centres

Hammerson launches supply chain survey

2014

Costa Eco Pod opens – result of partnership between Hammerson and Costa. Hammerson sells remaining office portfolio to focus on retail assets.

Terrasses du Port opens in Marseille achieving BREEAM Excellent and bringing significant employment and investment to the city

2015

Hammerson sets Net Positive target baselines

Victoria Leeds opens

Westquay South opens in Southampton

Stores in England obliged to charge for plastic bags

2016

Paris Climate Accord signed by 197 countries committing to achieving less than two degrees of global warming

UN Sustainable Development Goals launched

Phase 1 of Hammerson's Net Positive commitment begins and includes

- Carbon
- Resource Use
- Water
- Socio-economic impact

2017

Elliott's Field Rugby Phase Two opens as the world's first BREEAM Outstanding retail park, carbon neutral for *regulated energy* and setting new fit out standards for retailers

Hammerson purchases three new assets in Ireland and opens office in Dublin

BBC airs Blue Planet II

2018

Minimum Energy Efficiency standards come into force Hammerson commissions first portfolio-wide climate risk study

UK's joint hottest summer on record

Summer temperature peaks at 45.1°C in Paris

Reshaping Retail Report with Bioregional published. Hammerson signs BBP Climate Commitment along with 22 other major prop cos and asset managers

UK Government sets Net Zero Carbon target commiting to reduce carbon emissions by 100% against 1990 baseline by 2050

1.94MW PV installed across Hammerson assets

2019

2020

Phase One ends, Hammerson aiming to be *Net Positive* for all landlord controlled carbon emissions, water and resource use PV array completed on Terrasses du Port

Phase Two Net Positive targets to launch bringing development impacts into scope

2021

2026

Phase Three *Net Positive* targets to launch bringing tenant water and energy use into scope

PHASE ONE

PHASE TWO

PHASE THREE

Hammerson Target to become Net Positive by 2030

2030

Hammerson

Explaining the Net Positive Approach

Becoming Net Positive for our three key environmental impacts by the end of 2030 means reducing our carbon emissions, water demand and resource use to less than zero.

This is the most significant contribution we can make as a business to the battle against climate change. Launched three years ago as a 15 year commitment, it is extremely challenging but the earlier reductions in environmental impacts are made and the deeper they are, the better. Particularly for carbon emissions.

In order to become *Net Positive* we first had to measure our carbon, water, resource and socio-economic footprints.

Then we have to act to reduce our impacts and must track our progress year-on-year.

We started in 2016 using our 2015 data to form a baseline socio - economic and environmental footprint.

In this report we explore each of our four *Net Positive* areas and how the footprints have changed since 2015.

Key Features of our Net Positive commitment:

Early

Launching three years ago means we have already made significant progress towards achieving our first target and have cut emissions early.

+

Ambitious

Our targets include *Scope 1,2 and 3* so include the environmental impacts of the tenanted areas of our assets and go beyond net zero. They also go well beyond what would be required to align with the Paris Accord.

+

Transparent

We published material on our approach, definitions and environmental footprint at the launch of the targets. Progress has been published each year since launch in our sustainability report.

2016 - 2020 Phase One

2021 - 2025 Phase Two

2026 - 2030 Phase Three

The first phase of our Net Positive commitment concludes at the end of 2020. From 1 January 2021, we aim to be operating with negative Scope 1 and 2 absolute carbon emissions, water demand and resource use across our operationally managed portfolio. This means we will be preventing the release of more carbon emissions than are emitted by our direct operations.

WHAT

By the end of Phase One

- 30,500 tonnes of CO_2 to be reduced and offset
- 335,593 cubic metres of water to be reduced and offset
- 21,400 tonnes of resources to be reduced and offset
- Locally specific socio-economic programmes to be rolled out at each asset

HOW

We plan to achieve Net Positive through:

A constant focus on good management + Investment in efficiency initiatives and technologies + Working with our stakeholders to reduce impacts outside our direct control but within our value chain - *insetting* + *Offsetting* any remaining emissions to bring us to less than zero

Balancing Projects

Our approach to becoming Net Positive focuses on reduction through good management, investment in efficiencies, technology and onsite renewables first and foremost. This lies at the heart of our management approach for all our environmental impacts.

Once we have achieved the best outcomes we can using this approach, there will be residual impacts that we need to balance with projects of at least equivalent environmental value, to bring us to a *Net Positive* outcome. These are known as *balancing projects.*

We prioritise balancing projects that reduce impacts within our value chain – a process known as *insetting.* Insetting examples include supporting our retailers to reduce their energy and water demand and sending food waste from our sites to *anaerobic digestion* for conversion into green gas.

Our final step is reducing impacts through balancing projects outside our value chain - *offsets.* Example offset projects include water reduction activities in community organisations and diverting textiles from landfill by collecting and donating centre visitors' second hand clothes to charity.

We have worked with external consultants JLL Upstream and Futureground to develop a clear set of rules for balancing projects, ensuring that they are additional and that data is robust. These rules and our application of them in calculating performance against our *Net Positive* targets have been independently reviewed by Deloitte.

OUR PRINCIPLES

Balancing Projects must always...

1. **Have a clearly defined boundary** in relation to scale, scope, impact and location
2. **Be transparent** in how their baseline and savings are calculated
3. **Have additionality, defined** as being larger in scale, impact and/or scope and/or take place more quickly as a result of Hammerson's involvement
4. **Not have any significant negative one-off or recurrent secondary impacts** upstream or downstream. These include environmental, social and business impacts
5. **Be subject to a robust governance process**, aligned to core business planning and management
6. **Be monitored and quantified** on a timely basis through efficient data collection and analysis, guided by a monitoring plan
7. **Be reported in a transparent manner** and on a regular basis

EXAMPLE PROJECT

OUR BALANCING PROJECT PRINCIPLES IN ACTION

Electric Vehicle (EV) charge points at assets across our portfolio

We have installed over 50 electric vehicle charging points at our assets, facilitating lower emission transportation for the visitors to our shopping centres. Their Carbon emissions reductions achieved through actions we take as a business can be considered a legitimate offset and can be counted as a reduction against our carbon footprint if they meet our balancing project tests.

01 Identify

A 'triage' process assesses projects happening across the group for inset or offset opportunities.

We have installed 50+ electric vehicle charging points at our assets, facilitating lower emission transportation for our visitors.

02 Check

Once identified we check projects against our principles. A set of decision trees determines appropriateness of the project and importance of Hammerson's role. Outcomes are recorded on a project tracker.

Visitor travel to our assets is outside the scope of our Net Positive targets. Visitors to our centres are part of our business value chain. As this impact is affecting a part of our value chain it is a form of insetting rather than a form of offsetting.

03 Plan & implement

A member of the Sustainability Team works with relevant operational teams to plan Monitoring & Evaluation and establish a baseline for the project. Balancing Project Brief captures key information on measurement metrics and predicted impacts.

Hammerson Energy and Environment Manager works with Car Parks Manager to develop a standard EV charger specification and a data management and monitoring system. EV usage is reported on a monthly basis and the potential for additional capacity monitored.

Applying this process ensures balancing projects are robustly assessed and data and decision-making can be reviewed by a third party.

04 Report

Final outputs are recorded in our balancing project tracker, and a report produced.

Charging is monitored and emissions savings calculated. Emissions savings from electrically powered miles are calculated, net of the emissions from electricity generation. Total for the year can then be set against our total carbon emissions.

Ensuring Best Practice and Transparency in Our Reporting

Since the announcement of Net Positive our already best practice reporting has been enhanced further.

We continue to report in line with GRI and EPRA guidelines, and as such you will see any relevant tables throughout the report labelled with the appropriate reference and the GRI symbol.

This includes reporting for the EPRA like-for-like portfolio and whole portfolio on an *operational control basis*. For the full index of where relevant information can be found see page 132 onwards.

Our Net Positive targets and performance against them, are calculated on a proportionate ownership basis.

This aligns them with our financial reporting, linking business performance with sustainability performance.

You will find a Net Positive data table at the beginning of each data subsection. For more details on the basis of reporting see pages 80 - 84.

Below we summarise the basis of reporting for *GRI & EPRA, and our new Net Positive* reporting.

GRI & EPRA Reporting

WHAT IS COVERED IN THIS REPORTING?

Our key material issues:

- energy demand
- *scope 1 and 2* carbon emissions
- community engagement
- waste and resource use
- sustainability of our product
- governance

THE BASIS OF REPORTING

- group
- whole portfolio
- EPRA like-for-like portfolio

BASELINE

Whole portfolio: 2015

EPRA like-for-like portfolio: 2018

INTENSITY DATA

- common parts areas
- car park spaces
- visitor numbers

REPORTING TIMEFRAME

1 January – 31 December reporting year

STANDARDS AND ASSURANCE

- this report has been prepared in accordance with GRI Standards: Core option and EPRA Sustainability Best Practice Reporting standards
- third party assured

+ Net Positive Reporting

WHAT IS COVERED IN THIS REPORTING?

Phase One 2016 – 2020 Hammerson's equity share of *Scope 1 and 2* emissions from:

- landlord procured energy, water, waste & refrigerants
- vacant unit energy consumption
- hammerson Corporate emissions

THE BASIS OF REPORTING

- proportionate ownership basis
- group level including all Hammerson owned, directly managed assets
- excludes assets under indirect ownership through investments in other entities

BASELINE

2015

INTENSITY DATA

- common parts areas
- car park spaces
- visitor numbers

REPORTING TIMEFRAME

1 January - 31 December 2019

STANDARDS AND ASSURANCE

- the environmental data contributing to our Net Positive reporting is independently assured
- our processes for collating and calculating our Net Positive data have been independently reviewed
- our processes for calculating our performance against our Net Positive targets, including the use of balancing projects, has been independently reviewed

FOR MORE

For further details on GRI & EPRA, and our new Net Positive reporting see pages 82 - 83.

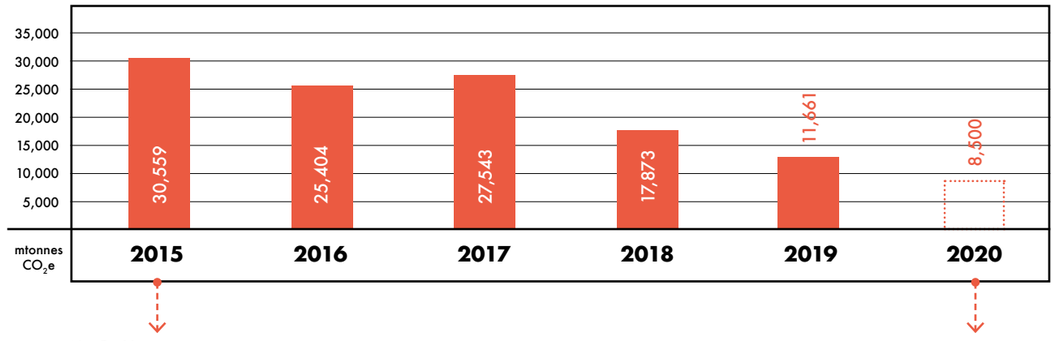
2.1 NET POSITIVE FOR CO_2

Full data tables: p.85 - p.100

Progress Summary and Highlights

Reducing carbon emissions is central to tackling the climate emergency and central to our Net Positive strategy.

Our trajectory to become Net Positive for carbon



Net Positive carbon footprint reduced from 30,599 to 11,671 tonnes CO2e since 2015

2020 Net Positive carbon emissions forecast to be balanced through inset and offset projects. We expect to be operating on a Net Positive basis for *Scope 1 and 2* landlord emissions from 2021 onwards

WE HAVE ACHIEVED 31% YEAR-ON-YEAR REDUCTION IN OUR CARBON EMISSIONS FOR OUR NET POSITIVE PORTFOLIO

Our ambitious targets have enabled us to make significant strides in reducing our *Scope 1 and 2* carbon emissions.

Having achieved 28% year-on-year reduction in absolute emissions in 2019, our total reduction over the four years to the end of 2019 is 58% (approximately 18,000 tonnes). This excludes the impact of our clean energy contracts, and has been achieved largely through energy efficiency, with energy demand dropping 11% over the last 12 months.

In the UK carbon efficiency of the National Grid has contributed to improvements; in Ireland and France this has not been the case.

We are forecast to achieve a reduction of 22,304 tonnes in absolute carbon emissions by the end of 2020 against our 2015 footprint.

This will leave a residual emissions load of approximately 8,500 tonnes which we will offset through balancing projects (see pages 48 - 49). We are exploring how to deliver this in line with our additionality principle (see pages 40-41).

Reducing our absolute emissions to 8,500 tonnes, over 70% in five years would be an extraordinary achievement and delivering additional balancing projects to get to acheive a *Net Positive* or less than zero emissions position, could be transformational for our market. We look forward to sharing our progress and learnings along the way.

Net Positive **CARBON EMISSIONS FOOTPRINT REDUCED BY**

18,000

TONNES since 2015

Year-on-year operational energy demand reduced by **11%**

Carbon emissions from our Irish assets fell by 11% in 2019

200kW of solar PV installed on our assets in 2019, bringing our capacity to **1.94MWH** against our target of **2MW by 2020**

19%

CO sensors project saved 19% of landlord electricity use at the Bullring in 2019

Full data tables: p.85 - p.100

Hammerson

From Reduction to Net Positive

Reduction

Energy demand reduction remains the most valuable tool in our carbon emissions reduction strategy. Good management and investing in efficient equipment and new technologies that support the transition to a low carbon economy play an important role. Reductions are achieved through setting clear targets for each asset and supporting on-site teams to deliver them.

Regular internal reporting on projects and to JV partners keeps us focused on delivery. This approach has led to excellent results again in 2019 with the portfolio as a whole achieving 11% reduction in energy demand.

This in turn has driven a 12% reduction in carbon emissions across our like-for-like portfolio, contributing significantly to to our *Net Positive* target.

UK

Our UK portfolio is the biggest driver of carbon emissions within the business and the area where we have seen the greatest reductions in percentage terms. Key projects have included the removal of gas-fired equipment serving the common areas at Highcross in Leicester and installation of carbon monoxide (CO) sensors in Bullring and Westquay. We have continued to role out LED lighting and have installed smart metering at 12 of our 13 flagship assets in the UK and Ireland.

Artificial Intelligence at Bullring and Grand Central is also driving savings by providing data to inform our heating and cooling strategy. This resulted in a 24% reduction in gas demand in the common areas at Grand Central and equally impressive results at Bullring. This technology has the potential to improve performance at our other major assets and we will be exploring its implementation elsewhere in 2020.

Westquay in Southampton has achieved the biggest carbon emissions reduction within our portfolio in 2019 at 17%. Individual asset performance figures against the REEB benchmark are published for the first time this year on page 27.

Ireland

Being a smaller portfolio, our Irish assets contribute less overall to our footprint. However Dundrum, as a large asset in an area with a carbon intensive electricity grid, is now the single biggest contributor to our carbon emissions. We are therefore focusing attention on efficiencies at this asset. For example investing in LED lighting reduced electricity demand by 9% in 2019, with further investment planned for 2020. We are also exploring the potential for a PV installation at Dundrum. Investment in clean, renewable power in a region with a carbon-intensive grid reduces our carbon emissions and supports the Irish renewables sector.

France

Our French portfolio represents only 20% of our carbon footprint because the electricity supply in France is mainly from nuclear power. Nonetheless, energy demand is a rising cost and remains a priority. Our energy performance contract in France continues to deliver strong savings as our Facilities Management and Operational teams collaborate closely to identify opportunities. Energy demand has fallen by 11% at Terrasses du Port in 2019 as a result. Investment in Building Management Systems, lighting upgrades and escalators has driven further savings at O'Parinor, Nicetoile and Italie Deux.

Corporate

Whilst our corporate footprint is small relative to that of our portfolios we are working to reduce this. Business travel has fallen in 2019 and we expect it to fall further in 2020 as our company car fleet in France transitions to electric and hybrid vehicles. Corporate data is available on pages 122 - 129.

Insetting

Insetting is the reduction of carbon emissions that are outside our direct control but within our value chain. This includes, for example, the emissions from the tenanted areas of our portfolios, or those from our construction supply chain.

They present important impact reduction opportunities to address as early as possible. We therefore actively engage with our value chain on projects to reduce their environmental footprint.

In 2019 we worked with over 40 retailers to achieve higher energy and water efficiency ratings for new store fit-outs, and we will be reporting carbon emission savings delivered as a result of these interventions between now and 2026.

Our BREEAM Excellent Retail Park - Elliott's Field- and its associated high standards for fit-out has delivered 183 tonnes to balance our emission footprint in Phase One of *Net Positive*. More on page 51.

Our Phase One **NET POSITIVE CARBON EMISSIONS** footprint was calculated as **30,559 TONNES IN 2015**

2020 TARGETS

- 14% reduction in carbon emissions from energy (Net Positive portfolio)
- 12% reduction in carbon emissions from energy for the EPRA like-for-like portfolio

Offsetting

We use *offsetting* as the last element of our approach to becoming *Net Positive*. These projects achieve quantifiable, verifiable environmental impact reductions as a result of our actions but are beyond our direct value chain. We use our internal *Net Positive* triage process to establish which balancing projects are permissible as part of our targets and what proportion of savings we are able to claim. In 2019 we have included 125 tonnes of carbon emissions offsets achieved through employee engagement.

Full data tables: p.85 - p.100

Hammerson

Highlight Projects

REDUCING OUR FOOTPRINT

Carbon monoxide sensors reduce Bullring landlord electricity use by 19%

BULLRING'S SERVICE YARD, MOOR STREET

Bullring's service yard and close by Moor Street and Centre car parks have 16 extraction and air supply fans which used to run continuously. Monitoring the carbon monoxide (CO) concentrations in these areas showed CO concentrations were well within legal thresholds, removing the need for continuous operation of the fans.

By installing sensors and variable speed drives, the fans could be modified to only operate when required.

We completed Phase One of this project in March 2019, introducing controls pre-programmed to turn on and off in line with higher traffic times. In cases of elevated CO a programme override is linked to the sensors.

When Phase Two of the project completes in Spring 2020 it will have delivered cabling infrastructure controls and variable speed drives for the fans, which will result in additional energy savings and extend the life of the fans.

Project outputs after completion:

19% REDUCTION in Bullring's landlord electricity demand

A saving of over **500 TONNES** carbon emissions per year from this asset

1,917 mWh of energy savings and **£249,000** cost savings per year, with an under two year project payback time

REDUCING OUR FOOTPRINT

Managing energy use with artificial intelligence

BULLRING, BIRMINGHAM

Since late 2016 we have been working with Grid Edge, an entrepreneurial start-up spun out of Aston University. Their innovative platform combines footfall, temperature and energy consumption data to enable proactive energy management through artificial intelligence and machine learning. To do this, the software models and predicts a building's future energy profile so energy assets can be controlled optimally in real time.

In 2019 we combined this with triad warning alerts in Bullring Shopping Centre, to enable us to manage the centre's exposure to peak electricity charging whilst maintaining a comfortable environment for our customers.

We installed more temperature sensors to improve our understanding of mall temperature fluctuations, which informed our peak summer cooling strategy and reduced air conditioning loads.

Also through this year we installed the system in Grand Central, where the information provided led to significant reductions in gas demand.

In 2020 we plan to continue exploring uses for Grid Edge's platform, including investigating the impact on comfort, carbon, and cost of dispatching HVAC assets to release flexibility to the grid.

OFFSETTING OUR FOOTPRINT

Elliott's Field, Rugby continues to lead by example

ELLIOTT'S FIELD RETAIL PARK, RUGBY

We continue to monitor tenant data at this asset which shows their energy demand to be considerably lower. When we opened Phase Two of Elliott's Field, it was the world's first BREEAM Outstanding retail park and designed to be zero carbon for *regulated energy*. Two years on we continue to monitor the operational performance of the asset due to many retailers exceeding the already high minimum fit-out standards and enhanced management practices.

These higher standards are delivering operational savings of up to 26% on these units.

These results demonstrate the significant efficiencies, both environmental and financial, that can be achieved through close partnership with tenants from design stage to execution.

Based on performance data from last two years, the total estimated carbon offset is 362 tonnes pa. comprising:

183 tonnes of carbon saved as a result of energy-efficient retailer fit-outs

179 tonnes of additional carbon saved from the rooftop PV which serves retailers

Full data tables: p.85 - p.100

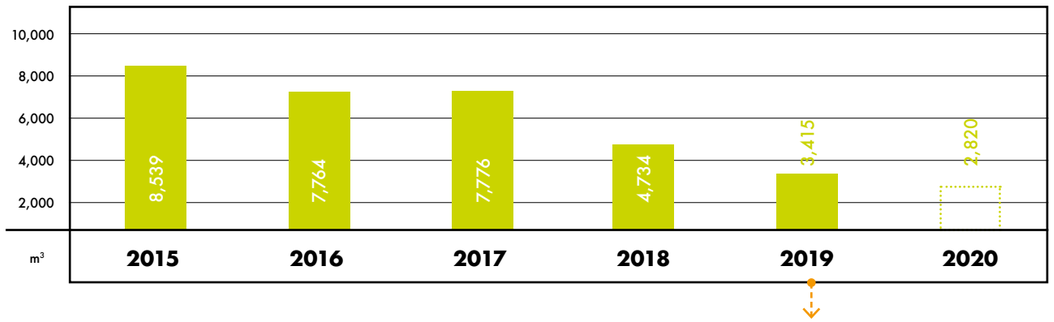
2.2 NET POSITIVE FOR RESOURCE USE

Full data tables:
p.102 - p.105

Progress Summary and Highlights

Our resource use reduction targets include waste streams and materials used across our business.

Our trajectory to become Net Positive for resource use



Our Net Positive resource use footprint reduced to 3,415 in 2019, which puts us on track to become Net Positive for resource use by the end of 2020. This will be a significant achievement for the business.

REDUCING OUR FOOTPRINT

To become *Net Positive* for resource use, waste avoided, recycled or re-used must exceed the virgin materials used by the business and waste sent to landfill.

To achieve this we must reduce the resources we use, and ensure those we do use are sourced in a way that maximises the use of recycled and reused materials. We must manage our waste streams to avoid any going to landfill, and identify routes for reuse and recycling that present opportunities to balance our residual resource use.

As the main factor affecting our Phase One *Net Positive* Resource Use target, we have focused our efforts on operational waste from our directly managed portfolio. Retailers' packaging waste is the largest contributor by volume; food and beverage tenants' organic waste is the largest contributor by cost.

Recycled materials play an important role on our *Net Positive* journey. Real estate is a resource-hungry industry so specifying and using recycled materials needs to become standard and an industry norm. Driving demand for these products will support the market in developing and innovating around sustainable solutions.

3,356 tonnes of organic waste were sent to *anaerobic digestion* (AD) where it was used to generate green gas

600 KG OF REUSED AND RECYCLED CLOTHING

We supported the reuse and recycling of clothing through the recycle to refresh element of our autumn fashion event

We used 317 tonnes of recycled content in concrete in France and 290 tonnes of recycled steel

In 2019 we managed **35,000 TONNES** of operational waste across the portfolio

70% of this was recycled or reused

Our campaign to reduce plastic bottle use at The Oracle by installing water fountains prevented 28,000 plastic bottles, that's **280kgs** of plastic, from entering the waste stream

Full data tables: p.102 - p.105

From Reduction to Net Positive

Reduction

In Phase One of our *Net Positive* targets we have focused on effective management of waste streams. By working closely with tenants, we have encouraged waste sorting, focusing on reducing cross-contamination which adds cost to waste management and limits recycling opportunities.

Changing demand for recycled materials has seen the value of plastic waste streams increase by as much as a 58% this year, increasing income from recycling of PET. The value of other waste streams has fallen.

This has been particularly noticeable for cardboard. The income we receive for recycling is returned directly to tenants' service charge budget. But quality standards for waste streams are rising and contamination tolerances are becoming difficult to meet.

This puts pressure on recycling rates. Our ambitious targets focus attention on finding sustainable solutions to this challenge.

Water fountains have been introduced across the portfolio with the aim of reducing plastic waste. We recorded a 5% reduction in plastic bottles entering our waste stream following this change at The Oracle, roughly equivalent to 28,000 plastic bottles.

This isn't as significant as we would like and in 2020, we will increase signposting and communications around fountains to encourage their use as part of our portfolio-wide In Real Life communication campaign.

We are developing ways to reduce waste from tenant fit out and commercialisation partnerships. Our fit out guide helps tenants comply with design techniques and standards that minimise waste and we are looking at how to establish this with commercial kiosk partners. The Sustainability team meets regularly with the Marketing and Super Events teams to ensure they have input to any plans.

This collaboration has delivered lower-impact events, some of which deliver offset, while building sustainability knowledge across the group.

Through collaboration between the Sustainability and Project Management teams we work to monitor and minimise the resource use of our major projects. Our Development Materials Tracker enables us to monitor and manage resources being used for refurbishments and extensions across the group. Data captured includes sourcing information and how materials decisions have been made. This enables us to build our knowledge of available materials for future projects.

Insetting

In 2019 we have been trialling new ways to ensure those waste streams that can be, are reused or repurposed. A pilot project with Globechain at Bullring enabled our site team to offer unwanted items from office refurbishment and computer upgrades, as well as from shop fit out and events, to be donated to charities. This diverted waste from our waste stream into reuse and avoided the purchase of new materials by charities. This extended the life of an estimated 800kg of materials in 2019.

In 2020 we aim to extend our reuse work and develop initiatives that will deliver both inset and offset by creating both tenant and customer reuse channels.

Cement contributes about 8% of the world's CO2 emissions and we are pleased to see new research and development projects on sustainable alternatives emerging.

As the extension of Cergy 3 outside Paris has continued in 2019, our specification of recycled content has reduced the use of virgin materials by over 600 tonnes.

Offsetting

Through our balancing projects triage process (more about our balancing project process on pages 40 - 41) we identified an opportunity to add a sustainability element to an existing fashion marketing event. The event, called Declutter to Refresh, focused on helping customers design a capsule wardrobe. We developed an initial step called Recycle to Refresh, inviting customers to donate their unwanted clothes directly to a range of charity partners. This diverted textiles from the waste stream directly to reuse via charity shops or online, or for re-purposing into new textiles.

More than half a tonne of clothes were collected and reused. The diversion of these clothes from landfill and the volume we were able to reuse directly, delivered a 6 tonne CO2 saving, and saved nearly one million litres of water.

2020 TARGETS

- 85% waste recycling across EPRA like-for-like portfolio
- 100% diversion from landfill
- Increase demand for recycled products through fit out and development

About Net Positive

Net Positive for CO_2

Net Positive for Resource Use

Net Positive for Water

Net Positive for Socio-economic impact

Full data tables:

p.102 - p.105

Highlight Projects

REDUCING OUR FOOTPRINT

Re-design of customer service desk reduces resource impact

BRENT CROSS, LONDON

The customer service desks in Hammerson's assets provide a help point for shoppers and facilitate click & collect and hands-free shopping. These desks previously featured a curved exterior designed using a material that was durable, tough and repairable but that contained no recycled content and could not be recycled.

When updating this design in 2019 we asked the design team to find a concept that had sustainability at its core but maintained the functional success of the previous desk.

Key features are:

- certified FSC timber dowels form the exterior of the desk below the counter
- interior framing and surfaces of the desk will also be manufactured from FSC timber
- customer facing counter-top will be a Durat solid-surface product made from 100% recycled plastics. The product can be fully recycled through the Durat take-back scheme, is durable, cleanable and repairable
- each element is mechanically fixed for easy disassembly

The first desk is due to be installed in Brent Cross in 2020. While each desk makes a relatively small resource saving, multiplied across the portfolio this adds up. Exploring the potential of all projects big and small to contribute to our *Net Positive* targets is important to embedding sustainability within our business and to form our response to climate change.

REDUCING OUR RESOURCE USE

Increasing food waste recycling by our retailers

CABOT CIRCUS, BRISTOL AND WESTQUAY, SOUTHAMPTON

In 2019, through our continued food waste reduction partnership with Organic Waste Logistics (OWL) and their BioWhale system, we have increased food waste recycling at Cabot Circus and Westquay.

The BioWhale system digests food waste on-site and has avoided the need for 86 truck collections of food waste.

The system has handled 827 tonnes of food in 2019, producing 664 tonnes of organic fertiliser and creating enough biofuel to provide electricity for 112 houses. This is equivalent to avoiding 3,060 tonnes of carbon emissions.

OFFSETTING OUR RESOURCE USE

Trialing an equipment reuse scheme at Bullring

BULLRING, BIRMINGHAM

In April 2019, we embarked on a new relationship with Globechain, to donate waste resources such as old IT equipment and display units to charities and Small and Medium-Sized Enterprises (SMEs) in our local communities.

We also donated several computers and associated equipment to a charity, who would supply them to a school in Ile Ife, Osun State, Nigeria. The charity educates, feeds, provides uniforms and transportation for schoolchildren and the computers were used by students in classes.

In 2020 we are exploring extending our reuse work and developing customer-facing initiatives with Freegle.

Impacted

488

PEOPLE and **78 COMMUNITIES**

Donated over

800 **KG**

of items to 18 groups

Assisted, through the donations, with **FIVE FUNDING** or **GRANT APPLICATIONS**

Full data tables: p.102 - p.105

2.3 NET POSITIVE FOR WATER

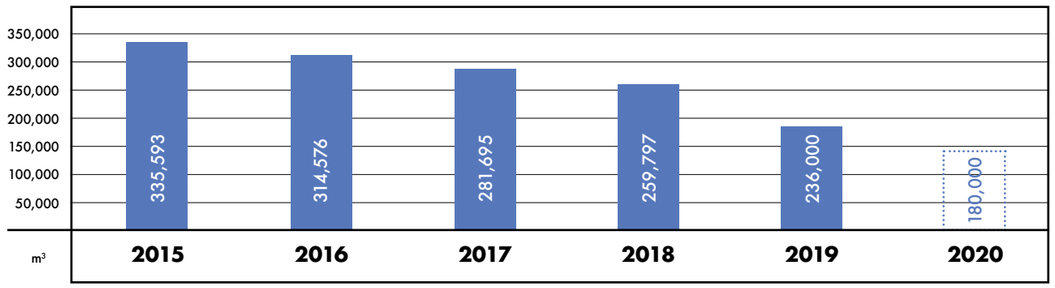
Full data tables:
p.106 - p.111

Hammerson

Progress Summary and Highlights

Water is potentially our most challenging Net Positive target as it is an undervalued utility, despite water scarcity in the UK, and investment in water saving technologies is difficult to justify. However, having such ambitious targets has helped us to start making significant savings.

Our trajectory to become Net Positive for water



As with other *Net Positive* areas, becoming *Net Positive* for water means reducing demand through good management and investing in technologies, before enabling water saving projects within and beyond our value chain that balance residual water use.

In Phase One, we are focusing on water demand for landlord services across our directly managed assets.

We have achieved our 2019 target of 5% reduction in landlord water intensity.

One of the measures contributing to this is increased rainwater harvesting at Cabot Circus, Bullring and Westquay which has reduced potable water use by approximately 6,900 litres.

-5% Water intensity per visitor reduction year-on-year in 2019

Net Positive portfolio water demand reduced by **15%** to **236,000 m³**

REDUCTION IN WASHROOM WATER use at The Oracle after installation of Propelair toilets **-30%**

23% **OFFSET OF LANDLORD WATER USE ACHIEVED AT THE ORACLE THROUGH TENANT AUDITS, LEAK FIXING AND INSTALLATION OF WATER SAVING DEVICES**

LANDLORD WATER DEMAND FELL 17% ACROSS OUR LFL IRISH ASSETS

SMART WATER SUBMETERING COMPLETED AT 11 OF OUR 13 FLAGSHIP ASSETS

-98% Reduction in water use for retail tenant at Union Square after our smart metering data identified a leak

About Net Positive
Net Positive for CO_2
Net Positive for Resource Use
Net Positive for Water
Net Positive for Socio-economic impact

Full data tables: p.106 - p.111

Hammerson

From Reduction to Net Positive

Reduction

Understanding our water usage patterns has been a priority in 2019 and we have installed sub-metering at 10 of our UK assets and at Dundrum in Ireland. This enables daily monitoring of water demand and consumption, spotting any spikes in demand up to three months' quicker than when relying on billing.

A water audit at The Oracle identified water savings opportunities in areas such as cleaning and car parks and we are working with ABM Facilities to trial changes to the cleaning schedule to capture these. In 2020, we will conduct water use audits at Brent Cross, Centrale and Bullring to identify areas for further landlord water savings.

Landlord water demand is driven primarily by footfall so investments in water efficient technology, such as Propelair toilets, waterless urinals and low-flow taps has unlocked reductions. Where we have invested in these efficient technologies, smart meters can identify savings in these washroom areas, enabling us to create a roadmap to guide best practice across the group.

We still have a long way to go for our potable water demand for landlord services to become *Net Positive*.

However, we are already achieving growing reductions through the initiatives in place at assets and opportunities to collaborate with third parties. We have identified balancing projects to help address the residual water demand across our portfolio.

Insetting

Projects within our value chain

At The Oracle we wanted to better understand water use, reduce demand and deliver balancing projects within our value chain.

Through a partnership with Thames Water we implemented a project to support our tenants in reducing their water demand. An audit and meter data assessment in partnership with Ricardo Consultants, combined with a programme of repair and maintenance by Thames Water has delivered great savings.

FOR MORE

For further details on how we measure and manage water use at The Oracle see Highlight projects on page 67.

Elements of the work at The Oracle will now be extended to other centres in 2020. We will also explore offering tenants a leak fixing service in partnership with our maintenance contractors.

At Union Square Shopping Centre a small high street retail brand store was found to be using enough water to supply a large restaurant, suggesting a leak. The centre team informed the store, aided investigation and tracked savings when the retailer fixed the leak. This retailer enjoyed a 98% saving in water consumption as a result. Previously this would have gone undetected for up to three months.

In 2020 and beyond, our ambition is to work collaboratively with tenants to bring water use down, providing them with a valuable landlord service alongside an important environmental benefit. We will be able to provide accurate meter data to help them assess the impact of any process or behavioural changes they invest in.

Offsetting

Balancing projects beyond our value chain

Through our partnership with Thames Water we have started supporting local water users outside our estate to reduce their water demand. Using our asset teams' networks across the community we have delivered water savings for one of the largest schools in Reading.

Through conducting a survey and installing technologies at Whitely School we expect to see a saving of over 16,000 litres/day. In 2020 we will work with General Managers, their teams and networks at The Oracle, Centrale and Brent Cross to drive further uptake for this service. This activity is a win-win-win: local communities receive a beneficial service; groundwater supplies are protected and Hammerson achieves a valuable offset for our *Net Positive* water target.

2020 TARGETS

- Reduce landlord water intensity by a further 5% for our EPRA like-for-like portfolio.
- Become Net Positive for water at 2 UK assets
- Support our tenants in reducing water demand
- Increase rainwater-harvesting capacity

About Net Positive

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Hammerson

Highlight Projects

REDUCING OUR FOOTPRINT

2019 brings more rainwater harvesting to our portfolio

CABOT CIRCUS, BRISTOL AND ILAC SHOPPING CENTRE, IRELAND

We already have rainwater harvesting in place at Cabot Circus in Bristol and Ilac Shopping centre in Ireland. Both systems supply customer toilets. In 2019, we installed new rain-fed water tanks at both Bullring and Grand Central to provide water for external cleaning, including pavement and car parks. Together they reduced mains water use by 6,900 litres a year.

REDUCING OUR FOOTPRINT

Installing best practice washroom technology

THE ORACLE, READING

In 2018 we installed Propelair toilets in the customer wash-rooms at The Oracle. Due to our footfall, toilets are the most significant driver of landlord water demand across our assets and the best practice toilets have made significant savings so far.

Overall environmental performance of the centre as Propelair reaches highest environmental performance rating under BREEAM's water efficiency guidelines.

Additional benefits include improved hygiene as bacteria are trapped inside the closable lid and removed with the powerful flush, whilst the handle also contains antimicrobial additives to help reduce bacteria.

We have now made these toilets a standard part of our toilet fit-out specification and they will be rolled out at other assets as toilet upgrades are implemented.

BALANCING OUR IMPACTS

Measuring and managing our water use at The Oracle

THE ORACLE, READING

In order to reduce water use in landlord managed areas, we worked with Ricardo to audit both meter data and the physical operational space within The Oracle; this improved our understanding of demand across the site and highlighted where we could change technologies and/or behaviours to save water.

Our Phase One *Net Positive* targets cover water demand for landlord services at our directly managed assets. Water savings that we support or enable within the tenanted areas of the assets can be used as balancing projects to reduce the Phase One *Net Positive* water footprint.

During 2019 we worked with Thames Water to undertake a water saving survey of our tenants units, and with Ricardo to undertake a full audit of four tenant unit types: bars, coffee shops, fast food outlets and restaurants.

The findings enabled us to identify leaks, and opportunities for installing water saving devices on toilets, and in sinks. We also identified a number of tenants who had excessively high water use.

We are engaging with these tenants at corporate and local level to encourage them to further investigate the causes of higher than average usage.

98% of all tenants were **SURVEYED BY THAMES WATER**

7,500 m³ Estimated water savings in 2019 from leak fixes

Full data tables: p.106 - p.111

2.4 NET POSITIVE FOR SOCIO-ECONOMIC IMPACT

Full data tables:
p.112 - p.115

Progress Summary and Highlights

Hammerson has a long history of delivering positive socio-economic benefits. Our True Value of Retail reports released in 2017 and 2018 highlighted and quantified significant group-wide and asset-specific benefits. These include the creation of employment opportunities and major inward investment to the local area, as well as fiscal benefits from tax receipts, lower public benefits spending and improved public health outcomes.

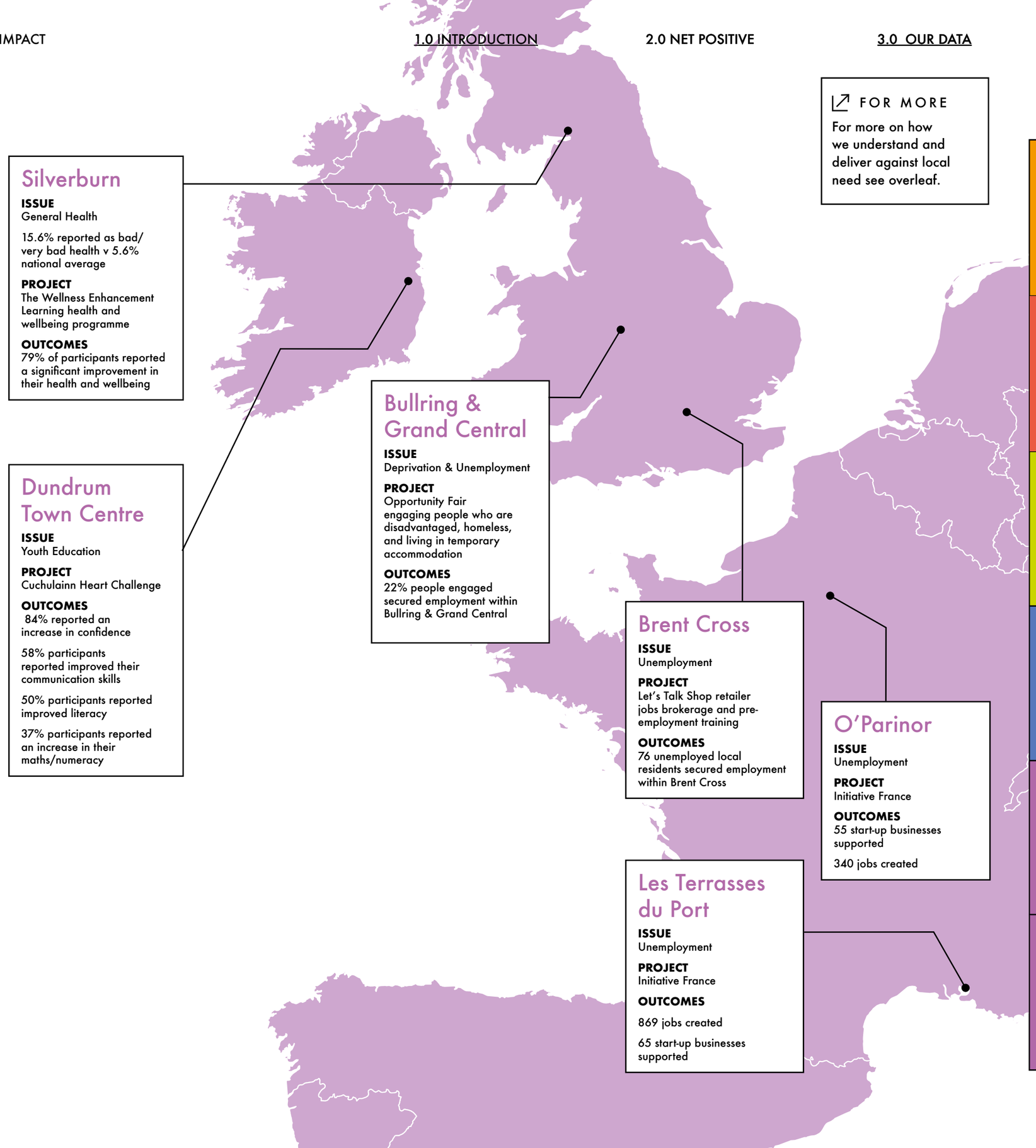
In 2017 we publicly announced our commitment to be *Net Positive* for socio-economic impacts by 2030.

This commitment differs from our carbon, water and re-source use targets: we do not have a baseline of negative impact to reduce and then balance; instead we are focused on optimising positive impact. Our *Net Positive* target has evolved how we deliver socio-economic work, making our local investment more responsive to the needs of the cities in which we operate.

Our socio-economic dashboards identify key characteristics of those communities around our assets in the UK, Ireland and France, helping to shape our investment and projects. The map to the right identifies a few of our key Net Positive projects from 2019.

FOR MORE

For more on how we understand and deliver against local need see overleaf.



Silverburn

ISSUE
General Health

15.6% reported as bad/ very bad health v 5.6% national average

PROJECT
The Wellness Enhancement Learning health and wellbeing programme

OUTCOMES
79% of participants reported a significant improvement in their health and wellbeing

Dundrum Town Centre

ISSUE
Youth Education

PROJECT
Cuchulainn Heart Challenge

OUTCOMES
84% reported an increase in confidence

58% participants reported improved their communication skills

50% participants reported improved literacy

37% participants reported an increase in their maths/numeracy

Bullring & Grand Central

ISSUE
Deprivation & Unemployment

PROJECT
Opportunity Fair engaging people who are disadvantaged, homeless, and living in temporary accommodation

OUTCOMES
22% people engaged secured employment within Bullring & Grand Central

Brent Cross

ISSUE
Unemployment

PROJECT
Let's Talk Shop retailer jobs brokerage and pre-employment training

OUTCOMES
76 unemployed local residents secured employment within Brent Cross

O'Parinor

ISSUE
Unemployment

PROJECT
Initiative France

OUTCOMES
55 start-up businesses supported

340 jobs created

Les Terrasses du Port

ISSUE
Unemployment

PROJECT
Initiative France

OUTCOMES
869 jobs created

65 start-up businesses supported

About Net Positive

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Full data tables:

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Shaping our Socio-economic Work

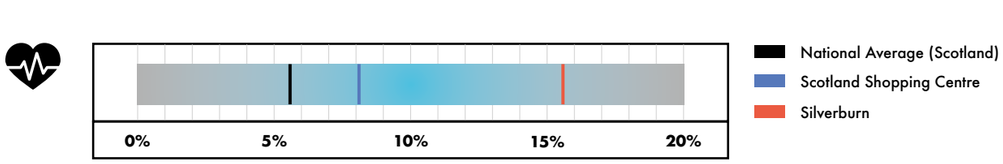
01 Understand

Our socio-economic dashboards were developed to help us to understand the communities around our assets.

They provide key data for each area shown against the national average, covering:

- key demographics such as age, skill levels and more
- unemployment rates by age
- health
- disability levels
- crime
- education
- deprivation

This information allows us to identify community-specific issues where we could work with local community groups on providing support or an intervention.



% of catchment population assessing themselves as having poor or very poor health.

For example, our Guided Well Enhancement Project (page 75) in Glasgow responds to the significantly higher proportion of the population with poor or very poor health - over 15% compared to the national average.

02 Partner

As well as identifying local issues using our dashboard data we consult and partner with local stakeholders to drill deeper into these issues and develop collaborative and co-ordinated cross-city responses for greater impact.

For example, in March 2019 we convened a workshop with a range of stakeholders from across Birmingham to develop a cross-city strategy for responding to increasing homelessness.

We are now looking at how we can co-ordinate with other landowners in the city to maximise the impact of our combined response. See page 28 for more information.

03 Deliver

We look to deliver against these needs in several ways including funding projects and services in the areas around our assets. By directing our financial and in-kind support to existing providers we can deliver positive impact in a cost-effective and knowledgeable way.

As an organisation with a broad spectrum of skills sets, and the ability to connect local people to our tenants and their employment and skills opportunities, we also help local people improve their financial security, wellbeing and confidence through projects.

A sample of our corporate- level programmes by theme/issue are shown in table 2.1 below. For asset level projects see table 3.4.1 on pages 112-113.

2019 Key Corporate Community Engagement Projects

TABLE 2.1

PARTNER	ACTIVITY	THEME	OUTCOMES
Urban Plan	School regeneration workshops	Young people	58 students engaged
Skills Builder	Educational workplace visits	Employment and Skills	175 people engaged
RetailTRUST and Glasgow Caledonian University	University business start-up support	Enterprise/ Employment and Skills	£10,000 business seed funding allocated
Inspire Educational Business Partnership	Work Week - a work related learning programme	Employment and Skills	3,100 young people engaged

Highlight Projects

EMPLOYMENT & SKILLS

Nurturing future business leaders, responsible citizens and enterprising employees

LIONHEART CHALLENGE, UK AND IRELAND

Many of our centres are in areas with a relatively young demographic but higher-than-average youth unemployment rates. We therefore explore working with schools to support young people in developing the skills and attributes they need to succeed before they enter the job market. Our relationship with LionHeart demonstrates this type of work in action.

The LionHeart Challenge is a business, enterprise and citizenship programme designed to nurture pupils as future business leaders, responsible citizens and enterprising employees.

We have worked with LionHeart in Scotland since 2015 but in 2019, we held our first international LionHeart Challenge Final in London with two teams of pupils from the UK and two in Ireland. The teams were from schools located close to Dundrum Town Centre and Illac in Ireland, Silverburn in Glasgow and Bullring and Grand Central in Birmingham.

To qualify for the final, teams within participating schools had to develop a community project that responded to an issue in their local area. The winners then competed with winners from other schools to develop a community project that would support and benefit a specific group of citizens. Projects ranged from de-stigmatising teenage pregnancy to a community hub aimed at building intergenerational relationships.

Each project had to be feasible with teams creating business plans, financial proposals and proposing possible project sponsors.

Volunteers from Hammerson acted as advisors, imparting advice from their professional experience. Each team presented their project to a panel of judges. St. Paul's High School in Glasgow were crowned the winners for creating a project to address and tackle period poverty.

GENERAL HEALTH

Improving health and wellbeing in Scotland

GUIDED WELL ENHANCEMENT LEARNING PROGRAMME, GLASGOW

According to our data, average health outcomes in Glasgow are lower than the national average with 15.6% of people reported as having 'poor' or 'very poor' health, compared with 5.6% nationwide. This makes health a highly relevant local issue that we have focused on in 2019.

The Guided Well Enhancement Learning programme is a rigorously evidenced transformative course that, through self-management and self-compassion, reduces health inequalities by improving mental health and wellbeing.

Collaboration with Community Renewal, a Scottish charity, has supported residents local to our Silverburn asset in Glasgow to participate in the programme over eight weeks.

14 participants were referred to the programme by health professionals and have benefited from the information, advice and guidance from trained professionals. Topics covered included nutrition and food, handling stressful thoughts and understanding health cycles.

The programme has shown participants how to manage their health conditions, prevent and reduce stress related to depression and anxiety.

Following completion, all participants received a set of written materials to use at home, continuing their own Well Enhancement Learning journey.

This has been a very successful project in 2019 and we expect to continue our partnership with Community Renewal in 2020.

ENTERPRISE

Supporting the next generation of retail entrepreneurs

ENTERPRISE SUPPORT, GLASGOW

The catchment area surrounding Silverburn in Glasgow experiences higher unemployment rates than the national average. It also has a relatively young demographic. We therefore work with local organisations in this area to support youth employment through offering, for example, work experience programmes. We also focus on supporting young entrepreneurs.

Working with trade charity retailTRUST and Glasgow Calendonian University we offer scholarships and business start-up funding to support the next generation of retail talent to make their ideas a reality.

Glasgow Caledonian University graduate Emma Russell received two rounds of funding including mentoring support to establish her fashion business, Pplrstrange. She creates a unique range of creative clothing collaborations as well as pop-up events showcasing designers, street-wear labels and emerging brands., Emma exhibited her collection at the Hammerson London Head Office during Global Entrepreneurship Week to an audience that included national retailers and buyers.

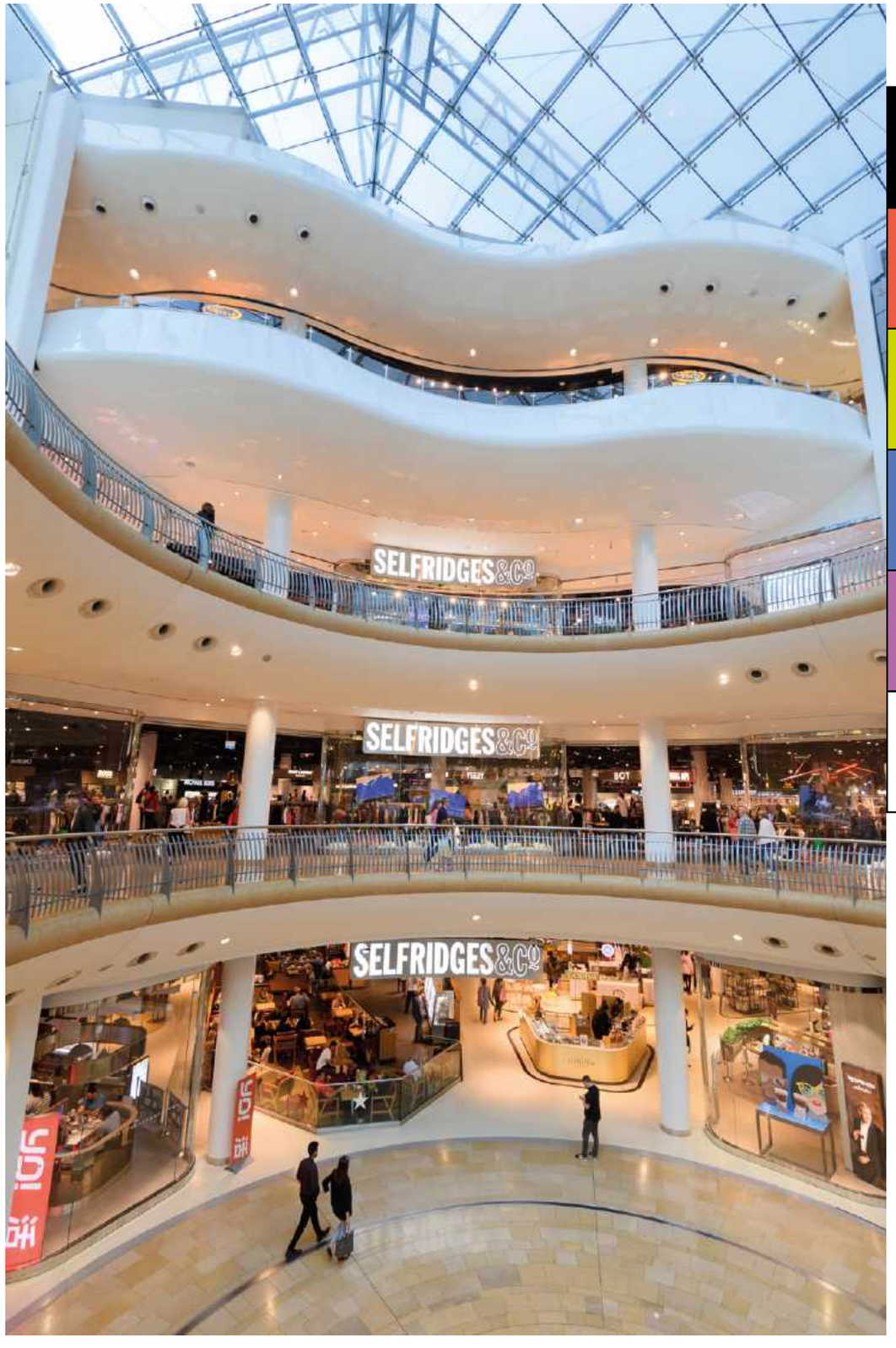
Other beneficiaries include two Fashion Marketing graduates who launched SKYA, a swimwear brand based in Scotland that produces garments using recycled fibres.

Full data tables: p.112 - p.115

OUR DATA

Contents

A guide to this section



3.0 Data Management and Targets

We take an equity share approach to our Net Positive targets and reporting.

We report data for all assets held during the reporting period. Data for assets acquired during the reporting period is included from the date of purchase and for assets sold during the reporting period, up until the date of transaction completion. Data is reported on an equity share basis for each asset and for the portfolio as a whole.

Exclusions:

— assets from the date of disposal

— indirect investment interests

— impacts from construction activities at our developments

— impacts from the tenanted areas of our assets

Whilst we have operational control of those assets we manage, key decisions are made jointly with our joint venture (JV) partners. Taking an equity share approach restricts us from benefiting from impact reductions flowing from the investment of those JV partners. It also reduces the overall impacts we are addressing to those from which Hammerson accrues financial benefits, linking business output and environmental and social impacts.

This report covers the Phase 1 period of our Net Positive targets;

Environmental data included in the report:

Scope 1 and 2 emissions from directly managed assets, Scope 1, 2 and 3 emissions from corporate activities:

— landlord procured energy, water, waste & refrigerants

— landlord procured energy, water and waste sub-metered to tenants

— vacant unit energy consumption

— corporate travel and consumables

— emissions factors used within the report are list on page 139

KEY CHANGES TO THE NET POSITIVE PORTFOLIO

Since the 2015 baseline we have made the following changes to the Net Positive portfolio:

— sold:
Three French assets
Eight UK retail parks

— reduced our equity holdings in:
One UK asset
One French asset

— purchased:
One UK assets
Three Irish asses
One French asset

— developed:
Two UK assets

BASELINE

2015 is our Net Positive baseline year.

Our Net Positive targets include all jurisdictions in which the business has commercial interests.

INTENSITY DATA

Intensity data is based on adjusted profit before tax, common parts areas, car park spaces and visitor numbers.

OFFSETTING

Given that it is not possible for a property company to operate without environmental impacts, an offsetting mechanism has been established as part of the development of our Net Positive targets. Projects will be identified that will equate to the remaining impacts we are unable to avoid, calculated at the end of each five year target phase. A process and set of principles have been established to define what projects are considered legitimate offsetting for this purpose.

GRI & EPRA Basis of Reporting, Data & Boundaries

This report covers the period of 1 January 2019 to 31 December 2019.

We segment our reporting by regional portfolio. Data is provided as follows:

— at Group level for all managed assets. This excludes our corporate offices.

— by Regional portfolio:

  — UK Shopping Centres

  — UK Retail Parks

  — France Shopping Centres

  — Ireland Shopping Centres

— for our assets held for development, the Strategic Portfolio

We report against two portfolio definitions:

— whole portfolio which includes all properties that we have owned within the reporting period and over which we have management control, either directly or through a directly contacted third party (including assets held for development purposes only (strategic portfolio) where we provide utility supplies to the site.

— EPRA like-for-like portfolio which includes assets held for a minimum period of two years over which time the asset has not undergone development activity that would have significantly affected performance.

As a landlord we have direct control of the common parts, car parks, back of house and service yard areas of our assets. Our reporting includes only these areas of our assets. Tenant usage data is excluded.

Not included in the report:

— assets from the date of disposal during the reporting period

— indirect investment interests in which we hold only debt or other financial instruments

— impacts from construction activities at our developments

— properties part of or adjacent to new developments that are affected by significant development works

GRI & EPRA DATA

Our reporting is designed to meet the core requirements of the Global Reporting Initiative Construction and Real Estate Sector Disclosure standards and the Gold level of EPRA's Sustainability Best Practice Reporting standards. For GRI reporting purposes our material issues are:

— governance and reporting

— energy security and demand

— climate change risk and policy

— waste and resource use

— community Engagement

— sustainable Product

KEY CHANGES TO THE GROUP AND EPRA PORTFOLIOS

In 2019 we sold the following assets:

— Abbotsinch Retail Park

— Luton - B&Q Warehouse Store Retail Park

— St Oswalds Retail Park

— The Broadway (Didcot)

The environmental performance of these assets is excluded from our like-for-like portfolio analysis but included in our whole portfolio, regional and Group data for the months that the properties remained under our ownership for 2019.

TRANSPORT DATA

The data period for corporate travel reporting runs 01 January to 31 December in line with all other annual and sustainability reporting.

Corporate travel data includes:

— fleet transport for the Group

— air travel for the Group

— domestic and international train journeys for the Group

— taxis and public transport journeys for the Group

— car travel resulting in mileage reporting for the Group

Data collection and calculations:

— rail and air mileage is calculated using online mileage calculators

— emissions associated with visitor travel to our shopping centres are calculated on the below basis:

  — for car journeys we assumed 2.4 heads per vehicle and an average of 11.91 miles per round trip, based on the BCSC 2008 report 'Contribution of the Retail Sector to the Economy'.

Data Collection and Verification for our Reporting

Hammerson

We have comprehensive, robust environmental data collection systems in place across our portfolios.

Utility and waste data is captured onsite at all our shopping centres, and by a third party management company for our retail parks. Data is collected from manual meter reads, automated meters, invoices and data provided by our energy bureau service. This is then uploaded to our Credit 360 data reporting platform on a monthly basis where it is assessed and verified at three levels within the organisation; the Sustainability Data Analyst, the Energy and Environmental Manager or Sustainability Manager for our French assets and the Group Head of Sustainability.

In 2016, we automated input of half-hourly energy consumption data for the Retail Parks portfolio. This is now automatically uploaded once a month into Credit 360 for the majority of the Retail Parks portfolio, reducing the opportunity for error and streamlining our data gathering process.

This data set is used for our whole portfolio, EPRA like-for-like and Net Positive reporting portfolios.

For Net Positive balancing project data we have a Net Positive tracker, which records details of offset and inset savings achieved through different projects. For more see pages 40 - 41.

INDEPENDENT ASSURANCE

Our data collection and verification processes undergo third party assurance each year, the 2019 Data Assurance Statement is available on our website. The output report of the independent assurance shapes data improvements for the following year. The tables below set out the scope of our independent assurance and performance data that has been assured in 2019.

CLEAN ENERGY

87% of our UK and Ireland electricity is purchased through REGO backed clean electricity contracts. This constituted 54% of our total electricity purchasing in 2019.

EPRA Performance indicators based on Independently Assured data

Carbon	GHG-dir-abs
	GHG-indir-abs
	GHG-lfl
	GHG-int
Water	Water-abs
	Water-lfl
Waste	Waste-abs
	Waste-lfl
Energy	Elec-abs
	Fuels-abs
	DH&C-abs
	Energy-int
	Elec-lfl
	Fuels-lfl
	DH&C-lfl

Scope of independent assurance for 2019

Carbon	Total Scope 1 greenhouse gas emissions (tCO2e)
	Total Scope 2 greenhouse gas emissions (tCO2e)
	Total Scope 3 greenhouse gas emissions (tCO2e)
	Scopes 1, 2 and 3 greenhouse gas emissions per an intensity metric chosen by Hammerson plc
Water	Total Landlord Obtained Water (m^3)
	Water for landlord services (m^3)
Waste	Total Waste Quantity including shop-fit (tonnes)
	Recycled waste (tonnes)
Energy Target	Reduce operational energy consumption by 15% by 2020 (EPRA like-for-like portfolio)

ENERGY MANAGEMENT SYSTEM

As a part of our ISO14001 compliant Energy Management System (EMS), environmental data is subject to regular internal and external audit procedures.

Some data is collected and maintained outside of the Credit 360 system:

— corporate travel journey data and emissions is collected from an employee expenses system and Corporate Traveller, our corporate travel booking system

— company fleet emissions are collected from the leasing companies

— data for office energy consumption is gathered direct from our external property managers

— cnergy consumption for our strategic portfolio is gathered direct from our external property managers

MONITORING DATA AT AN ASSET LEVEL

Since 2017 we focused on process improvements for onboarding and training of new assets and recruits to ensure data accuracies are maintained and continual across the portfolio.

Centre teams and third party property managers all have access to the system and are able to monitor performance to identify anomalies. The majority of data is taken from monthly manual meter readings or supplier invoicing. We require evidence to be provided where there are variances larger than 10% compared to the same month in the previous year. This data married with comments and evidence are reviewed through the internal approval process.

AUTOMATED UTILITY METERING

Manual reporting of utility data, whilst normal across the sector, is resource intensive and prone to error. In 2018 we started to roll out the installation of automated utility metering across our UK and Ireland shopping centre assets.

This has enabled data improvements, visibility, communication and accuracy through providing 15-minute interval data for all meters and sub-meters for all utilities on a day +1 basis.

In addition to providing more accurate, auditable data, we will be able to more proactively manage our utility consumption and look for further savings.

In 2020 we will continue to extend the automated metering roll out and look to incorporate the data reporting outputs directly to the Credit 360 data management system.

ESTIMATED DATA

Whilst we make every effort to ensure our reporting is based on actual data there are inevitably instances where estimations are necessary. These are calculated in one of two ways:

1. based on actual data for the previous most relevant previous period
2. based on invoices from utility providers

Estimated data is indicated in footnotes to each table where relevant. The quantity is not material within this year's reporting.

REPORTING STANDARDS

This report has been prepared in accordance with the GRI Standards: Core option, and references disclosures:

— 403-1, 403-5, 403-6 and 403-9 from GRI 403: Occupational Health; Safety 2018

— 203-2 (a) from GRI 203. Indirect Economic Impacts 2016

— 401-1 (a) from GRI 401: Employment 2016;

— 405-2 (a & b i) from GRI 405: Diversity and Equal Opportunity 2016; and

— 416-1 and 416-2 from GRI 416: Customer Health and Safety 2016

Portfolio Denominators

Intensity metrics are provided for energy, carbon and water data. These are based on the following denominators:

COUNTRY	COMMON PART AREAS	CAR PARK SPACES	VISITOR NUMBER
UK			
Shopping Centre	257,173		189,359,836
EPRA LFL	224,055		
Retail Parks	n/a	14,240	
EPRA LFL	n/a	12,715	n/a
France			
Shopping Centre	143,404		67,407,917
EPRA LFL	116,889		
Ireland			
Shopping Centre	53,167		44,587,237
EPRA LFL	44,195		

Our short-term sustainability targets

Hammerson

We set annual targets for our portfolios that support our long term Net Positive targets. Our 2020 and 2021 environmental targets are set out below.

2020 and 2021 Environmental targets

		Net Positive Portfolio (Proportionate ownership/equity share basis)	EPRA LFL Portfolio (Operational control basis 100% share)
Carbon	2020	-14%	-12%
	2021	<0 tonnes CO2e	-10%
Energy	2020	n/a	-4%
	2021	n/a	-3%
Water	2020	Net Positive for water for landlord services @ 2 managed assets	-5% water intensity
	2021	Net Positive for water for landlord services @ UK assets	-5% water intensity
Resource use	2020	<0 tonnes operational resource use footprint	75% recycling
	2021	<0 tonnes operational resource use footprint	100% diversion from landfill
Socio-economic	2020	Complete at least 1 locally relevant community project at each managed asset	Complete at least 1 locally relevant community project at each managed asset
	2021	Complete at least 1 locally relevant community project at each managed asset	Complete at least 1 locally relevant community project at each managed asset

3.1 Carbon and Energy

Our Net Positive Carbon Emissions Data

We are now four years into the first five-year phase of our Net Positive targets. Setting these ambitious targets has re-focused the business' attention on driving down carbon emissions. Net Positive data is based on an equity share portfolio.

Our percentage ownership of an asset is the amount of emissions we take responsibility for.

We have always been clear that achieving our Net Positive targets will require offsetting. In this report we have set out our approach to developing balancing projects that will ultimately result in a Net Positive outcome for our scope 1 and 2 carbon emissions (see pages 40 - 41 for details). For transparency we have set out in table 3.1.3 what contribution these balancing projects have made to our 2019 Net Positive carbon emissions.

Net Positive carbon emissions by whole portfolio

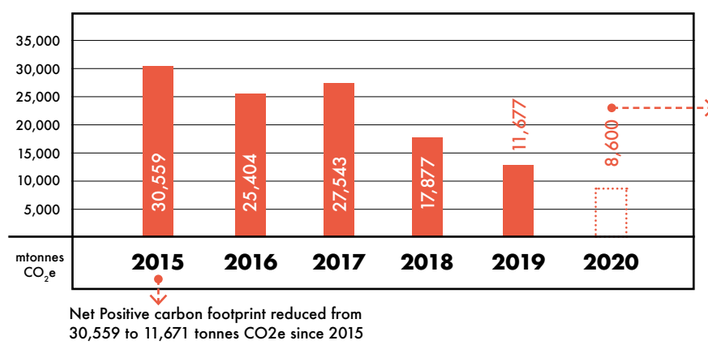
TABLE 3.1.1

	UNIT	2015	2017	2018	2019	% CHANGE YOY
Hammerson GROUP						
Scope 1 and 2 (landlord obtained)	tCO2e/yr		22,616	14,581	11,096	
Scope 3 (Landlord obtained)	tCO2e/yr		1,912	1,441	613	
Scope 3 (Landlord transmission and distribution)	tCO2e/yr		1,709	924	716	
Corproate Travel	tCO2e/yr		1,111	1,115	657	
Corporate Offices	tCO2e/yr		539	398	271	
Corporate Consumables	tCO2e/yr		4	4	4	
Hammerson Net Positive Carbon emissions	tCO2e/yr	30,599	27,819	18,463	13,357	28%
Tenant Engagement efficiencies	tCO2e/yr			200	938	
On-site clean power generation	tCO2e/yr		352	469	281	
EV Charging provision	tCO2e/yr				106	
Embodied Carbon reductions	tCO2e/yr		59	274	211	
Other engagement savings	tCO2e/yr		1.7	562	150	
Balancing projects			413		1,686	
Hammerson Net Positive Carbon Footprint	tCO2e/yr	30,599	27,406	17,873	11,671	-35%

The chart below sets out our Net Positive carbon emissions trajectory to the end of 2020.

This identifies the carbon emissions we currently expect to remain and for which we will be identifying further balancing projects across the year.

Our Net Positive carbon emissions pathway



FOR MORE
Read the full story:
see page 45 - 51

Tables 3.1.2- 3.1.10 set out our GRI and EPR compliant carbon, energy and GHG emissions data

GRI & EPRA Carbon and Energy Data

Carbon emissions by Group and Porfolio

					GRI INDICATOR 305-1, 305-2, 305-3, 305-4				TABLE 3.1.2
	UNIT	EPRA CODE	2015	2016	2017	2018	2019	% CHANGE YOY	% CHANGE VS. 2015
Hammerson Group									
Total CO2e (Location Based)	mtCO2e		33,703	32,026	29,858	27,112	24,604	-9%	-27%
Scope 1	mtCO2e	GHG-Dir-Abs	5,852	5,414	4,351	5,297	4,829	-9%	-17%
Scope 2	mtCO2e	GHG-Indir-Abs	27,851	26,612	25,508	21,815	19,775	-9%	-29%
Scope 3[a]	mtCO2e	GHG-Indir-Abs	1,835	832	1,907	1,897	3,152		
Total CO2e (Market Based)[a]	mtCO2e		16,142	12,984	12,131	10,710	10,575	-1%	-34%
Scope 1	mtCO2e	GHG-Dir-Abs	5,852	5,414	4,351	5,297	4,928	-7%	-16%
Scope 2	mtCO2e	GHG-Indir-Abs	10,290	7,571	7,780	5,413	5,647	4%	-45%
Scope 3[a]	mtCO2e	GHG-Indir-Abs	135	104	1,578	1,897	3,161		
Common parts area (CPA)	m^2		425,476	465,490	460,163	471,884	474,271		
GHG intensity	kgCO2e/CPA	GHG-Indir-Abs	65	69	65	57	52	-10%	-21%
Hammerson UK Shopping Centres (Coverage 12/12)									
Total CO2e (Location Based)	mtCO2e		24,804	22,577	17,846	15,460	13,138	-15%	-47%
Scope 1	mtCO2e	GHG-Dir-Abs	3,111	2,912	1,769	2,971	2,990	1%	-4%
Scope 2	mtCO2e	GHG-Indir-Abs	21,693	19,665	16,077	12,489	10,148	-19%	-53%
Scope 3[b]	mtCO2e	GHG-Indir-Abs	1,700	707	1,770	1,671	2,263		
Total CO2e (Market Based)[a]	mtCO2e		7,243	6,035	3,746	4,390	4,327	-1%	-40%
Scope 1	mtCO2e	GHG-Dir-Abs	3,111	2,912	1,769	2,971	2,990	1%	-4%
Scope 2	mtCO2e	GHG-Indir-Abs	4,132	3,122	1,977	1,418	1,337	-6%	-68%
Scope 3[b]	mtCO2e	GHG-Indir-Abs	n/a	n/a	1,467	1,671	2,263		
Common parts area (CPA)	m^2		294,547	273,119	273,119	257,173	273,119		
GHG intensity	kgCO2e/CPA	GHG-Int	84	83	65	60	48	-20%	-43%
Hammerson UK Retail Parks (Coverage 14/14)									
Total CO2e (Location Based)	mtCO2e		1,834	1,345	1,244	651	483	-26%	-74%
Scope 1	mtCO2e	GHG-Dir-Abs	4	3	3	3	2	-47%	-60%
Scope 2	mtCO2e	GHG-Indir-Abs	1,830	1,342	1,240	648	481	-26%	-74%
Scope 3[b]	mtCO2e	GHG-Indir-Abs		21	0	0	10		
Total CO2e (Market Based)[a]	mtCO2e		-	1,345	1,244	897	737	-18%	
Scope 1	mtCO2e	GHG-Dir-Abs	4	3	3	3	2	-47%	-60%
Scope 2	mtCO2e	GHG-Indir-Abs	1,830	1,342	1,240	894	735	-18%	-60%
Scope 3[b]	mtCO2e	GHG-Indir-Abs	n/a	n/a	0	0	10		
Car park spaces (CPS)	Number		22,714	19,766	17,245	18,140	14,240		
GHG intensity	kgCO2e/CPS	GHG-Int	81	68	72	36	34	-5%	-58%

a) Market Based calculations reflect emissions factors relevant for clean electricity contracts where applicable.
b) Scope 3 includes gas and electricity submetered to tenants for use in tenanted areas. Scope 3 is from tenant submetered energy supplies only and is excluded from Total Sold assets are included for the months under our management.

A table of all factors applied is available on page 134

Continues on next page >

Carbon emissions intensity of our Group portfolio has fallen by

21%

over the last 4 years and 10% in the 12 months to December 2019

GRI INDICATOR 305-1, 305-2, 305-3, 305-4 **TABLE 3.1.2**

< Continues from previous page

	UNIT	EPRA CODE	2015	2016	2017	2018	2019	% CHANGE YOY	% CHANGE VS. 2015
Hammerson France Shopping Centres (Coverage 8/8)									
Total CO2e (Location Based)	mtCO2e		7,065	5,514	5,243	4,541	5,103	12%	-28%
Scope 1	mtCO2e	GHG-Dir-Abs	2,737	2,407	2,195	1,613	1,117	-31%	-59%
Scope 2	mtCO2e	GHG-Indir-Abs	4,328	3,107	3,049	2,928	3,986	36%	-8%
Scope 3[b]	mtCO2e	GHG-Indir-Abs	135	104	110	197	639		
Total CO2e (Market Based)[a]	mtCO2e		7,065	5,514	5,243	4,306	4,432	3%	-37%
Scope 1	mtCO2e	GHG-Dir-Abs	2,737	2,407	2,195	1,613	1,216	-25%	-56%
Scope 2	mtCO2e	GHG-Indir-Abs	4,328	3,107	3,049	2,694	3,216	19%	-26%
Scope 3[b]	mtCO2e	GHG-Indir-Abs	135	104	110	197	649		
Common parts area (CPA)	m^2		108,215	119,892	103,870	143,404	120,983		
GHG intensity	kgCO2e/CPA	GHG-Int	65	46	50	32	42	33%	-35%
Hammerson Ireland Shopping Centres (Coverage 3/3)									
Total CO2e (Location Based)	mtCO2e			2,355	5,374	5,714	5,065	-11%	
Scope 1	mtCO2e	GHG-Dir-Abs	n/a	43	255	513	520	1%	
Scope 2	mtCO2e	GHG-Indir-Abs	n/a	2,312	5,120	5,201	4,545	-13%	
Scope 3[b]	mtCO2e	GHG-Indir-Abs		0	28	28	229		
Total CO2e (Market Based)[a]	mtCO2e			43	1,411	562	528	-6%	
Scope 1	mtCO2e	GHG-Dir-Abs	n/a	43	255	513	520	1%	
Scope 2	mtCO2e	GHG-Indir-Abs	n/a	0	1,156	49	8	-84%	
Scope 3[b]	mtCO2e	GHG-Indir-Abs	n/a	0	2	28	229		
Common parts area (CPA)	m^2			52,713	65,929	53,167	65,929		
GHG intensity	kgCO2e/CPA	GHG-Int		45	82	107	77	-29%	
Hammerson Strategic Portfolio[c] (Coverage 15/15)									
Total CO2e (Location Based)	mtCO2e		n/a	235	151	746	814	9%	
Scope 1	mtCO2e	GHG-Dir-Abs	n/a	49	129	197	200	2%	
Scope 2	mtCO2e	GHG-Indir-Abs	n/a	186	22	549	614	12%	
Scope 3[b]	mtCO2e	GHG-Indir-Abs	n/a	0	0	0	11		
Total CO2e (Market Based)[a]	mtCO2e		n/a	49	487	555	551	-1%	
Scope 1	mtCO2e	GHG-Dir-Abs	n/a	49	129	197	200	2%	
Scope 2	mtCO2e	GHG-Indir-Abs	n/a	0	358	358	351	-2%	
Scope 3[b]	mtCO2e	GHG-Indir-Abs	n/a	0	0	0	11		
Total Retail Portfolio CO2e (Location Based)	mtCO2e		33,703	32,026	29,858	27,112	24,604	-9%	-27%

a) Market Based calculations reflect emissions factors relevant for clean electricity contracts where applicable.
b) Scope 3 includes gas and electricity submetered to tenants for use in tenanted areas. Scope 3 is from tenant submetered energy supplies only and is excluded from Total Sold assets are included for the months under our management.
c) Hammerson Strategic Portfolio includes assets held for development purposes and voids within these only.
We do not provide sufficient utility services to this portfolio to generate meaningful intensity metrics.

A table of all factors applied is available on page 134 and the Hammerson Positive Places website at sustainability.hammerson.com/

The French electricity grid factors increased in 2019 leading to an increase in emissions from this portfolio in spite of energy efficiency gains.

Carbon Emissions by EPRA like-for-like Portfolio

GRI INDICATORS 305-1, 305-2, 305-3 | TABLE 3.1.3

	UNIT	EPRA CODE	2018	2019	% CHANGE YOY
EPRA L4L (2018-2019) UK Shopping Centres (Coverage 11/12)					
Total CO2e (Location Based)	mtCO2e	GHG-Dir-LfL	14,757	12,386	-16%
Scope 1	mtCO2e	GHG-Dir-LfL	3,196	2,990	-6%
Scope 2	mtCO2e	GHG-Indir-LfL	11,562	9,395	-19%
Scope 3[a]	mtCO2e	GHG-Indir-LfL	2,311	2,236	
Total CO2e (Market Based)	mtCO2e	GHG-Dir-LfL	3,392	3,178	-6%
Scope 1	mtCO2e	GHG-Dir-LfL	3,196	2,990	-6%
Scope 2	mtCO2e	GHG-Indir-LfL	197	187	-5%
Scope 3[a]	mtCO2e	GHG-Indir-LfL	2,311	2,236	
EPRA L4L (2018-2019) UK Retail Parks (Coverage 10/13)					
Total CO2e (Location Based)	mtCO2e	GHG-Dir-LfL	447	408	-9%
Scope 1	mtCO2e	GHG-Dir-LfL	0	0	
Scope 2	mtCO2e	GHG-Indir-LfL	447	407	-9%
Scope 3[a]	mtCO2e	GHG-Indir-LfL	9	9	
Total CO2e (Market Based)	mtCO2e	GHG-Dir-LfL	616	623	1%
Scope 1	mtCO2e	GHG-Dir-LfL	0	0	
Scope 2	mtCO2e	GHG-Indir-LfL	616	622	1%
Scope 3[a]	mtCO2e	GHG-Indir-LfL	9	9	
EPRA L4L (2018-2019) France Shopping Centres (Coverage 7/8)					
Total CO2e (Location Based)	mtCO2e	GHG-Dir-LfL	4,429	4,540	3%
Scope 1	mtCO2e	GHG-Dir-LfL	1,613	1,216	-25%
Scope 2	mtCO2e	GHG-Indir-LfL	2,816	3,324	18%
Scope 3[a]	mtCO2e	GHG-Indir-LfL	406	643	
Total CO2e (Market Based)	mtCO2e	GHG-Dir-LfL	4,199	3,773	-10%
Scope 1	mtCO2e	GHG-Dir-LfL	1,613	1,216	-25%
Scope 2	mtCO2e	GHG-Indir-LfL	2,587	2,556	-1%
Scope 3[a]	mtCO2e	GHG-Indir-LfL	406	643	
EPRA L4L (2018-2019) Ireland Shopping Centres (Coverage 3/3)					
Total CO2e (Location Based)	mtCO2e	GHG-Dir-LfL	5,938	5,065	-15%
Scope 1	mtCO2e	GHG-Dir-LfL	514	520	1%
Scope 2	mtCO2e	GHG-Indir-LfL	5,424	4,545	-16%
Scope 3[a]	mtCO2e	GHG-Indir-LfL	187	229	
Total CO2e (Market Based)	mtCO2e	GHG-Dir-LfL	564	528	-6%
Scope 1	mtCO2e	GHG-Dir-LfL	514	520	1%
Scope 2	mtCO2e	GHG-Indir-LfL	49	8	-84%
Scope 3[a]	mtCO2e	GHG-Indir-LfL	187	229	
Total Co2e EPRA LFL Portfolio (Location Based)	mtCO2e		25,571	22,399	-12%
Total Co2e EPRA LFL Portfolio - Market Based	mtCO2e		8,772	8,101	-8%

a) Scope 3 emissions comprise energy submetered to tenants
Totals include Scope 1 and 2 only

- 16%

Year-on-year reduction in carbon emissions from our EPRA like-for-like UK portfolio

- 12%

Year-on-year reduction in carbon emissions from our Group EPRA like-for-like portfolio excluding the impacts of our clean electricity contracts

Direct and Indirect Energy Consumption by Group and Portfolio

GRI INDICATORS 302-1, 302-3, 302-4 (Building Energy Intensity) **TABLE 3.1.4**

	UNIT	EPRA CODE	2015	2016	2017	2018	2019	% CHANGE YOY	% CHANGE VS. 2015
Hammerson Group									
Total Electricity Consumption for Landlord Services inc. onsite renewables	mWh	Elec-Abs	100,725	102,251	103,455	96,160	83,416	-13%	-17%
Total landlord obtained electricity[a]	mWh	Elec-Abs	100,724	102,665	104,222	97,464	88,395	-9%	-12%
Renewables generated	mWh	Elec-Abs	0	32	150	311	565		
Renewables exported	mWh	Elec-Abs	1	0	0	0	0		
Total electricity consumption for landlord services	mWh	Elec-Abs	97,412	99,161	87,899	92,799	79,950	-14%	-18%
Electricity sub-metered to tenants	mWh	Elec-Abs	3,313	3,089	3,296	3,362	3,465		
Total Natural Gas Consumption for Landlord Services	mWh	Fuels-Abs	24,799	22,743	21,379	19,075	14,566	-24%	-41%
Total landlord obtained natural gas[a]	mWh	Fuels-Abs	31,645	29,202	31,980	28,190	24,423	-13%	-23%
Natural gas sub-metered to tenants	mWh	Fuels-Abs	6,846	6,196	9,892	8,047	8,764		
Diesel consumption	mWh	Fuels-Abs	64	194	130	233	288		
Fuel oils consumption	mWh	Fuels-Abs	0	0	0	0	0		
District heating and cooling	mWh	DH&C-Abs	7,019	7,750	6,419	6,408	7,662		
Common parts area	m^2		342,579	358,802	366,680	507,965	474,271		
Landlord service energy intensity	kWh/m^2 CPA	Energy-Int	357	340	298	220	199	-10%	-44%
Hammerson UK Shopping Centre Portfolio (Coverage 12/12)									
Total Electricity Consumption for Landlord Services inc. onsite renewables	mWh	Elec-Abs	49,789	47,146	46,463	43,892	38,564	-12%	-23%
Total landlord obtained electricity[a]	mWh	Elec-Abs	49,789	47,114	46,314	43,596	39,072	-10%	-22%
Renewables generated	mWh	Elec-Abs	0	32	150	296	521		
Renewables exported	mWh	Elec-Abs	0	0	0	0	0		
Total electricity consumption for landlord services	mWh	Elec-Abs	48,843	46,633	45,600	42,955	37,535	-13%	-23%
Electricity sub-metered to tenants	mWh	Elec-Abs	947	513	864	938	1,029		
Total Natural Gas Consumption for Landlord Services	mWh	Fuels-Abs	9,937	9,279	9,433	7,960	7,121	-11%	-28%
Total landlord obtained natural gas[a]	mWh	Fuels-Abs	16,783	15,475	17,397	15,601	14,457	-7%	-14%
Natural gas sub-metered to tenants	mWh	Fuels-Abs	6,846	6,196	7,964	7,641	7,336		
Diesel consumption	mWh	Fuels-Abs	64	194	130	233	261		
Fuel oils consumption	mWh	Fuels-Abs	0	0	0	0	0		
District heating and cooling[b]	mWh	DH&C-Abs	540	374	651	1,014	1,107		
Common parts area	m^2		228,312	273,119	273,119	312,777	273,119		
Landlord service energy intensity	kWh/m^2 CPA	Energy-Int	260	206	204	163	164	0%	-37%

a) Includes utilities obtained by landlord but consumed by tenants.
b) Less than 1% of gas and electricity data is estimated

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- 44%

Our Positive Places strategy has significantly reduced the energy intensity of our Group portfolio since 2015

						GRI INDICATORS 302-1, 302-3, 302-4 (Building Energy Intensity)			TABLE 3.1.4
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	UNIT	**EPRA CODE**	**2015**	**2016**	**2017**	**2018**	**2019**	**% CHANGE YOY**	**% CHANGE VS. 2015**
Hammerson UK Retail Parks Portfolio (Coverage 14/14)									
Total Electricity Consumption for Landlord Services inc. onsite renewables	mWh	Elec-Abs	3,961	3,753	2,800	2,289	1,883	-18%	-52%
Total landlord obtained electricity[a]	mWh	Elec-Abs	3,960	3,753	2,800	2,289	1,883	-18%	-52%
Renewables generated	mWh	Elec-Abs	0	0	0	0	0		
Renewables exported	mWh	Elec-Abs	1	0	0	0	0		
Total electricity consumption for landlord services	mWh	Elec-Abs	3,912	3,702	2,800	2,289	1,883	-18%	-52%
Electricity sub-metered to tenants	mWh	Elec-Abs	49	50	0	0	0		
Total Natural Gas Consumption for Landlord Services	mWh	Fuels-Abs	21	17	18	16	9	-47%	-58%
Total landlord obtained natural gas[a]	mWh	Fuels-Abs	21	17	18	16	9		
Natural gas sub-metered to tenants	mWh	Fuels-Abs	0	0	0	0	0		
Diesel consumption	mWh	Fuels-Abs	0	0	0	0	0		
Fuel oils consumption	mWh	Fuels-Abs	0	0	0	0	0		
District heating and cooling	mWh	DH&C-Abs	0	0	0	0	0		
Car park spaces	Number		22,074	22,583	17,245	22,583	14,240		
Landlord service energy intensity	kWh/m² CPS	Energy-Int	178	165	163	102	133	30%	-25%
Hammerson France Shopping Centre Portfolio (Coverage 8/8)									
Total Electricity Consumption for Landlord Services inc. onsite renewables	mWh	Elec-Abs	46,974	45,915	41,866	37,447	31,067	-17%	-34%
Total landlord obtained electricity[a]	mWh	Elec-Abs	46,974	45,915	41,866	37,432	33,396	-11%	-29%
Renewables generated	mWh	Elec-Abs	0	0	0	15	44		
Renewables exported	mWh	Elec-Abs	0	0	0	0	0		
Total electricity consumption for landlord services	mWh	Elec-Abs	44,657	43,388	39,500	35,088	28,694	-18%	-36%
Electricity sub-metered to tenants	mWh	Elec-Abs	2,317	2,526	2,366	2,358	2,373		
Total Natural Gas Consumption for Landlord Services	mWh	Fuels-Abs	14,841	13,208	11,928	8,368	4,648	-44%	-69%
Total landlord obtained natural gas[a]	mWh	Fuels-Abs	14,841	13,208	12,473	8,767	6,076		
Natural gas sub-metered to tenants	mWh	Fuels-Abs	0	0	545	399	1,428		
Diesel consumption	mWh	Fuels-Abs	0	0	0	0	1		
Fuel oils consumption	mWh	Fuels-Abs	0	0	0	0	0		
District heating and cooling[b]	mWh	DH&C-Abs	6,479	7,376	5,768	5,394	6,555		
Common parts area	m²		92,193	10,387	10,387	119,892	120,983		
Landlord service energy intensity	kWh/m² CPA	Energy-Int	716	616	551	362	276	-24%	-61%

a) Includes utilities obtained by landlord but consumed by tenants.
b) 39% of district heating and cooling data for the French portfolio is estimated

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						GRI INDICATORS 302-1, 302-3, 302-4 (Building Energy Intensity)			TABLE 3.1.4
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	UNIT	EPRA CODE	2015	2016	2017	2018	2019	% CHANGE YOY	% CHANGE VS. 2015
Hammerson Ireland Shopping Centre Portfolio (Coverage 3/3)									
Total Electricity Consumption for Landlord Services inc. onsite renewables	mWh	Elec-Abs	n/a	5,437	12,326	12,533	11,965	-5%	
Total landlord obtained electricity[a]	mWh	Elec-Abs	n/a	5,437	12,326	12,533	11,965	-5%	
Renewables generated	mWh	Elec-Abs	n/a	0	0	0	0		
Renewables exported	mWh	Elec-Abs	n/a	0	0	0	0		
Total Electricity Consumption for Landlord Services	mWh	Elec-Abs	n/a	5,437	12,260	12,467	11,902	-5%	
Electricity sub-metered to Tenants	mWh	Elec-Abs	n/a	0	66	65	63		
Total Natural Gas Consumption for Landlord Services	mWh	Fuels-Abs	n/a	239	1,383	2,730	2,788	2%	
Total landlord obtained natural gas[a]	mWh	Fuels-Abs	n/a	239	1,392	2,737	2,793		
Natural gas sub-metered to tenants	mWh	Fuels-Abs	n/a	0	9	7	5		
Diesel consumption	mWh	Fuels-Abs	n/a	0	0	0	26		
Fuel oils consumption	mWh	Fuels-Abs	n/a	0	0	0	0		
District heating and cooling	mWh	DH&C-Abs	n/a	0	0	0	0		
Car park spaces	m^2		n/a	52,713	65,929	52,713	65,929		
Landlord service energy intensity	kWh/m^2 CPA	Energy-Int	n/a	108	207	288	223	-23%	
Hammerson Strategic Portfolio[b] (Coverage 15/15)									
Total Electricity Consumption for Landlord Services inc. onsite renewables	mWh	Elec-Abs	n/a	n/a	n/a	n/a	n/a		
Total landlord obtained electricity[a]	mWh	Elec-Abs	n/a	447	917	1614	2078	29%	
Renewables generated	mWh	Elec-Abs	n/a	n/a	n/a	n/a	n/a		
Renewables exported	mWh	Elec-Abs	n/a	n/a	n/a	n/a	n/a		
Total electricity consumption for landlord services	mWh	Elec-Abs	n/a	n/a	n/a	n/a	n/a		
Electricity sub-metered to tenants	mWh	Elec-Abs	n/a	n/a	n/a	n/a	n/a		
Total Natural Gas Consumption for Landlord Services	mWh	Fuels-Abs	n/a	n/a	n/a	n/a	n/a		
Total landlord obtained natural gas[a]	mWh	Fuels-Abs	n/a	264	700	1069	1089	2%	
Natural gas sub-metered to tenants	mWh	Fuels-Abs	n/a	n/a	n/a	n/a	n/a		
Diesel consumption	mWh	Fuels-Abs	n/a	n/a	n/a	n/a	n/a		
Fuel oils consumption	mWh	Fuels-Abs	n/a	n/a	n/a	n/a	n/a		
District heating and cooling	mWh	DH&C-Abs	n/a	n/a	n/a	n/a	n/a		

a) Includes utilities obtained by landlord but consumed by tenants.
b) Hammerson Strategic Portfolio includes assets held for development purposes and voids within these only.
We do not provide sufficient utility services to this portfolio to generate meaningful intensity metrics.

Direct and Indirect Energy Consumption by EPRA like-for-like portfolio

GRI INDICATOR 302-1, 302-4 — TABLE 3.1.5

	UNIT	EPRA CODE	2018	2019	% CHANGE YOY
EPRA L4L (2018-2019) UK Shopping Centres (Coverage 11/12)					
Total Electricity Consumption for Landlord Services	mWh	Elec-lfl	41,849	35,687	-15%
Total landlord obtained electricity inc. onsite renewables	mWh	Elec-lfl	42,686	36,649	-14%
Electricity sub-metered to tenants	mWh	Elec-lfl	838	962	
Total Natural Gas Consumption for Landlord Services	mWh	Fuels-lfl	7,960	7,121	-11%
Total Landlord obtained natural gas[a]	mWh	Fuels-lfl	15,601	14,457	-7%
Natural gas sub-metered to tenants	mWh	Fuels-lfl	7,641	7,336	
Diesel consumption	mWh	Fuels-lfl	236	261	
Thermal energy	mWh	DH&C-lfl	1,014	1,107	
EPRA L4L (2018-2019) UK Retail Parks (Coverage 10/14)					
Total Electricity Consumption for Landlord Services	mWh	Elec-lfl	1,577	1,594	1%
Total landlord obtained electricity inc. onsite renewables	mWh	Elec-lfl	1,577	1,594	1%
Electricity sub-metered to tenants	mWh	Elec-lfl	0	0	
Total Natural Gas Consumption for Landlord Services	mWh	Fuels-lfl	1	2	217%
Total landlord obtained natural gas[a]	mWh	Fuels-lfl	1	2	217%
Natural gas sub-metered to tenants	mWh	Fuels-lfl	0	0	
Diesel consumption	mWh	Fuels-lfl	0	0	
Thermal energy	mWh	DH&C-lfl	0	0	
EPRA L4L (2018-2019) France Shopping Centres (Coverage 7/8)					
Total Electricity Consumption for Landlord Services	mWh	Elec-lfl	34,273	30,938	-10%
Total landlord obtained electricity inc. onsite renewables	mWh	Elec-lfl	36,631	33,311	-9%
Electricity sub-metered to tenants	mWh	Elec-lfl	2,358	2,373	
Total Natural Gas Consumption for Landlord Services	mWh	Fuels-lfl	8,368	5,186	-38%
Total landlord obtained natural gas[a]	mWh	Fuels-lfl	8,767	6,615	-25%
Natural gas sub-metered to tenants	mWh	Fuels-lfl	399	1,428	
Diesel consumption	mWh	Fuels-lfl	0	1	
Thermal energy	mWh	DH&C-lfl	5,236	5,992	
EPRA L4L (2018-2019) Ireland Shopping Centres (Coverage 3/3)					
Total Electricity Consumption for Landlord Services	mWh	Elec-lfl	13,003	11,902	-8%
Total landlord obtained electricity inc. onsite renewables	mWh	Elec-lfl	13,069	11,965	-8%
Electricity sub-metered to tenants	mWh	Elec-lfl	65	63	
Total Natural Gas Consumption for Landlord Services	mWh	Fuels-lfl	2,702	2,788	3%
Total landlord obtained natural gas[a]	mWh	Fuels-lfl	2,709	2,793	3%
Natural gas sub-metered to tenants	mWh	Fuels-lfl	7	5	
Diesel consumption	mWh	Fuels-lfl	26	26	
Thermal energy	mWh	DH&C-lfl	0	0	
Total Landlord Energy Demand - EPRA LFL portfolios			**116,245**	**102,604**	**-12%**

a) Includes utilities obtained by landlord but consumed by tenant
b) Thermal energy in the form of district heating and cooling is considered landlord consumption and not separately metered for tenant consumption

-12%

Our continued focus on energy demand is delivering signficant year-on-year energy savings, reducing our environmental impacts and delivering cost savings to the business and our tenants

Refrigerant data

GRI INDICATOR 305-6 TABLE 3.1.6

F-GAS	UNIT	2015	2016	2017	2018	2019	EMISSION FACTOR
R22	kgCO2e	0	0	0	0	0	DEFRA 2019
R134A	kgCO2e	0	0	862,290	0	0	DEFRA 2019
R143A	kgCO2e	0	0	0	0	0	DEFRA 2019
R404A	kgCO2e	0	0	0	0	0	DEFRA 2019
R407C	kgCO2e	23,061	17,385	275,325	0	238,780	DEFRA 2019
R410A	kgCO2e	0	0	0	53,348	29,754	DEFRA 2019
Total emissions	kgCO2e	23,061	17,385	1,137,615	53,348	268,534	

Other relevant indirect green-house gas emissions

GRI INDICATOR 305-3 TABLE 3.1.7

	UNIT	2015	2016	2017	2018	2019
Business travel by air, rail, personal mileage and taxi[a]	mt CO2e	412	1,016	1,509	716	654
Visitor journeys by car to our shopping centres (UK only)[b]	mt CO2e	252,739	277,841	283,828	272,489	273,480

[a]We collected business travel details for our Mandatory GHG Emissions reporting, this is representative of CO2e emissions from flights, car, train and bus journeys. Approximately 8% of this data is estimated.
[b]Emissions associated with visitor travel are estimated based on annual footfall, our 2011 UK survey of visitor travel and the 2008 BCSC Report "Contribution of the Retail Sector to the Economy". We assume 2.4 people per vehicle, 11.91 mile round trip and use the DEFRA emissions factor for an average car.

Reductions in energy requirements of products and services

GRI INDICATOR 302-5 TABLE 3.1.8

DATE	INITIATIVE	LOCATION	ANNUAL SAVINGS (kWh)
2019	Carbon monoxide sensors	Bullring	1,917,412
2019	LEDs	Highcross	not separately metered
2019	LEDs	Silverburn	167,000
2019	LEDs	Union Square	not separately metered
2019	LEDs	Westquay	not separately metered
2019	Controls	Westquay	1,000,000
2019	LEDs	Espace Saint Quentin	not separately metered
2019	LEDs	Italie Deux	not separately metered
2019	LEDs	Nicetoile	not separately metered
2019	LEDs	O'Parinor	not separately metered
2019	LEDs	Terrasses du Port	not separately metered

3.2 Resource Use and Waste

Our Net Positive Resource Use Data

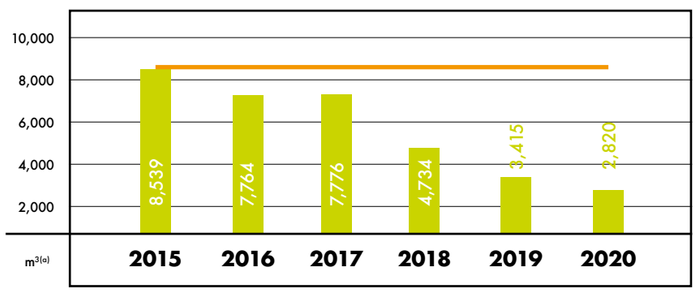
The use and disposal of materials has a significant but often hidden environmental impact. As an asset manager and developer of retail destinations, we manage a significant quantity of materials. This is reflected in our Net Positive resource use targets, and through a consistent focus on improving recycling rates and raising expectations for recycled content materials in our development programme, we have significantly reduced our resource use footprint. Table 3.2.1 below sets out our management of different waste streams and the balancing projects identified to mitigate direct waste from our managed assets. Waste incineration for fuel is included as part of our Net Positive Resource Use figures.

Net Positive resource use (tonnes)

TABLE 3.2.1

	2015	2016	2017	2018	2019	2020
Baseline (net Landlord resource use 2015)	8,539	8,539	8,539	8,539	8,539	8,539
Landlord operational waste	22,050	22,734	24,380	18,934	16,093	14,278
Recycled waste	13,511	14,970	16,605	14,201	12,070	10,709
Balancing projects					2	50
Recycled materials - dev projects					607	700
Water fountains - plastic bottles savings						
Butterfly bank impacts						
Waste to energy					3,100	3,100
Net Resource use	8,539	7,764	7,776	4,734	3,415	2,820

Net Positive resource use pathway



The chart on the left sets out our Net Positive resource use trajectory to the end of 2020. This identifies the resource use we currently expect to remain and for which we will be identifying further balancing projects through across the year.

FOR MORE
Read the full story:
see page 54 - 59

Our recycling rates continue to be higher in the UK and Ireland than in France. The waste industry in France lags the UK in terms of the facilities available. However, by working closely with contractors and on-site sorting at Terrasses du Port and O'Parinor we have made significant improvements sorting.

Tables 3.2.1 - 3.2.2 set out our GRI and EPRA compliant waste data

Group and Portfolio waste data (tonnes)

GRI INDICATOR 306-2 **TABLE 3.2.2**

	EPRA CODE	2015	%	2016	%	2017	%	2018	%	2019	%
Group											
Total waste quantity including shopfit waste	Waste-abs	34,420	100%	35,676	100%	39,363	100%	34,811	100%	35,592	100%
Total tonnes diverted from landfill	Waste-abs	30,371	88%	33,673	94%	38,442	98%	34,743	100%	35,421	99.5%
Total recycled including shopfit waste	Waste-abs	23,837	69%	24,782	69%	28,664	73%	26,400	76%	27,637	78%
Total reused waste	Waste-abs	5		8		93		0		0	
Food recycling	Waste-abs	4,208		4,725		5,780		5,659		5,547	
Food disposal	Waste-abs	34		0		46		1,486		63	
Incinerated waste (used as fuel)	Waste-abs	1,978		1,300		1,461		1,671		2,691	
Incinerated waste (not used as fuel)	Waste-abs	4		0		0		0		0	
Total waste sent to an offsite Materials Recovery Facility [MRF]	Waste-abs	9,157		12,055		11,983		13,296		13,252	
Total landfilled waste	Waste-abs	3,953	11%	803	2%	677	2%	146	0%	185	1%
Total hazardous waste	Waste-abs	39		390		261		135		1,523	
Other waste	Waste-abs	145		0		31		3		0	
Hammerson Shopping Centres UK (Coverage 12/12)											
Total waste quantity including shopfit waste	Waste-abs	25,253	100%	24,067	100%	24,825	100%	21,954	100%	21,875	100%
Total tonnes diverted from landfill	Waste-abs	25,152	100%	23,956	100%	24,718	100%	21,921	100%	21,771	100%
Total recycled including shopfit waste	Waste-abs	19,290	76%	17,927	74%	19,328	78%	18,090	82%	18,318	84%
Total reused waste	Waste-abs	0		0		0		0		0	
Food recycling	Waste-abs	3,644		3,526		3,545		3,259		3,356	
Food disposal	Waste-abs	34		0		46		46		33	
Incinerated waste (used as fuel)	Waste-abs	1,395		773		232		5		48	
Incinerated waste (not used as fuel)	Waste-abs	4		0		0		0		0	
Total waste sent to an offsite Materials Recovery Facility [MRF]	Waste-abs	7,762		8,985		9,728		11,116		11,008	
Total landfilled waste	Waste-abs	5	0%	11	0%	0	0%	0	0%	62	0%
Total hazardous waste	Waste-abs	38		388		150		106		175	
Other waste	Waste-abs	145		0		31		3		0	
Hammerson Retail Parks UK (Coverage 14/14)											
Total waste quantity including shopfit waste	Waste-abs	1,135	100%	1,139	100%	507	100%	446	100%	497	100%
Total tonnes diverted from landfill	Waste-abs	1,130	100%	1,135	100%	503	99%	443	99%	497	100%
Total recycled including shopfit waste	Waste-abs	811	71%	862	76%	296	58%	364	82%	432	87%
Total reused waste	Waste-abs	5		8		4		0		0	
Food recycling	Waste-abs	10		0		0		0			
Food disposal	Waste-abs	0		0		0		0		0	
Incinerated waste (used as fuel)	Waste-abs	250		224		154		52		0	
Incinerated waste (not used as fuel)	Waste-abs	0		0		n/a		n/a		n/a	
Total waste sent to an offsite Materials Recovery Facility [MRF]	Waste-abs	659		579		228		272		347	
Total landfilled waste	Waste-abs	5	0%	4	0%	5	1%	3	1%	0	0%
Total hazardous waste	Waste-abs	0		0		0		0		0	
Other waste	Waste-abs	0		0		0		0		0	
Hammerson Shopping Centres France (Coverage 8/8)											
Total waste quantity including shopfit waste	Waste-abs	7,961	100%	8,689	100%	8,824	100%	7,376	100%	6,877	100%
Total tonnes diverted from landfill	Waste-abs	4,018	50%	6,802	78%	8,036	91%	7,376	100%	6,876	100%
Total recycled including shopfit waste	Waste-abs	3,702	47%	4,874	56%	5,181	59%	4,495	61%	3,994	58%
Total reused waste	Waste-abs	0		0		0		0		0	
Food recycling	Waste-abs	555		868		1,551		1,672		1,475	
Food disposal	Waste-abs	0		0		0		1,440		0	
Incinerated waste (used as fuel)	Waste-abs	297		197		911		1,026		2,208	
Incinerated waste (not used as fuel)	Waste-abs	0		0		0		0		0	
Total waste sent to an offsite Materials Recovery Facility [MRF]	Waste-abs	736		1,936		462		n/a		10	
Total landfilled waste	Waste-abs	3,943	50%	786	9%	651	7%	119		57	1%
Total hazardous waste	Waste-abs	1		2		3		12	0%	14	
Other waste	Waste-abs	0		0		0		0		0	

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GRI INDICATOR 306-2 TABLE 3.2.2

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	EPRA CODE	2015	%	2016	%	2017	%	2018	%	2019	%
Hammerson Shopping Centres Ireland (Coverage 3/3)											
Total waste quantity including shopfit waste	Waste-abs	0		1,586	100%	4,957	100%	4,770	100%	6,078	100%
Total tonnes diverted from landfill	Waste-abs	0		1,586	100%	4,946	100%	4,752	100%	6,039	99%
Total recycled including shopfit waste	Waste-abs	0		1,031	65%	3,774	76%	3,367	71%	4,808	79%
Total reused waste	Waste-abs	0		0		89		0		0	
Food recycling	Waste-abs	0		331		685		728		717	
Food disposal	Waste-abs	0		n/a		0		0		30	
Incinerated waste (used as fuel)	Waste-abs	0		0		164		589		435	
Incinerated waste (not used as fuel)	Waste-abs	0		0		0		0		0	
Total waste sent to an offsite Materials Recovery Facility [MRF]	Waste-abs	0		555		1369		1703		1688	
Total landfilled waste	Waste-abs	0		0	0%	12	0%	12	0%	39	1%
Total hazardous waste	Waste-abs	0		0		107		17		1,333	
Other waste	Waste-abs	0		0		0		0		0	
Hammerson Strategic Portfolio[a] (Coverage 15/15)											
Total waste quantity including shopfit waste	Waste-abs	71	100%	196	100%	250	100%	266	100%	265	100%
Total tonnes diverted from landfill	Waste-abs	70	99%	194	99%	240	96%	251	95%	238	90%
Total recycled including shopfit waste	Waste-abs	33	47%	89	46%	85	34%	84	32%	86	33%
Total reused waste	Waste-abs	0		0		0		0		0	
Food recycling	Waste-abs	0		0		0		0		0	
Food disposal	Waste-abs	0		0		0		0		0	
Incinerated waste (used as fuel)	Waste-abs	37		105		0		0		0	
Incinerated waste (not used as fuel)	Waste-abs	0		0		0		0		0	
Total waste sent to an offsite Materials Recovery Facility [MRF]	Waste-abs	0		0		196		206		199	
Total landfilled waste	Waste-abs	1	1%	2	1%	10	4%	13	5%	27	10%
Total hazardous waste	Waste-abs	0		0		0		0		0	
Other waste	Waste-abs	0		0		0		0		0	

a) Hammerson Strategic Portfolio includes assets held for development purposes and voids within these only

Hazardous waste by disposal route

GRI INDICATOR 306-2 TABLE 3.2.1

	UNIT	EPRA CODE	GROUP	IRELAND	FRANCE	UNITED KINGDOM
Hazardous Incinerated waste (not used as fuel)	tonnes	waste-abs	46	9	0	37
Hazardous Incinerated waste (use as fuel)	tonnes	waste-abs	64	16	0	48
Hazardous Landfilled waste	tonnes	waste-abs	102	40	0	62
Hazardous Recycled waste	tonnes	waste-abs	1312	1269	14	29
Hazardous Reused waste	tonnes	waste-abs	0	0	0	0
Total Hazardous Waste	tonnes	waste-abs	1524	1335	14	175

EPRA like-for-like Waste Data (tonnes)

GRI INDICATOR 306-2 TABLE 3.2.3

	EPRA CODE	2018	%	2019	%
EPRA LfL (2017-2018) UK Shopping Centres (Coverage 11/12)					
Total waste quantity including shopfit waste	Waste-lfl	21,353	100%	21,437	100%
Total tonnes diverted from landfill	Waste-lfl	21,321	100%	21,333	100%
Total recycled including shopfit waste	Waste-lfl	17,942	84%	18,245	85%
Total reused waste	Waste-lfl	0		0	
Food recycling	Waste-lfl	3,259		3,355	
Food disposal	Waste-lfl	46		33	
Incinerated waste (used as fuel)	Waste-lfl	1		48	
Incinerated waste (not used as fuel)	Waste-lfl	0		0	
Total waste sent to an offsite Materials Recovery Facility [MRF]	Waste-lfl	10,669		10,643	
Total landfilled waste	Waste-lfl	33	0%	104	0%
Total hazardous waste	Waste-lfl	105		175	
Other waste	Waste-lfl	2		0	
EPRA LfL (2017-2018) UK Retail Parks (Coverage 10/14)					
Total waste quantity including shopfit waste	Waste-lfl	403	100%	483	100%
Total tonnes diverted from landfill	Waste-lfl	400	99%	483	100%
Total recycled including shopfit waste	Waste-lfl	334	83%	418	87%
Total reused waste	Waste-lfl	216		0	
Food recycling	Waste-lfl	0		0	
Food disposal	Waste-lfl	0		0	
Incinerated waste (used as fuel)	Waste-lfl	47		0	
Incinerated waste (not used as fuel)	Waste-lfl	0		0	
Total waste sent to an offsite Materials Recovery Facility [MRF]	Waste-lfl	234		333	
Total landfilled waste	Waste-lfl	3	1%	0	0%
Total hazardous Waste	Waste-lfl	0		0	
Other waste	Waste-lfl	0		0	
EPRA LfL (2017-2018) France Shopping Centres (Coverage 7/8)					
Total waste quantity including shopfit waste	Waste-lfl	7141	100%	6691	100%
Total tonnes diverted from landfill	Waste-lfl	7141	100%	6691	100%
Total recycled including shopfit waste	Waste-lfl	4401	62%	3966	59%
Total reused waste	Waste-lfl	0		0	
Food recycling	Waste-lfl	1653		1469	
Food disposal	Waste-lfl	1		0	
Incinerated waste (used as fuel)	Waste-lfl	1026		2051	
Incinerated waste (not used as fuel)	Waste-lfl	0		0	
Total waste sent to an offsite Materials Recovery Facility [MRF]	Waste-lfl	0		10	
Total landfilled waste	Waste-lfl	0	0%	0	0%
Total hazardous waste	Waste-lfl	9		14	
Other waste	Waste-lfl	0		0	
EPRA LfL (2017-2018) Ireland Shopping Centres (Coverage 3/3)					
Total waste quantity including shopfit waste	Waste-lfl	4770	100%	6078	100%
Total tonnes diverted from landfill	Waste-lfl	4752	100%	6039	99%
Total recycled including shopfit waste	Waste-lfl	3367	71%	4808	79%
Total reused waste	Waste-lfl	0		25	
Food recycling	Waste-lfl	728		717	
Food disposal	Waste-lfl	0		30	
Incinerated waste (used as fuel)	Waste-lfl	589		435	
Incinerated waste (not used as fuel)	Waste-lfl	0		0	
Total waste sent to an offsite Materials Recovery Facility [MRF]	Waste-lfl	1703		1688	
Total landfilled waste	Waste-lfl	18	0%	40%	1%
Total hazardous waste	Waste-lfl	0		1333	
Other waste	Waste-lfl	0		0	

3.3 Water

Our Net Positive Water Data

Becoming Net Positive for mains fresh water is potentially the most challenging of our targets. However, water remains a precious natural resource and one of the most threatened.

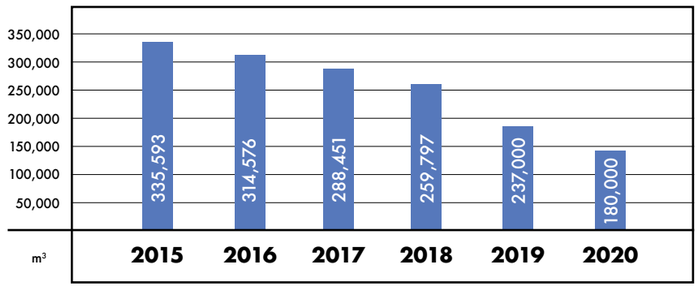
We are very pleased therefore, to be able to report a significant reduction in our Net Positive water footprint in 2019. Table 3.3.1 below sets out the savings we have achieved through efficiencies in water demand for landlord services and what has been achieved through our balancing projects within and beyond our value chain. Hammerson does not operate in any regions that suffer from significant water stress.

Net Positive water footprint

TABLE 3.3.1

	UNIT	2015	2016	2017	2018	2019	2020
2015 baseline	m^3	335,593	335,593	335,593	335,593	335,593	335,593
LL Operational consumption	m^3	335,593	316,412	294,113	262,279	253,317	225,000
Rainwater harvesting	m^3		1,836	5,662	2,482	6,835	8,000
Tenant savings	m^3					7,529	37,000
Recycle to refresh campaign	m^3					933	
Whitely School leak fixing	m^3					1,133	
Balancing projects total	m^3		1,836	5,662	2,482	16,430	45,000
Net water demand	m^3	335,593	314,576	288,451	281,695	236,887	180,000

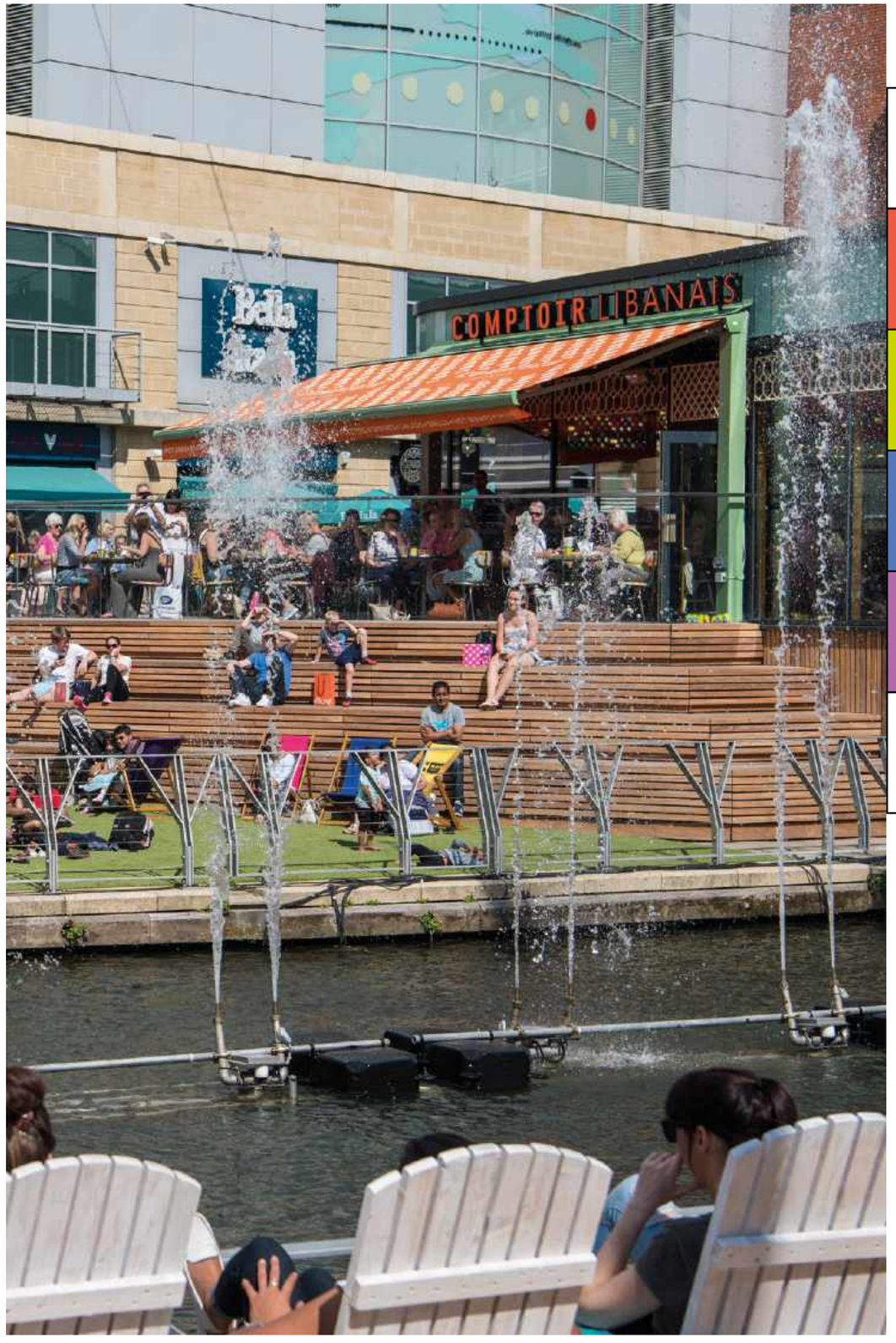
Net Positive water pathway



This sets out our Net Positive water trajectory to the end of 2020. This identifies the water demand we currently expect to remain within the portfolio and for which we will be identifying further balancing projects across the year.

We have increased rainwater harvesting at Cabot Circus, Bullring and Westquay, reducing potable water use by approximately 6,800m^3.

FOR MORE
Read the full story:
see page 61 - 67



Tables 3.3.2 - 3.3.3 set out our GRI and EPRA compliant Water Data for 2019

Hammerson

Group and Portfolio water demand

							GRI INDICATOR 303-3		TABLE 3.3.2
	UNIT	EPRA CODE	2015	2016	2017	2018	2019	% CHANGE YOY	% CHANGE VS. 2015
Hammerson Group									
Water Consumption for Landlord Services	m^3	Water-Abs	533,756	437,870	484,043	479,233	450,608	-6%	-16%
Total landlord obtained water[a]	m^3	Water-Abs	1,101,881	1,177,040	1,153,283	1,110,277	1,085,130	-2%	-2%
Water sub-metered to tenants	m^3	Water-Abs	567,289	733,508	657,675	626,729	638,415		
Total water withdrawal by source									
Total mains freshwater withdrawal	m^3		1,101,045	1,171,378	1,141,718	1,105,962	1,078,295	-3%	-2%
Rainwater harvested onsite	m^3		836	5,662	11,565	4,315	6,835		
Building Water Intensity (landlord services)[b]	litres/visitor	Water-Int	2	2	2	2	1.5	-6%	-29%
Hammerson UK Shopping Centre (Coverage 12/12)									
Water Consumption for Landlord Services	m^3	Water-Abs	384,516	166,288	241,341	226,136	190,367	-16%	-50%
Total landlord obtained water	m^3	Water-Abs	713,014	674,355	653,097	658,859	600,747	-9%	-16%
Water sub-metered to tenants	m^3	Water-Abs	328,498	513,728	421,642	435,966	417,015		
Total water withdrawal by source									
Total mains freshwater withdrawal	m^3		712,178	668,693	643,211	655,616	594,113	-9%	-17%
Rainwater harvested onsite	m^3		836	5,662	9,886	3,243	6,634		
Building Water Intensity (landlord services)[b]	litres/visitor	Water-Int	2.4	1.0	1.3	1.2	1.0	-16%	-58%
Hammerson UK Retail Parks[c] (Coverage 14/14)									
Water Consumption for Landlord Services	m^3	Water-Abs	4,730	2,685	0	0	0		
Total landlord obtained water[a]	m^3	Water-Abs	5,138	2,836	0	0	0		
Water sub-metered to tenants	m^3	Water-Abs	408	151	0	0	0		
Total water withdrawal by source									
Total mains freshwater withdrawal	m^3		5,138	2,836	0	0	0		
Rainwater harvested onsite	m^3		0	0	0	0	0		
Building Water Intensity (landlord services)[b]	litres/visitor		n/a	n/a	n/a	n/a	n/a		
Hammerson France Shopping Centre (Coverage 8/8)									
Water Consumption for Landlord Services	m^3	Water-Abs	144,510	162,704	94,558	88,475	111,675	26%	-23%
Total landlord obtained water[a]	m^3	Water-Abs	382,893	382,750	330,592	279,238	260,189	-7%	-32%
Water sub-metered to tenants	m^3	Water-Abs	238,383	220,046	236,034	190,763	148,514		
Total water withdrawal by source									
Total mains freshwater withdrawal	m^3		382,893	382,750	330,592	279,238	260,189	-7%	-32%
Rainwater harvested onsite	m^3		0	0	0	0	0		
Building Water Intensity (landlord services)[b]	litres/visitor	Water-Int	1.6	1.7	1.0	1.2	1.7	40%	4%
Hammerson Ireland Shopping Centre (Coverage 3/3)									
Water Consumption for Landlord Services	m^3	Water-Abs	n/a	109,654	148,144	164,622	137,838	-16%	
Total landlord obtained water[a]	m^3	Water-Abs	n/a	109,654	146,465	163,550	210,523	29%	
Water sub-metered to tenants	m^3	Water-Abs	n/a	0	0	0	72,886		
Total water withdrawal by source									
Total mains freshwater withdrawal	m^3			109,654	144,786	162,478	210,322	29%	
Rainwater harvested onsite	m^3		n/a	0	1,679	1,072	201		
Building Water Intensity[b]	litres/visitor	Water-Int	n/a	6.1	4.5	3.8	3.1	-18%	
Hammerson Strategic Portfolio (Coverage 15/15)									
Water Consumption for Landlord Services	m^3	Water-Abs	n/a	n/a	n/a	n/a	10,728		
Total landlord obtained water[a]	m^3	Water-Abs	n/a	n/a	n/a	n/a	10,728		
Water sub-metered to tenants	m^3	Water-Abs	n/a	n/a	n/a	n/a	0		
Total water withdrawal by source									
Total mains freshwater withdrawal	m^3		n/a	n/a	n/a	n/a	10,728		
Rainwater harvested onsite	m^3		n/a	n/a	n/a	n/a	0		
Building Water Intensity[d]	litres/visitor	Water-Int	n/a	n/a	n/a	n/a	n/a		

a) Total landlord obtained water includes any metered supplies to tenants and harvested rainwater.
b) Water consumption at centres is largely from toilet facilities so is directly related to visitor footfall.
c) Manor Walks was the only retail park with material water consumption and it was sold in Q2 2016.
d) Hammerson Strategic Portfolio includes assets held for development purposes.
We provide utility services to void units only on these sites
Hammerson does not operate in any areas with water stress.

Hammerson

Water Demand - EPRA like-for-like Portfolio

	UNIT	EPRA CODE	GRI INDICATORS 303-3 2018	2019	TABLE 3.3.3 % CHANGE YOY
EPRA L4L (2017-2018) UK Shopping Centres (Coverage 11/12)					
Water Consumption for Landlord Services	m^3	Water-LfL	215,028	188,962	-12%
Total landlord obtained water	m^3	Water-LfL	647,751	599,342	-7%
Water sub-metered to tenants	m^3	Water-LfL	435,966	417,015	
Total water withdrawal by source					
Total mains freshwater withdrawal	m^3	Water-LfL	644,508	592,708	-8%
Rainwater harvested water	m^3	Water-LfL	3,243	6,634	
EPRA L4L (2017-2018) France Shopping Centres (Coverage 7/8)					
Water Consumption for Landlord Services	m^3	Water-LfL	86,103	110,418	28%
Total landlord obtained water	m^3	Water-LfL	269,578	254,225	-6%
Water sub-metered to tenants	m^3	Water-LfL	183,475	143,807	
Total water withdrawal by source					
Total mains freshwater withdrawal	m^3	Water-LfL	269,578	254,225	-6%
Rainwater harvested water	m^3	Water-LfL	0	0	
EPRA L4L (2017-2018) Ireland Shopping Centres (Coverage 3/3)					
Water Consumption for Landlord Services	m^3	Water-LfL	165,357	137,838	-17%
Total landlord obtained water	m^3	Water-LfL	164,285	210,523	28%
Water sub-metered to tenants	m^3	Water-LfL	0	72,886	
Total water withdrawal by source					
Total mains freshwater withdrawal	m^3	Water-LfL	163,213	210,322	29%
Rainwater harvested water	m^3	Water-LfL	1,072	201	
Total LFL Landlord Water Consumption	m^3	Water-LfL	466,489	437,218	-6%

a) Total landlord obtained water includes any metered supples to tenants and harvested rainwater.
12% of water consumption for landlord services is estimated.

3.4 Socio-Economic Impact

Asset Level Project Data

Our funding supports a wide range of projects at asset level. Our asset level community plans enable us to identify and deliver against locally specific needs.

Below we outline some of the asset level community projects delivered in 2019.

2019 Key Corporate and Asset Community projects

TABLE 3.4.1

ASSET	PARTNER	PROJECT THEME	INPUT/OUTCOME
Corporate	Urban Plan school regeneration workshops	Young People	58 students engaged
Corporate	Skills Builder educational work place visits	Employment & Skills	175 young people engaged
Corporate	RetailTRUST & Glasgow Caledonian University business start-up support	Employment & Skills/Enterprise	£10,000 business seed funding allocated to fashion start-up businesses
Corporate	Inspire Educational Business Partnership	Employment & Skills	Work Week, work-related learning programme engaging 3,100 young people
Brent Cross	Barnet & Southgate College Fashion Parade	Employment & Skills	35 students engaged
Brent Cross	Young Enterprise Barnet	Enterprise	70 young people engaged
Brent Cross	Diabetes Awareness Day	Health & Wellbeing	200 people engaged
Bullring & Grand Central	Opportunity Fair	Employment & Skills	9 disadvantaged/vulnerable people engaged
Bullring & Grand Central	Urban Plan workshop	Young People	30 students engaged
Bullring & Grand Central	Solihull College & University pre-employment training	Employment & Skills	7 people trained
Cabot Circus	Key4Life	Employment & Skills	3 work experience placements and employability workshops
Cabot Circus	Children's Hospice South West	Health & Wellbeing	£1,735.00 raised through employee fundraising
Cabot Circus	Key 4Life	Employment & Skills	3 young people mentored
Centrale	Department for Work & Pensions Recruitment Fairs	Employment & Skills	150 people engaged, 40 secured employment
Centrale	Young Enterprise	Young People	100 students engaged
Centrale	Legacy Youth Zone careers advice	Young People	50 students engaged
Dundrum Town Centre	Mobile health screening	Health & Wellbeing	35 people engaged
Dundrum Town Centre	CuchulainnHeart Challenge	Young People	50 students engaged
Dundrum Town Centre	Southside Partnership	Employment & Skills	400 people engaged
Espace Saint Quentin	SKOLA France	Employment & Skills	20 people trained

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Highcross	Community Week	Health & Wellbeing/ Employment & Skills	150 employee hours donated through a range of activities
Highcross	National Citizen Service Business Challenge	Young People/Enterprise	200 young people engaged
Highcross	Careers Networking Day	Young People	40 young people engaged
Les Terrasses du Port	Initiative France	Employment & Skills	30 local businesses supported
Les 3 Fontaines	Chamber of Trades & Crafts	Enterprise	30 local artisans supported
Nicetoile	Pink October	Health & Wellbeing	800 race participants increasing breast cancer screening awareness
O'Parinor	Bobigny Crafts Campus	Employment & Skills	20 young people engaged
Silverburn	Work experience	Employment & Skills	4 work experience placements hosted
Silverburn	Recruitment Fairs	Employment & Skills	30 retailers engaged, 400 people secured employment
Silverburn	BraveHeart Challenge	Young People	192 students engaged
The Oracle	Launchpad Reading Big Sleep Out	Health & Wellbeing	£1,910.00 raised through employee volunteering
The Oracle	Eurospeak Language School	Employment & Skills	24 international students engaged
The Oracle	Wheels of Fortune Disability Awareness	Health & Wellbeing	£1,000.00 fundraised
Union Square	Aberdeen Grammar School enterprise challenge	Enterprise	13 students engaged
Union Square	Aberdeen Foyer mock interviews	Employment & Skills	11 people engaged
Union Square	CPR training sessions	Health & Wellbeing	210 people trained
Victoria Leeds	The Teenage Market	Enterprise	27 young people engaged
Victoria Leeds	Ahead Partnership Sustainable Christmas schools project	Enterprise	63 students engaged
Victoria Leeds	Dementia Friendly Cafes	Health & Wellbeing	11 people supported, 8 students engaged
Westquay	Westquay Works pre-employment training	Employment & Skills	104 people trained
Westquay	CPR training sessions	Health & Wellbeing	80 people trained

Community engagement % by portfolio

TABLE 3.4.2

Assets delivering Community Engagement projects by portfolio (EPRA Comty-Eng)	
UK Shopping Centres	100%
UK Retail Parks	8%
France Shopping Centres	100%
Ireland Shopping Centres UK & Ireland	100%

Community Investment

Hammerson

Our position as a key community asset in many towns across the UK, Ireland and France presents opportunities for significant community investment.

Below we set out the total financial value of community investment made by Hammerson over the last three years.

This is calculated using industry standards established by the London Benchmarking Group, of which we are a member.

	2016	2017	2018	2019	GRI INDICATOR 102-43,203-2 TABLE 3.4.3 COMMENTARY ON TREND
TOTAL INVESTMENT	£3,067,660	£3,038,255	£2,010,703	£1,804,102	
Total value of direct contributions to the community	£2,438,660	£2,614,917	£1,699,179	£1,354,564	
Cash contributions	£777,481	£863,372	£536,626	£308,734	
Value of employee time	£328,498	£551,545	£246,005	£225,336	
In-kind donations	£1,332,681	£1,200,000	£916,548	£820,494	
Total in kind - Corporate	£0	£99,716	£4,207	£4,738	
Total in kind - Developments	£0	£0	£670,101	£686,911	
Total value of indirect contributions to the community generated from other sources than Hammerson	£629,000	£423,338	£311,524	£449,539	Increase of indirect contributions from other sources for several large scale projects in France
Shopping Centre and Retail Park Portfolios					
Funds collected through charitable fundraising activities	£309,084	£177,138	£192,230	£185,780	
Value of Hammerson operations employees and non Hammerson employees' time dedicated to community activities	£150,000	£207,217	£112,445	£87,019	Reduction due to no Community Manager in post at Highcross and Environmental & Community Coordinator at Victoria Leeds
Other leverage (e.g. other external partners, employees' contributions and service charge)	£20,194	£72,701	£19,232	£205,795	Increase in external leverage from external partners for several large scale projects in France
Corporate					
Funds collected through charitable fundraising activities	£0	£27,021	£28,088	£23,903	
Value of Hammerson employee time dedicated to community activities	£100,000	£183,383	£110,475	£50,216	France Community Day included in 2017 & 2018 data. Reduction due to no Community Day in France during 2019
Other leverage (e.g. other external partners, employees' contributions and service charge)	£36,945	£28,860	£110,475	£51,703	
Developments					
Value of Hammerson operations employees and non Hammerson employees' time dedicated to community activities	£47,096	£60,969	£5,843	£4,588	
Other leverage (e.g. other external partners, employees' contributions and service charge)	£41,590	£25,700	£13,843	£14,588	
Mandatory Investments - Developments					
Community investment through planning agreements	£110,000	£355,940	£0	£579,263	No UK payments made in 2019. Figures for Pembroke Square, Les 3 Fontaines and Italie Deux
Other Indicators					
Number of organisations that benefited from Hammerson direct and indirect contributions	434	476	449	436	
Full time equivalents on direct sustainability activities	18	20	19	17	
Employee Volunteering					
Number of days volunteered by Hammerson employees	312	254	576	404	Reduction due to no Community Day in France during 2019
Hours volunteered by Hammerson employees	2498	2029	4604	3232	Reduction due to no Community Day in France during 2019
Jobs supported from development schemes	6687	2872	1314	118	Figures only available for France - Les 3 Fontaines and Italie Deux
% Previously unemployed	23%	5%			2019 data not available for previously unemployed
Number of persons voluntarily or involuntarily displaced and/or resettled by development, broken down by project	0	0	0	0	None of our development projects have required displacement of persons in the four years to the reporting date

FOR MORE

For more on how we are shaping our community investment to deliver on locally specific needs, and the social value we are delivering, see pages 69 - 75.

3.5 Standards and Certifications

The success of our sustainability strategy is built on robust processes and management systems. These are vital to supporting the delivery of expected outcomes from major projects and investments.

SUSTAINABLE DESIGN STANDARDS

Our Sustainable Design Standard was developed to provide a consistent framework against which we can test the design of each of our development schemes from the earliest stages. It is used by the Positive Places Development Working Group to monitor progress and identify opportunities and challenges for each scheme.

Our Design Targets

BREEAM	Excellent
Considerate Constructors Scheme	40
Construction waste diversion from landfill	
UK & Ireland	97%
France	90%
Demolition waste diversion from landfill	
UK & Ireland	99%
France	95%
%FSC/PEFC timber on site demolition waste diversion from landfill	100%

CERTIFICATION

In 2019, we maintained our ISO14001:2015 certification for our environmental management system (EMS), which covers all our shopping centre development and operations in the UK and Ireland. This will be extended to our French assets in 2020.

During 2019 we initiated the process of establishing an ISO500001 compliant Energy Management System to compliment the EMS.

This project is making good progress and is expected to be in place by the end of Q1 2020.

We have continued to extend BREEAM in Use (BiU) certification across our French assets. 8/8 assets in France now have BiU certification.

81% of our portfolios by gross internal floor area are covered by an environmental certification system.

A key focus for the asset management teams has been the removal of Minimum Energy Efficiency Standards (MEES) risk from the portfolio. We have consistently managed tenants scoring F&G EPC ratings out of the portfolio using lease events and opportunities, resulting in less than 7% F&G EPCs across the affected portfolio.

Sustainability Certification

GRI INDICATOR 471-1 EPRA CERT-TOT — **TABLE 3.5.1**

CERTIFICATION	UNIT	GROUP	UK SHOPPING CENTRES	UK RETAIL PARKS	FRANCE RETAIL PORTFOLIO	IRISH RETAIL PORTFOLIO
ISO14001						
Number of assets covered out of total number of assets	#	12/38	11/13	0/14	0/8	1/3
Portfolio covered by ISO14001	m2	1,340,293	1,165,880	0	0	174,413
% portfolio covered by GIA	%	65%	83%	0%	0%	71%
BREEAM in Use						
Number of assets covered out of total number of assets		6/39	0/14	0/14	5	1
% GIA of portfolio covered by Environmental Management certifications	m2	81%	83%	0	78%	71%
Energy Performance Certificates						
Total number of certificates	#	1106	867	171	8	60
Area covered by EPCs	m2	1,306,485	546,807	199,071	535207	25,400
Area of EPCs expired in 2019	m2	246,081	232,826	13,255	0	
Area requiring EPCs	m2	564,367	366,112	35,720	0	162,535
% area covered by current EPCs	%	70%	60%	85%	100%	14%

Performance against Hammerson Sustainable Design Standard 2019

TABLE 3.5.2

	BREEAM RATING ACHIEVED (CERTIFICATION STAGE)	CONSIDERATE CONSTRUCTORS SCHEME (2019 AV SCORE, ON SITE UK SCHEMES ONLY)	CON WASTE GEN (T/100M²) (ON-SITE SCHEMES ONLY)	CONSTRUCTION WASTE DIVERTED FROM LANDFILL (ON-SITE SCHEMES ONLY)	DEMOLITION WASTE DIVERTED FROM LANDFILL (ON-SITE SCHEMES ONLY)	SITE ACTIVITY CO2 EMISSIONS (TCO2/100M²) (ON-SITE SCHEMES ONL)	POTABLE WATER (M3/100M²) (ON-SITE SCHEMES ONLY)	% FSC / PEFC TIMBER (ON-SITE SCHEMES ONLY)	GRI G4 EN2 PERCENTAGE OF MATERIALS THAT ARE RECYCLED INPUT MATERIALS (ON-SITE SCHEMES ONLY)
Les 3 Fontaines extension, Cergy	Excellent (Pre-assessment)	Not applicable	1.6	80%	99%	0.09	8.4	100%	Data not provided by the contractor
Italie Deux extension, Paris	Excellent (Pre-assessment)	Not applicable	No construction waste		No demolition waste	0.33	13.0	100%	Data not provided by the contractor
Pembroke Square, Dundrum	Excellent (Pre-assessment)	Not applicable	4.6	100%	100%	0.64	6.3	100%	N/A
Building 13, Dundrum	Not applicable	Not applicable	No construction waste		100%	0.02	1.0	No timber used	N/A

3.6 Corporate Data

Risk Management

Our 2019 Annual Report and Accounts sets out our approach to business risk and this includes regulatory and legislative risks related to the environment, climate change and extreme weather events.

Key corporate risks and our approach to their management are disclosed within the Annual Report and Accounts.

Sustainability risks are identified and assessed according to likelihood of occurrence and scale of business impact.

This reflects financial and reputational impacts.

Table 3.6.1 here shows our Corporate Sustainability Risk Management Framework, identifying key sustainability risks and how we are responding.

Corporate Risk Management Framework

TABLE 3.6.1

RISK AREA	RISK	MANAGEMENT APPROACH	EXTERNAL OR INTERNAL AUDIT/REVIEW PROCESS	RESIDUAL RISK ASSESSMENT	POSITIVE PLACE CR BOARD RESPONSIBILITY
BUSINESS STRATEGY					
Reputational	Failure to meet published sustainability objectives or comply with published sustainability principles	Measures put in place to underpin work towards the 2020 targets including role specific objectives and inclusiion of carbon within Personal bonus calculations. Asset teams are clear regarding the key projects that need to be delivered. The Sustainability Team works closely with the Asset Management and Property Management teams to ensure opportunities to improve performance are identified and initiatives implemented.	Internal and external	Medium	Group Head of Sustainability
Financial	Failure to address sustainability within our development programme and deliver successful outcomes leading to potential delay to planning and or development process	Our experience and expertise in this area is strong however the implmentation of the City Quarters strategy will place additional demands on the business to deliver more complex, longer term sustainability outcomes. The adoption of Passivhaus and DfP alongside BREEAM will support out delivery of high performing schemes. These requirements alongside a clear vision for a sustainable product need to be a fundamental part of the CQ concept.	Internal and external	Medium	Development Director
Regulatory	Non-compliance with UK, Irish, French and EU Environmental regulation and legislation	Carbon Reduction Commitment Energy Efficiency Scheme: — reporting assets identified and data evidence gathering procedures and methodology in place — annual reporting complied with and cost of allowances passed through to tenants in accordance with RICS Service Charge Code. — asset business plan target to reduce CRC costs through energy reduction Minimum Energy Efficiency Standards: — programme of work to reduce exposure to EPC risk by reviewing E, F and G rated units progressing. At risk units prioritized based in leasing strategy. — establish and embed a robust EPC process in retail delivery to ensure there is no risk from MEES legislation — lease clauses updated to ensure compliant EPC is retained when a tenant vacates — retail delivery process refined to ensure fit out delivers a compliant EPC Energy Savings Opportunity Scheme: — audits carried out as required for UK portfolio — implementation of appropriate findings wihtin asset business plans — french portfolio not required to report under Article 8 regulations Heat Network Regulations: — relevant assets registered and reported	Internal and external	Medium	Group Head of Sustainability

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RISK AREA	RISK	MANAGEMENT APPROACH	EXTERNAL OR INTERNAL AUDIT/REVIEW PROCESS	RESIDUAL RISK ASSESSMENT	POSITIVE PLACE CR BOARD RESPONSIBILITY
BUSINESS STRATEGY					
Reputational	Non-compliance with good governance standards within the business and within the supply chain	"Governance is an increasingly significant area of scrutiny for invetors with an ESG framework. We need to a more robust means of assessing a range of issues for our supply chain. "	Internal and external	Medium	CEO
Financial	Rising energy costs including regulatory/ fiscal charges leading to potential financial loss	We are committed to reducing carbon emissions, and our exposure to carbon tax	Internal	Medium	Operations Director
PROPERTY DEVELOPMENT					
	Poor performance in investor-focused industry benchmarks	Scores increased in 2019.	Internal and external	Medium	Group Head of Sustainability
Reputational	Failure to achieve corporate targets of Passivhaus for development projects	Experience is enabling us to deliver BREEAM against target. This risk is now low but as we have raised our targets to achieve Passivhaus and to implement DfP the risk description has been updated and this remains a medium risk.	Internal and external	Medium	Director, Retail Dev
OPERATIONAL					
Reputational	Lack of engagement of JV partners on sustainability matters	Increaseing investor concern with Environmental, Social and Governance issues and their development of bespoke internal rating systems makes our continued dialogue with this stakeholder community essential. We continue to gain useful feedback and input from many of the investors with engagement with on ESG and sustainability issues.		Medium	Group Head of Sustainability
Financial	Impact of climate change on our portfolios leading to potential financial loss through additional operational and insurance costs, financial and reputation loss through inability of assets to function effectively	Portfolio-wide climate risk review has been completed. Climate risk scenario work needs to be carried out to ensure we understand upstream and downstream climate risk for the business. This was initially scheduled for 2020 but has been moved back to 2021.	Internal	Medium	Director UK and Ire Shopping Centres MD Hammerson Fr
Reputational	Staff insufficiently equipped with the knowledge and tools to achieve corporate sustainability goals	We work closely with our internal teams and our suppliers to ensure all staff receive sufficient environmental and sustainability training to support them in the delivery of the sustainability requirements of their role.		Medium	Group Head of Sustainability

Hammerson

3.6 Corporate Data
Managing Corporate Environmental Impacts

The direct sustainability impacts of our corporate operations are relatively limited. However, the significance of these impacts within our overall footprint is rising as our asset level impacts is reduced. We are therefore focusing on reducing key corporate emissions from, for example, business travel and the company car fleet. **We are transitioning the French company car fleet to hybrid and electric vehicles and are exploring taking a similar approach in the UK.**

We occupy offices in London, Reading, Paris and Dublin.

We have been very careful to ensure the fit out of these offices is supported energy efficiency targets. However, we continually seek improvements. We have removed all single use plastic from our UK and Irish offices and work closely with our caterers to minimise food waste and support more carbon efficient menus including reducing meat options.

It is important to our colleagues that our corporate approach is aligned with our efforts to reduce emissions across our assets.

FOR MORE

For more details on how we engage our employees in sustainability see pages 128 - 129.

Hammerson Corporate office environmental data

GRI INDICATOR 305-1, 305-2, 305-3, 302-1, 303-1, 306-2 — **TABLE 3.6.2**

	UNIT	EPRA/ GRI CODE	KINGS PLACE, LONDON	AQUIS HOUSE, READING	RUE CAMBON, PARIS	DUNDRUM TOWN CENTRE, DUBLIN
Net internal area	m^2		2,343	787	1,721	211
CARBON						
Scope 1	$mtCO^2e$		n/a	24	n/a	n/a
Scope 2	$mtCO^2e$		119	77	11	15
Scope 3*	$mtCO^2e$		0	1	1	n/a
ELECTRICITY						
Hammerson electricity consumption	kWh	GRI 302-1	466,241	303,123	156,497	40,410
NATURAL GAS						
Hammerson natural gas consumption	kWh/m^2	GRI 302-1	n/a	128,797	n/a	n/a
Energy intensity/m2 occupied area	kWh		199	385	91	191
WATER						
Hammerson water consumption	kWh	GRI 303-1	310	996	547	n/a
WASTE						
Total waste quantity	tonnes	GRI 306-2	6	9	22	n/a
Diverted from landfill	tonnes	GRI 306-2	6	9	22	n/a
Total recycled excluding tenant shopfit	tonnes		5	0	0	n/a
Total incineration (used for fuel)	tonnes		1	9	22	n/a
Total incineration (not used for fuel)	tonnes		0	0	0	0
Total hazardous waste	tonnes		0	0	0	0
Food disposal [direct]	tonnes					

* Scope 3 includes Hammerson electricity consumption of common parts in the corporate head offices in London.

Hammerson owned transport

TABLE 3.6.3

	UNIT	EPRA INDICATOR	2018	SOURCE
Petroleum consumption	$mtCO2e$	GHG-Dir-Abs	0	DEFRA 2019
Diesel consumption	$mtCO2e$	GHG-Dir-Abs	32	DEFRA 2019

3.6 Corporate Data
Employee Development and Satisfaction

Hammerson

Ensuring our people are both inspired to act and equipped with the necessary skills to do so is key to the delivery of Net Positive.

In 2019 we met our target for all new employees in place for more than six months to undertake a sustainability induction.

In order to achieve operational excellence for sustainability we continue to invest in training for on-the-ground teams at our centres. This includes both contractors and direct employees. In 2019, 304 centre employees undertook one or more of the following courses.

1. One Day IEMA Certified Environmental Awareness
    - an introductory course to global macro environmental issues, understanding Hammerson's Positive Places strategy and centre-level targets and projects. The course included top tips for environmental management including drain care, spill management and energy and water reduction. This course is mandatory for all new centre starters at all levels of the business, and is an accessible introduction to environmental awareness.
2. Two Day IEMA Certified Operational Environmental Management
    - an intermediate two-day course that is mandatory for certain roles and managers at centres. Covers greater detail on environmental legislation, Hammerson's obligations and environmental incident management
3. Five Minute Online Environmental Awareness Refresher
    - an online refresher course for colleagues to complete no more than three years after the One Day IEMA course. Designed by Hammerson and updated annually

We believe this investment in skills development for our people is a key driver behind the high satisfaction scores regarding Corporate Responsibility that we achieve in our annual People Survey, which is aligned to the Great Place to Work framework. In 2019 90% of employees reported feeling positive about Hammerson's efforts to reduce environmental impact and to responsibly manage societal impact.

Employee training

GRI INDICATOR EPRA EMP-DEV, EMP-TRAINING,GRI 404-3, 404-1 **TABLE 3.6.4**

	UNIT	GROUP	UNITED KINGDOM	FRANCE	IRELAND
Total expenditure on employee training and total hours of training per year	£	570,739	392,260	163,491	14,989
Total hours of training per year	Hour	11,824	8,766	2,857	201
Total hours of training per year per employee	Hour	21	23	21	6
GRI LA12 % permanent employees receiving regular performance and career development reviews	%	100%	100%	100%	100%
NUMBER OF EMPLOYEES WHO ATTENDED TRAINING PROGRAMMES UNDER THE FOLLOWING CATEGORIES					
Emergency Response	#	125	111	0	14
Environmental Management	#	216	126	73	17
Finance Skills	#	25	19	5	1
Health & Safety	#	150	123	6	21
I.T. Skills	#	299	278	0	21
Management & Leadership	#	33	25	7	1
Onboarding - for new starters	#	498	423	40	35
Personal Development	#	207	191	2	14
Policy & Compliance	#	84	72	1	11
Project Management	#	36	7	28	1
Sustainability	#	221	96	121	4
NUMBER OF EMPLOYEES WHO RECEIVED PROFESSIONAL TRAINING					
Number of employees in Category 1 (Senior Management)	#	49	36	13	0
Number of employees in Category 2 (other Hammerson staff apart from Senior Management)	#	327	211	93	23
Number of employees in Category 3 (Support Employees)	#	177	139	29	9

Employee development and satisfaction

TABLE 3.6.5

	GROUP	UK	FRANCE	IRELAND
Total Workforce by contract by country by gender (EPRA Diversity-Emp, GRI 405-1)				
Total number of direct employees	553	386	135	32
Total number of supervised workers	1,280	1,133	13	134
Number of employees under indefinite or permanent contract	524	366	127	31
Number of employees under temporary/fixed term contract	29	20	8	1
Number of employees on a full time contract	519	358	130	31
Number of employees under part time contract	34	28	5	1
Number of employees covered by Collective Bargaining Agreements	135	0	135	0
Number of FTE	544	379	134	32
Employees by age by country				
Percentage of employees aged 21-25	6%	5%	9%	6%
Percentage of employees aged 26-34	33%	32%	35%	41%
Percentage of employees aged 35-44	27%	27%	28%	25%
Percentage of employees aged 45-54	22%	24%	20%	13%
Percentage of employees aged 55-64	10%	11%	8%	13%
Percentage of employees aged 65+	0.7%	0.8%	0%	3%
Percentage of employees aged less than 21	0.2%	0.3%	0%	0%
Employee by level, category and region				
Number of employees in Category 1 (Senior Management)	49	36	13	0
Number of employees in Category 2 (other Hammerson staff apart from Senior Management)	327	211	93	23
Number of employees in Category 3 (Support Employees)	177	139	29	9
Flexible Working and diversity training				
Number of Hammerson's direct employees working flexible hours due to parental or carer responsibility	45	43	1	1
Number of requests for flexible working that have been accepted	18	13	5	0
Number of total requests for flexible working for the reporting year	18	13	5	0
Number of employees given diversity training	383	360	0	23
Employee Development and Satisfaction (EPRA Emp-Dev, GRI 404-3)				
Number of employees receiving regular performance and career development reviews	532	135	31	366
Number of employees to whom the "Great Place to Work " survey was sent	548	133	32	383
Number of employees who responded to the "Great Place to Work" survey	471	114	28	329
Total number of incidents of discrimination	0	0	0	0
Women in the workforce (GRI 102-8)				
Hammerson female direct employees (includes contractors)	298	212	67	19
Hammerson male direct employees (includes contractors)	255	174	68	13
Number of Hammerson female employees on a full time contract	268	186	63	19
Number of Hammerson female employees under part time contract	30	26	4	0

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	GROUP	UNITED KINGDOM	FRANCE	IRELAND
Women in the workforce (GRI 102-8) Cont.				
Percentage of female employees	54%	55%	50%	59%
Number of females on the Board of Directors	5	4	1	0
Total number of Directors on the Board	14	10	4	0
Number of Hammerson female employees in Category 1 (Senior Management)	14	11	3	0
Number of Hammerson female employees in Category 2 (other Hammerson staff apart from Senior Management)	155	98	46	11
Number of Hammerson female employees in Category 3 (Support Employees)	129	103	18	8
Employee turnover by age, gender and country				
Number of permanent employees under 21 who left Hammerson during reporting year	0	0	0	0
Number of permanent employees 21-25 who left Hammerson during reporting year	6	5	1	0
Number of permanent employees 26-34 who left Hammerson during reporting year	33	18	13	2
Number of permanent employees 35-44 who left Hammerson during reporting year	18	15	3	0
Number of permanent employees 45-54 who left Hammerson during reporting year	8	7	1	0
Number of permanent employees 55-64 who left Hammerson during reporting year	9	7	2	0
Number of permanent employees+65 who left Hammerson during reporting year	1	1	0	0
Total number of employee turnover (Hammerson's permanent employees only)	74	52	20	2
Voluntary staff turnover as a percentage	10%	14%	15%	6%
Number of male leavers during the reporting year (Hammerson's permanent employees only)	32	24	8	0
Number of female leavers during the reporting year (Hammerson's permanent employees only)	43	29	12	2
Male turnover (against the number of total employees who have left)	43%	46%	40%	0%
Female turnover (against the number of total employees who have left)	39%	23%	10%	100%
Number of employees given diversity training (GRI 405-1)	**267**	**252**	**0**	**15**

For Diversity Pay, please see our Annual Report & Accounts, page 44

3.6 Corporate Data

Managing Health and Safety (H&S)

Our Occupational Health and Safety Management Standard 18001 (OHSAS 18001) certified system has been in place since December 2013. The OHSAS 18001 is a specification and framework for the management of specific occupational health and safety risks in the workplace. It covers planning for hazard identification, training and communication, emergency preparedness and response, risk assessment and control, occupational health and safety management, and performance measuring and improvement.

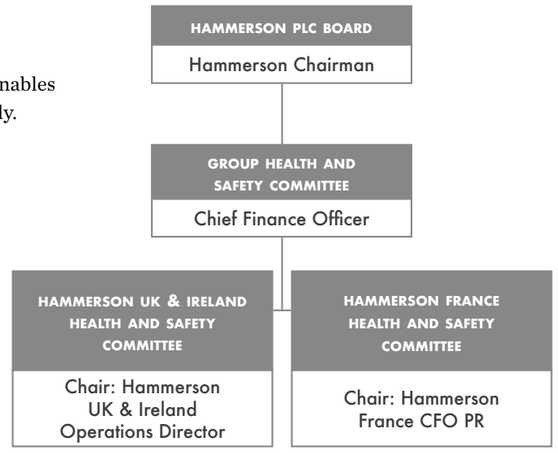
Hammerson receives annual independent verification that we are meeting the requirements of the standard.

We also conduct regular internal audits and reviews to ensure we are meeting the requirements set out in our documented policies and procedures between external audits.

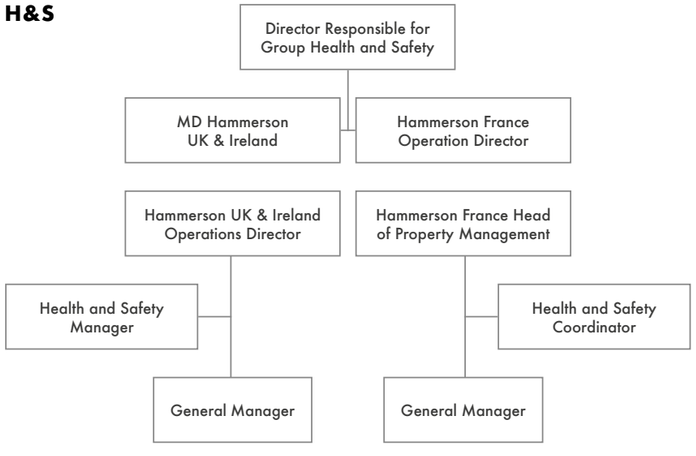
Our Health and Safety Governance Structure

CORPORATE H&S GOVERNANCE

Our governance structure enables us to manage H&S effectively.



OPERATIONAL H&S GOVERNANCE



MIGRATING FROM OHSAS 18001 TO ISO 45001

Over the course of 2020 we will transition from OHSAS 18001 to the new international standard, ISO 45001. This will bring synergies across all other ISO accreditations we hold including our ISO 14001 accredited environmental management system. Hammerson are currently developing the health and safety management system to meet the new set of requirements and have a target to obtain the new certification by the end of 2020.

Dundrum Town Centre and Grand Central, whilst following the OHSAS 18001 processes, will be incorporated within the management system as part of the transition to ISO 45001. France is not yet ISO certified and we have a similar target to include our French operations within the ISO 45001 certification. The implementation process began in 2020.

INTEGRATING SECURITY INTO HEALTH AND SAFETY

Hammerson has recognised that security should sit alongside health and safety and be managed in an integrated way, and as a first step we have ensured that our Statement of Intent Policy now includes security risk management as an integrated part of the H&S framework and Security Strategy. Following this integration, the Group H&S Committee continues to include security and crisis preparedness in their quarterly meetings, as part of the ongoing security threat that we face as crowded public venues.

In France, we have been responding to the push for authorities and private real estate companies to adapt buildings and transform security processes. We audited our assets and implemented a Group Security Strategy through an investment action plan and a deep process review.

Security issues were included in France H&S Committee reports. As part of the global H&S strategy to promote better integration of H&S issues in daily processes, the French operations team hold regular meetings with centre teams, conducted by Head Office managers.

From 2018 in France, Hammerson have faced new forms of security risk from the “Gilets Jaunes” movement and most recently from climate activists. These activist organisations, sometimes merged with violent groups, are new and different to threats from terrorism. Linked to these events, we have established a network alongside special police departments to help us in controlling all social demonstrations and Black Bloc violence.

During 2020 it is our aspiration that a UK&I shopping centres will trial the ‘Secured Environments’ accreditation, which mirrors H&S principles, providing consistency in approach. Secured Environments is a police certification scheme that is awarded to organisations who are able to show that they have adopted six key principles for protecting themselves against all kinds of crime. If the trial accreditation is successful, we will adopt the principles across our UK assets in an effort to receive full accreditation. Whilst this scheme is not available in Ireland we can still apply and follow the principles at these assets.

3.6 Corporate Data
Managing Health and Safety (H&S)

Hammerson

NEW H&S MANAGEMENT TOOL

During Q4 2019 we moved our health, safety and security data reporting onto a new Group reporting platform with better features and functionality, enabling better health and safety governance across our portfolio. This improved reporting platform will deliver a consistent approach to managing and mitigating risks across the business. With enhanced visibility of trends and analytics at all levels across the business, it will enable us to see what risk management protocols are in place or still pending, along with celebrating H&S successes.

The new platform will also enable us to continuously improve our health and safety culture by making these outcomes more visible to line and senior management. This equips managers with the knowledge of centre-level activity, enabling them to more proactively embed the importance of health, safety and security.

As security is being integrated into the health and safety risk management protocols, security risks will become as visible and managed in the same way as health and safety risks. The system will also be expanded to other areas of our business including our strategic portfolio, resulting in greater governance across the business and at a Group level.

In France our teams are currently using the incident management module and look to expand the use of the other modules in line with efforts towards obtaining ISO 45001.

Communication+: Integrating Commercial Aspects with Health, Safety and Security

After a successful trial at one of our centres we launched Communication+ to our UK&I shopping centre portfolio in 2019. Communication+ is a powerful tool that enables improved engagement between Hammerson and our retailers, on both commercial aspects and on health, safety and security.

Communication+ enables us to collate data and report on areas such as footfall, encourages co-working by sharing information, and has integrated health, safety and security functions including critical communications, emergency contacts, push notification alerts and a panic button. The panic button provides a level of support to both retail and employee staff who are working alone in our centres. This is part of our commitment to continually improve and integrate safe working practices at our centres.

Health and Safety - Customer & Occupational

TABLE 3.6.6

		UNIT	GROUP
	ABSENTEE RATE		
GRI 403-9 EPRA H&S Emp	Group absentee rate for employees and contractors (% of total days scheduled)	%	1%
	LOST DAY RATE		
GRI 403-9 EPRA H&S Emp	Number of lost days to direct employees	#	0
	LOST-TIME INJURY FREQUENCY RATE		
EPRA H&S Emp	Employees	n/ million work h	0
EPRA H&S Emp	Contractors	n/ million work h	6
	WORK RELATED INJURIES		
GRI 403-9 EPRA H&S Emp	RIDDOR reportable injuries across the managed portfolio (Hammerson employee & customer)	#	10
GRI 403-9 EPRA-H&S-Emp	Total number of dangerous occurrences, reportable injuries and fatalities to employees[a]	#	8
GRI 403-9 EPRA H&S Emp	Total number of dangerous occurrences, reportable injuries and fatalities to non-employees[a]	#	208
GRI 416-2	Total number of dangerous occurrences, reportable injuries and fatalities to customers[a]	#	417
EPRA-H&S-Comp	**COMPLIANCE** - No incidents were reported in any operating region for 2018		
GRI 416-2	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	#	0
GRI 416-2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcome	#	0
GRI 416-2	Non-compliance with regulations resulting in a fine or penalty	#	0
GRI 416-2	Non-compliance with regulations resulting in a warning	#	0
GRI 416-2	Non-compliance with voluntary codes	#	0
GRI 306-3	Total number and volume of significant spills	#	0
	HEALTH AND SAFETY MANAGEMENT SYSTEM (GRI INDICATOR 416-1)		
CRE EPRA H&S-Asset	% of the organisation operation operating in verified compliance with an internationally recognized health and safety management system - 11 UK assets only in 2018 using OHSAS 18001	%	41%
GRI 403-1	Health and safety management system used Note: the system has been implemented based on recognised risk management and/or management system standards/guidelines		OHSAS 18001
EPRA- H&S-Asset	Percentage of assets for which health and safety impacts are assessed or reviewed for compliance or improvement.	%	100%
	TRAINING		
GRI 403-5	% Employees given health and safety training covering Customer/tenant, Supply chain and Workplace Note: A description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations.	%	27%
	HEALTH & WELLBEING		
	Employee surveys on health and well being conducted in the reporting year		NO
GRI 403-6	Number of physical and/or mental health checks; We provide voluntary health promotion services and programs offered to workers to address major non-work-related health risks. Employees are provided with coporate vouchers for free flu jabs, eye tests and access to health checks with a private doctor	#	116
GRI 403-2	Number of workstation or workplace checks	#	400

a) "Total number of dangerous occurrences, reportable injuries and fatalities to employees" did not include any fatalities in 2019

3.7 Data Coverage

Assets included in the data sets for 2019

TABLE 3.7.1

	OWNERSHIP	GROUP	EPRA LFL	NET POSITIVE[a]
Hammerson UK Shopping Centre Portfolio				
Brent Cross, London	41%	Y	Y	Y
Bullring, Birmingham	50%	Y	Y	Y
Cabot Circus, Bristola	50%	Y	Y	Y
Centrale, Croydon	50%	Y	Y	Y
Grand Central, Birmingham	50%	Y	Y	Y
Highcross, Leicester	50%	Y	Y	Y
Silverburn, Glasgowe	50%	Y	Y	Y
The Oracle, Reading	50%	Y	Y	Y
Union Square, Aberdeen	100%	Y	Y	Y
Victoria, Leeds	100%	Y	Y	Y
WestQuay, Southampton[c]	50%	Y	Y	Y
Whitgift, Croydon	50%	Y	N	Y
Hammerson Ireland Shopping Centre Portfolio				
Dundrum Town Centre	50%	Y	Y	Y
Ilac	50%	Y	Y	Y
Swords Pavilions	50%	Y	Y	Y
Hammerson France Shopping Centre Portfolio				
Cergy 3	100%	Y	N	Y
Espace, Saint Quentin	25%	Y	Y	Y
Italie 2, Paris	100%	Y	Y	Y
Les 3 Fontaines, Cergy-Pontoise	50%	Y	Y	Y
O'Parinor Shopping Centre, Aulnay-sous-Bois	25%	Y	Y	Y
Les Terrasses du Port, Marseille	100%	Y	Y	Y
Nicetoile, Nice	10%	Y	Y	Y
SQYOuest, Saint Quentin	100%	Y	Y	Y
Hammerson UK Retail Parks Portfolio				
Abbey Retail Park, Belfast	100%	Y	Y	Y
Abbotsinch Retail Park, Glasgow	100%	Y	N	Y
Brent South Shopping Park, Brent Cross	41%	Y	Y	Y
Central Retail Park (1 & 2), Falkirk	100%	Y	Y	Y
Cleveland Retail Park, Middlesborough	100%	Y	Y	Y
Cyfarthfa Retail Park, Merthyr Tydfil	100%	Y	Y	Y
Dallow Road, Luton Warehouse	100%	Y	N	Y
Elliot's Field, Rugby	100%	Y	Y	Y
Parc Tawe Retail Park, Swansea	100%	Y	Y	Y
Ravenhead Retail Park, St Helens	100%	Y	Y	Y
St Oswalds Retail Park, Gloucester	100%	Y	N	Y
Telford Forge Retail Park	100%	Y	Y	Y
The Broadway, Didcot	100%	Y	N	Y
The Orchard Centre, Didcot	100%	Y	Y	Y

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	OWNERSHIP	GROUP	EPRA LFL	NET POSITIVE[b]
Hammerson Corporate Porfolio				
Aquis House, Reading	0%	Y	N	Y
Kings Place, London	0%	Y	N	Y
Rue Cambon, Paris	0%	Y	N	Y
Hammerson Strategic Portfolio				
126 Vicar Lane	100%	Y	N	Y
27 - 30 Ladybeck	100%	Y	N	Y
27 Eastgate	100%	Y	N	Y
29-31 Eastgate Street	100%	Y	N	Y
7 Eastgate	100%	Y	N	Y
7-25 Eastgate Street	100%	Y	N	Y
AEU House	100%	Y	N	Y
Broadmead, Bristol	50%	Y	N	Y
Dundrum Offices, Dublin	50%	Y	N	Y
Lydia Street Garage	100%	Y	N	Y
Martineau Galleries, Birmingham	100%	Y	N	Y
National Deposit House	100%	Y	N	Y
Provident House	100%	Y	N	Y
The Point	100%	Y	N	Y
Union House	100%	Y	N	Y
Hammerson Premium Outlets Portfolio - Value Retail				
Bicester Village, UK	50%	N	N	N
La Roca Village, Barcelona	41%	N	N	N
Las Rozas Village, Madrid	37%	N	N	N
La Vallée Village, Paris	26%	N	N	N
Maasmechelen Village, Brussels	27%	N	N	N
Fidenza Village, Milan	34%	N	N	N
Wertheim Village, Frankfurt	45%	N	N	N
Ingolstadt Village, Munich	15%	N	N	N
Kildare Village, Dublin	41%	N	N	N
Hammerson Premium Outlets Portfolio - VIA Outlets				
Batavia Stad Amsterdam Fashion Outlet	50%	N	N	N
Fashion Arena Prague Outlet	50%	N	N	N
Landquart Fashion Outlet, Zürich	50%	N	N	N
Freeport Lisboa Fashion Outlet	50%	N	N	N
Hede Fashion Outlet, Gothenburg	50%	N	N	N
Mallorca Fashion Outlet	50%	N	N	N
Wroclaw Fashion Outlet, Poland	50%	N	N	N
Sevilla Fashion Outlet	50%	N	N	N
Zweibrücken Fashion Outlet, Germany	50%	N	N	N
Vila do Conde Porto Fashion Outlet, Portugal	50%	N	N	N
Oslo Fashion Outlet	50%	N	N	N

a) Net Positive by % Ownership
b) WestQuay South, Southampton data is incorporated into WestQuay, Southampton from 2018

3.8 GRI Index

General Standards Data

Hammerson

		GRI 102: 2016	TABLE 3.8.1
	DESCRIPTION	**LOCATION**	**2019 PAGE**
STRATEGY AND ANALYSIS			
	STRATEGY AND ANALYSIS		
102-14	Chief Executive statement	Sustainability Report	2 - 5
	ORGANIZATIONAL PROFILE		
102-1	Name of the organization	Annual Report and Accounts 2019	206
102-2	Activities, brands, products, and services	Annual Report and Accounts 2019	2
102-3	Location of headquarters	Annual Report and Accounts 2019	206
102-4	Location of operations	Annual Report and Accounts 2019	185-189
102-5	Ownership and legal form	Annual Report and Accounts 2019	185-189
102-6	Markets served	Annual Report and Accounts 2019	2-3, 185-189
102-7	Scale of the organization	Annual Report and Accounts 2019 Sustainability Report	185-189
102-8	Information on employees and other workers	Sustainability Report Annual Report and Accounts 2019	126-129; 42-44
102-41	Collective bargaining agreements	Sustainability Report	128
102-9	Supply chain	Sustainability Report	29
102-10	Significant changes to the organization and its supply chain	Annual Report and Accounts 2019 Positive Places website	4-5; 30-32
102-11	Precautionary Principle or approach	Annual Report and Accounts 2019 Sustainability Report	18-19; 58-65
102-12	External initiatives	Sustainability Report	2-5
102-13	Membership of associations	Sustainability Report	26-28
	IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
102-45	Entities included in the consolidated financial statements	Annual Report and Accounts 2019	202-203
102-46	Defining report content and topic boundaries	Sustainability Report	12-15
102-47	List of material topics	Sustainability Report Website: http://sustainability.hammerson.com/465/our-material-sustainability-issues.html	12-15
102-48	Restatements of information	Sustainability Report	Restatement specified in relevant data sections
102-49	Changes in reporting	Sustainability Report	84-85
	STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Sustainability Report	8-9
102-42	Identifying and selecting stakeholders	Sustainability Report	25
102-43	Approach to stakeholder engagement	Sustainability Report	25-33
102-44	Key topics and concerns raised	Sustainability Report	25-33
	REPORT PROFILE		
102-50	Reporting period	Sustainability Report	42, 85
102-51	Date of most recent report	Sustainability Report	85
102-52	Reporting cycle	Sustainability Report	42, 85
102-53	Contact point for questions regarding the report	Sustainability Report	Back cover
102-54	Reporting in accordance with the GRI Standards	Sustainability Report	42, 85-87
102-55	GRI Index	Sustainability Report	136-137
102-56	External assurance	Sustainability Report	86
	GOVERNANCE		
102-18	Governance structure	Sustainability Report	16-17
	ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behaviour	Annual Report and Accounts	77
203-2	Indirect Economic Impacts	Sustainability Report	118-119

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	DESCRIPTION	LOCATION	2019 PAGE
SPECIFIC STANDARD DISCLOSURES DMA AND INDICATORS – CATEGORY: ENVIRONMENTAL			
	MATERIAL ASPECT: ENERGY (GRI 203: 2016)		
103-1	Explanation of the material topic and its Boundary	Sustainability Report	12-15, 46
103-2	The management approach and its components	Sustainability Report	12-15, 38-39, 48-49
103-3	Evaluation of the management approach	Sustainability Report	12-15, 38-39, 48-49
* 302-1	Energy consumption within the organization	Sustainability Report	96-103
* 302-3	Energy intensity (Building Energy Intensity)	Sustainability Report	96-101
* 302-4	Reduction of energy consumption	Sustainability Report	96-103
302-5	Reductions in energy requirements of products and services	Sustainability Report	104
	MATERIAL ASPECT: WATER (GRI 303: 2018)		
103-1	Explanation of the material topic and its Boundary	Sustainability Report	12-15, 62
103-2	The management approach and its components	Sustainability Report	12-15, 38-39, 64-65
103-3	Evaluation of the management approach	Sustainability Report	12-15, 38-39, 64-65
* 303-3	Water withdrawal by source	Sustainability Report	112-115
	MATERIAL ASPECT: EMISSIONS (GRI 305: 2016)		
103-1	Explanation of the material topic and its Boundary	Sustainability Report	12-15, 46
103-2	The management approach and its components	Sustainability Report	12-15, 38-39, 48-49
103-3	Evaluation of the management approach	Sustainability Report	12-15, 38-39, 48-49
* 305-1	Direct (Scope 1) GHG emissions	Annual Report and Accounts 2019 Sustainability Report	90-95, 124; 205
* 305-2	Energy indirect (Scope 2) GHG emissions	Annual Report and Accounts 2019 Sustainability Report	90-95, 124; 205
* 305-3	Other indirect (Scope 3) GHG emissions	Annual Report and Accounts 2019 Sustainability Report	90-95, 124; 205
* 305-4	GHG Emissions Intensity	Sustainability Report	90-93
305-6	Emissions of ozone-depleting substances (ODS)	Sustainability Report	104
	MATERIAL ASPECT: EFFLUENTS AND WASTE (GRI 306: 2016)		
103-1	Explanation of the material topic and its Boundary	Sustainability Report	12-15, 54
103-2	The management approach and its components	Sustainability Report	12-15, 38-39, 56-57
103-3	Evaluation of the management approach	Sustainability Report	12-15, 38-39, 56-57
* 306-2	Waste by type and disposal method	Sustainability Report	106-109, 124
306-3	Significant spills	Sustainability Report	133
	MATERIAL ASPECT: LOCAL COMMUNITIES (2016)		
103-1	Explanation of the material topic and its Boundary	Sustainability Report	12-15, 70
103-2	The management approach and its components	Sustainability Report	12-15, 38-39, 72-73
103-3	Evaluation of the management approach	Sustainability Report	12-15, 38-39, 72-73
	OCCUPATIONAL HEALTH & SAFETY (GRI 403: 2018)		
401-1	New hires and turnover	Annual Report and Accounts 2019	42-44
403-1	Occupational health and safety management system	Sustainability Report	133
403-2	Injury rate, absentee rate and number of work related fatalities	Sustainability Report	133
403-8	Workers covered by an occupational health and safety management system	Sustainability Report	133
403-9	Work-related injuries	Sustainability Report	133
	SOCIAL PERFORMANCE MEASURES (2016)		
404-1	Employee training and development	Sustainability Report	127-129
404-3	Employee performance appraisals	Sustainability Report	128
405-1	Employee gender diversity	Sustainability Report	128-129
416-1	Asset health and safety assessments	Sustainability Report	131-132
416-2	Asset health and safety compliance	Sustainability Report	131-132
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Report	116-119

* Data assured by Deloitte LLP. This assurance statement is available on the Positive Places website: http://sustainability.hammerson.com/monitor-and-evolve/gri-disclosures.html

3.9 GHG Emissions factors

Carbon emission factors 2019

TABLE 3.10.1

	LOCATION BASED	MARKET BASED RESIDUAL	SOURCE
Electricity kgCO2e/kWh			
UK	0.25560	0.39053	DEFRA
Ireland	0.37990	0.76108	IEA
France	0.06940		IEA
Gas kgCO2e/kWh			
UK	0.18385		DEFRA
Ireland	0.18385		DEFRA
France	0.18385		DEFRA
Diesel kgCO2e/kWh			
UK	0.24462		DEFRA
Ireland	0.24462		DEFRA
France	0.24462		DEFRA
District Cooling kgCO2e/kWh			
Westquay Shopping Centre	0.076		Engie
District Heating kgCO2e/kWh			
Westquay Shopping Centre	0.191		Engie
Cergy 3	0.166		Regional Govt figures
Les 3 Fontaines	0.166		Regional Govt figures
Italie 2	0.172		Regional Govt figures
Waste kgCO2e/tonne			
Recycling	21.354		DEFRA
Energy Recovery	21.354		DEFRA
Landfill	99.759		DEFRA
Composting	10.204		DEFRA
Water kgCO2e/m3			
Municipal Water Supply	0.344		DEFRA

3.10 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.

Phase one Net Positive portfolio
All real assets in which we have a direct equity holding and operational control.

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

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.

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

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